



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

2013/14

Annual Report



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PART A: GENERAL INFORMATION



1. GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

ABBREVIATION	MEANING/DESCRIPTION
AAMC	Audit Action Monitoring Committee
AC	Audit Committee
ACSA	Airports Company of South Africa
AIDS	Acquired Immunodeficiency Syndrome
AFDB	African Development Bank
AFIS	Automated Finger Identification System
AFS	Annual Financial Statements
ALO	Airline Liaison Officers
APP	Annual Performance Plan
APP	Advance Passenger Processing
ASM	Asylum Seekers and Refugees Management
AUC	African Union Commission
AGSA	Auditor-General of South Africa
ASM	Asylum Seekers and Refugees Management
AO	Accounting Officer
ARV	Anti-Retroviral
BAC	Bid Adjudication Committee
BAS	Basic Accounting System
BCOCC	Border Control Coordinating Committee
BEC	Bid Evaluation Committee
BMA	Border Management Agency
BMD	Birth Marriage Death
BRC	Back Record Conversion
BBBEE	Broad-Based Black Economic Empowerment
CARA	Criminal Asset Recovery Account
CAE	Chief Audit Executive
CBD	Central Business District
CFO	Chief Financial Officer
COO	Chief Operations Officer
CORE	Code of Remuneration
CoRMSA	Consortium for Refugees and Migrants in South Africa
CRVS Conference	Civil Registration & Vital Statistics Conference
CSC	Customer Service Centre
CSOs	Control Security Officers
CT	Cape Town
CTIA	Cape Town International Airport

ABBREVIATION	MEANING/DESCRIPTION
DDG:CS	Deputy Director-General: Civic Services
DDG:HR	Deputy Director-General: Human Resources
DDG:IMS	Deputy Director-General: Immigration Services
DDG:CC&SS	Deputy Director-General: Counter Corruption and Security Services
DDG:IS	Deputy Director-General: Information Services
DDG:LA	Deputy Director-General: Learning Academy
DG	Director-General
DHA	Department of Home Affairs
DHA-1590	Asylum Seekers Eligibility Form
DIRCO	Department of International Relations and Cooperation
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DRC	Democratic Republic of Congo
DZP	Documentation of Zimbabweans Project
EDMS	Electronic Document Management System
EMCS	Enhanced Movement Control System
EU	European Union
EXCO	Executive Committee
FIFA	Federation of International Football Association
FIFO	First-in First-out
FOC	Foreign Office Coordination
FPB	Film and Publication Board
G&A	Governance and Administration
GCIS	Government Communication and Information System
GPW	Government Printing Works
HANIS	Home Affairs National Identification System
HIV	Human Immunodeficiency Virus

ABBREVIATION	MEANING/DESCRIPTION
IAB	Immigration Advisory Board
IACF	Inter-Agency Clearing Forum
ICT	Information Communication Technology
ICTS	International Cooperation, Trade and Security
ID	Identity Document
IEC	Electoral Commission
IFMS	Integrated Financial Management System
IRE	Integrated Receipting Engine
IT	Information Technology
JCPS	Justice, Crime Prevention and Security Cluster
KPI	Key Performance Indicator
KSIA	King Shaka International Airport
LOGIS	Logistical Information System
LRB	Late Registration of Birth
MCS	Movement Control System
M&E	Monitoring and Evaluation
MIDSA	Migration Dialogue for Southern Africa
MISS	Minimum Information Security Standards
MoU	Memorandum of Understanding
MMM	Ministerial Management Meeting
MMS	Middle Management Services
MSP	Master System Plan
MPSS	Minimum Physical Security Standards
MTEF	Medium Term Expenditure Framework
NCOP	National Council of Provinces
NDP	National Development Plan
NIS	National Identity System
NIIS	National Immigration Information System
NRF	National Revenue Fund
NPR	National Population Register
NPR Campaign	National Population Register Campaign
NT	National Treasury
ORTIA	

ABBREVIATION	MEANING/DESCRIPTION
ORTIA	OR Tambo International Airport
OVS	Online Verification System
OHS	Occupational Health and Safety
PERSAL	Personnel and Salaries
PFMA	Public Finance Management Act
PMDS	Performance Management Development System
PoE	Port of Entry
PMO	Project Management Office
PPPFA	Preferential Procurement Policy Framework Act
PR	Permanent Residence
PRP	Permanent Residence Permit
PSL	Premier Soccer League
PSR	Public Service Regulations
PSSC	Public Security Sub Committee
QMS	Queue Management System
RAB	Refugee Appeal Board
RCSSC	Refugee Commissioners Sub Committee
RMC	Risk Management Committee
RRO	Refugee Reception Office
RSA	Republic of South Africa
RSDC	Refugee Status Determination Committee

ABBREVIATION	MEANING/DESCRIPTION
SA	South Africa
SAA	South African Airways
SABC	South African Broadcasting Corporation
SABRIC	South African Banking Risk Information Centre
SADC	Southern Africa Development Community
SAPO	South African Post Office
SAPS	South African Police Service
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SCRA	Standing Committee on Refugee Affairs
SDC	Status Determination Committee
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SHE	Safety Health and Environment
SLA	Service Level Agreement
SMART	Specific, Measurable, Achievable, Realistic, Time bound
SMME	Small, Medium and Micro-Enterprises
SMS	Senior Management Service
SOPM	Standard Operating Process Manual
SOPs	Standard Operating Procedures
SORAA	Somali Refugee Aid Agency
SSA	State Security Agency
Stats SA	Statistics South Africa
STI	Sexually Transmitted Infections

ABBREVIATION	MEANING/DESCRIPTION
TAU	Technical Assistance Unit
TB	Tuberculosis
TCC	Tax Clearance Certificate
T&T	Track and Trace
ToR	Terms of Reference
TR	Temporary Residence
TRP	Temporary Residence Permit
TRV	Temporary Residence Visa
TTP	Trusted Traveller Programme
TIRRO	Tshwane Interim Refugee Reception Office
UK	United Kingdom
UNECA	United Nations Economic Commission for Africa
UNHCR	United Nations High Commissioner for Refugees
UPS	Uninterrupted Power Supply
VFS	Visa Facilitation Services
VoIP	Voice Over Internet Protocol
VPN	Virtual Private Network
VSAT	Very Small Aperture Terminal
WAIO	Who Am I Online



Minister of Home Affairs
Malusi Gigaba



3. FOREWORD BY THE MINISTER OF HOME AFFAIRS

The Department of Home Affairs is a large national department that touches the lives of all South Africans and many foreign nationals. Its mandate is to secure and validate identity and nationality and to regulate and facilitate immigration. It has approximately 10 000 officials and 404 front offices. These offices can be found in the remotest areas, at land, sea and air ports, and at the consulates of foreign missions; and include mobile offices (trucks).

Home Affairs is both a security and a service-delivery department and the two are interdependent. Without a secure National Population Register our birth certificates and identity documents would lose all their value and no other country would accept our passports. Every person living in South Africa would be at risk if there were no effective controls at ports of entry or enforcement of immigration laws. Just as seriously, we would not attract or retain foreign nationals with the critical skills needed to expand our economy and few tourists or investors would visit us.

Excellent work is being done in challenging circumstances by the great majority of Home Affairs officials, who are ethical, patriotic and professional. Customer satisfaction surveys indicate that most citizens are satisfied with our services.

Analysis of complaints and the horror stories which command attention indicates that there is a smaller but important minority of cases where we let our clients down. It is with this in mind that I have embarked on an internal drive to make clear that leadership, professionalism and quality service to our people are my non-negotiable expectations of every Home Affairs employee, in every client interaction.

The unfavourable audit opinion indicates that areas such as governance, leadership and management have not been given adequate attention and must be addressed urgently. Weak controls are a security issue as there are some officials who collude with criminal syndicates to steal identity and even citizenship. Robust and visible action will be taken to

combat fraud and corruption and weak management. The public can, and must, play an important part in securing our systems by reporting crime and by respecting immigration law.

A major strategic goal in the Annual Performance Plan over the reporting period, and going forward, is digitising Home Affairs processes and procedures. The programme aimed at creating an efficient, paperless environment began with the equipping of offices to issue smart ID cards and passports using new processes. This is part of building a comprehensive national identity system that uses biometrics to secure the identity of all who live in South Africa. Benefits will include the delivery of services by government that are faster, more secure and cost-effective. These benefits, which will improve all of our lives, depend on all citizens working together with us to defend our identities and citizenship. We call on all South Africans to: value South African citizenship, by helping combat fraud and keeping identity documents safe; register births at the hospital immediately after birth or within 30 days; and apply for ID at 16 years of age.

A priority in the coming months is the introduction of new processes and technology at ports of entry and in the issuing of visas and permits. The new Immigration Regulations will end abuses of the system and improve efficiency. By the end of 2015/16 financial year we will establish a viable Border Management Agency that will ensure effective cooperation across the many departments active in controlling the border. At the level of policy, Home Affairs must lead a serious and thoughtful national conversation about how South Africans should perceive and manage immigration. Discussions with a wide range of stakeholders will be initiated in 2014.

I would like to thank the chairperson and members of the Portfolio Committee of Home Affairs for their valued and consistent support.

Malusi Gigaba
Minister of the Department of Home Affairs





Deputy Minister of Home Affairs
Fatima Chohan



4. DEPUTY MINISTER'S STATEMENT

The objectives of the department over the reporting period remain focused on realising its vision of "A safe, secure South Africa where all of its people are proud of, and value, their identity and citizenship". A National Population Register, and by extension all identity documents, is only as secure as all the processes that feed information into it.

The ministry actively supported the implementation of key strategies to secure the identity and status of citizens. These include, among others, the registration of birth within 30 days and the drive to ensure that all young people apply for IDs when they are 16 years of age. To this end there were engagements with communities and stakeholders across the country in order to enlist their active support in ensuring that every citizen is accorded the status to access the rights that they are entitled to.

At the level of policy, legislation and systems, attention was focused on developing an effective set of regulations and procedures for the implementation of the amended Births and Deaths Registration Act. There were also positive engagements with religious leaders about strengthening the registration of marriages in accordance with the constitutional and security imperatives.

Strengthening the immigration system was a priority over the reporting period. One measure was to draft regulations that will ensure the effective implementation of the

amended Immigration Act. There were also engagements with communities of South Africans and foreign nationals, such as refugee women, to strengthen mutual co-existence and social cohesion.

The department also played a significant role in the implementation of the Angolan cessation. Angolans who had been accorded refugee status were processed in accordance with agreements reached with the Angolan government, relevant international bodies and South African and international laws.

Many of the immigration challenges faced by South Africa and its SADC partners require bilateral and multilateral cooperation. The department and ministry participated in various forums in this regard and there were visits to Tanzania and Kenya to discuss specific concerns with counterparts.

It has been an enriching and rewarding period with many successes. We are pleased to report the activities of the department under the able leadership of the Minister of Home Affairs and the Director-General and his team of dedicated officials.

Fatima Chohan
Deputy Minister of the Department of Home Affairs



5. REPORT OF THE ACCOUNTING OFFICER

5.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

5.1.1 Introduction

The Department of Home Affairs essentially is responsible for determining and recording the identity and status of all people living in South Africa and issuing documents that affirm this. The Civic Affairs branch is the custodian of the National Population Register (NPR) which contains the records of all citizens and permanent residents, including changes in status such as marriage and death. Services to citizens include issuing enabling documents after their status is confirmed, such as birth and death certificates and travel documents. The verification of identity is a service that is also rendered to all government institutions, banks and other private sector institutions.

The Immigration Affairs branch determines the status and identity of foreigners, regulates immigration through the permitting and movement control systems and provides consular services abroad. Immigration officers are present at ports of entry and regional offices in provinces. The branch also has an Inspectorate function which is responsible for enforcing the Immigration Act and Regulations. Immigration Affairs is also responsible for processing and determining the status of asylum seekers and refugees and operates centres nationally in this regard.

Civic Affairs collects fees for its services at 404 front line offices and Immigration Affairs is responsible for the collection and administration of fees, guarantees, deposits and refunds. Immigration Affairs thus operates an immigration control account in terms of the Immigration Act. One purpose of the account is to ensure that a citizen of a foreign state visiting South Africa will have sufficient means to support himself or herself while in the Republic. Deposits are refundable to the depositor if certain conditions are met. During the 2011/12 financial year, the department promulgated an Immigration Act, 2011 (Act No. 13 of 2011). In terms of the amended Immigration Regulations Act, the payment of repatriation deposits is no longer a requirement. In this regard, the Act came into operation by means of a proclamation on 26 May 2014.

With regard to services rendered abroad, the department is currently represented in 39 missions and is assisted by the Department of International Relations and Cooperation (DIRCO) where it is not represented. The Head of the Mission, who is a DIRCO official, is responsible for the overall management of the mission including the activities of Home Affairs,



Director-General of Home Affairs
Mkuseli Apleni

where the department has no representation. DIRCO also collects revenue at the missions on behalf of the department and administers the department's operational expenses at the missions on a cost recoverable basis. This arrangement is managed through a memorandum of understanding signed between the two departments.

Furthermore, the Minister of the Home Affairs has an oversight over three statutory bodies, namely the Immigration Advisory Board, Refugee Appeal Board and Standing Committee on Refugee Affairs. The main responsibility of these bodies is to assist the department in discharging its mandate with regard to the Immigration and Refugee Acts.

5.1.2 Results and challenges

For the fourth time, on 7 May 2014, the identity documents issued against the National Population Register (NPR) were used to ensure that all eligible citizens could exercise their right to vote. In the months leading up to election DHA officials conducted outreach campaigns aimed at providing documents to citizens who remained without birth certificates and IDs. Mobile offices were deployed and stakeholder forums assisted in identifying communities and individuals who needed these services. The department worked closely with the Electoral Commission (IEC) over this period and one of the measures taken was to extend the opening hours of offices on the days when voter registration took place, as well as on election day.

The reach of the department was extended over the reporting period by the launch of eight additional stakeholder forums and the connection of 44 more health facilities to assist parents to register the birth of their children within 30 days as legally prescribed. The practice of late registration of birth (LRB), one of the persistent legacies of colonialism and apartheid, will be terminated in December 2015. There are citizens, for example on farms and in institutions, who still cannot exercise all their rights because their birth is not recorded. We urge all relevant organisations to cooperate with the department and ensure that every one of these people is identified and assisted. In this regard, the DHA signed a memorandum of understanding (MOU) with AgriSA. A strategy for the eradication of LRB has been developed and is being implemented.

One of the largest gatherings of world leaders ever held took place to commemorate the life of former president Mandela. The immigration officials and systems of the DHA performed excellently and helped ensure that visitors were efficiently and securely processed through ports of entry. It should be appreciated that since 1994 the number of travellers that enter and exit through our 72 ports of entry has risen, and in 2013/14 over 39 million such transactions were recorded on the movement control system (MCS) by immigration officers. The

enhanced real-time eMCS introduced at key ports of entry ahead of the 2010 FIFA World Cup was extended to a further 13 ports over the period and earmarked funding used to improve infrastructure and accommodation at 11 ports.

Over the past two years the capacity of the DHA at ports of entry, and in particular sea ports, has been significantly increased and projects have been undertaken to build the state machinery needed for South Africa to manage its border environment securely and efficiently. Following a Cabinet decision that the DHA lead in the establishment of a Border Management Agency (BMA), a project manager was appointed and a project office established. Coordinating and oversight structures for the project have been established at the level of Ministers and Directors-General. As a model of how an integrated agency should operate, the establishment of a Port of Entry Control Centre at Cape Town Harbour commenced, which will accommodate all departments and agencies involved in processing vessels, people and goods and provide a secure one-stop service for passengers. The facility was opened on 2 May 2014 by the Ministers of Home Affairs and Finance; and the facility is expected to contribute to tourism and the efficient processing of goods, thus creating more jobs.

The 2013/14 financial year has been very significant for the department in terms of looking back over the past 20 years and looking forward to achieving a level of service that is modern, effective and secure. In this regard, the most important development over the reporting period was the launch of the smart ID card after the design and development of systems. This involved the reconfiguring and refurbishing of 70 offices so that they can move from largely paper-based processes to fully digital systems. This was a significant technical achievement for the DHA and its partners and for South Africa.

The smart ID card has advanced security features and has won an international award for its design, which was delivered over a shorter period than was the case in most other countries. The target of producing the first 100 000 cards was achieved. The phased replacement of the much less secure green ID book is but one element of a five-year modernisation programme that will radically change the DHA in terms of people, systems and its operating model.

The vote of the DHA is divided into three programmes: Administration, which includes large IT systems; Citizen Affairs, which includes transfers to the three entities (IEC, GPW and the FPB); and Immigration Affairs. The 38 targets in the Annual Performance Plan cover key operational areas, such as the provision of IDs and passports, and development projects. The distribution of targets between the three programmes reflects the strategic priorities of the department as shown in the table below, which also shows how many targets were achieved. The bulk of targets (38) are divided equally between Administration, which covers part of the Modernisation programme, Immigration Affairs and Civic Affairs, which

has largely stabilised and its targets are mostly achieved or were nearly achieved, as in the case of the issue of IDs and passports. Immigration is a complex environment and has been relatively under-resourced for the past 20 years; mainly due to the need to establish sound civil registration and extend services to all citizens.

Table 1: Programme targets achieved

PROGRAMME	TARGETS	ACHIEVED	NOT ACHIEVED	% ACHIEVED
Administration	14	7	6	50%
Citizen Affairs	10	7	3	70%
Immigration Affairs	14	6	8	43%
Total	38	20	17	53%

Overall, a total of 53% of targets was achieved. This is still far too low a success rate, but it is an improvement on the 26% of targets achieved in the 2012/13 financial year. Although the department did not achieve 37% of its set targets, significant progress was made on the following targets: the target for the first issues of IDs was 95% issued within 54 working days and 92% was achieved; manual passports 95% issued within 24 working days and 94% was achieved; digital live capture passports 97% issued within 13 days and 96% achieved; immigration policy proposals drafted and submitted for approval; and 86% of invoices paid within 30 days as against the target of 100%. Following the Turnaround programme launched in 2007, the greatly reduced delivery times for these services has fluctuated within acceptable limits given the out-dated systems that are still being used.

As explained in the sections on programme performance, some of the targets were not achieved. This was largely due to the cost of rolling out the smart ID card being greater than was expected. Some elements of the budget therefore had to be re-prioritised and the targets accommodated in the next phase of the modernisation programme.

With regard to financial management, the two major problems that confronted the department related to assets and revenue. In both areas the department engaged with National Treasury and a way forward was agreed on. Of particular concern were transactions abroad that involve the DIRCO. Unfortunately, the measures agreed on could not be implemented during the period under review for technical reasons that will be addressed going forward.

The department also consulted National Treasury in cases where there was a deviation from normal tender procedures. The reasons given by the DHA were accepted by National Treasury and this was taken into account by the Auditor-General in the course of the audit. Going forward, the department will ensure that the Auditor-General is kept informed of such developments from the outset.

In the immigration environment the most urgent priorities related to permitting, asylum seeker management and enforcement. With regard to legislation, regulations were drafted and published for comment and this has enabled the implementation of the Immigration Act as amended in 2011. The amendments close loopholes, streamline processes and introduce tougher penalties for fraud and corruption, thus enhancing efficiency and security. They also introduce a critical skills list that will be gazetted from time to time after due consultations.

An increase of capacity and efficiency has seen permitting backlogs greatly reduced and some categories of permits are being issued within the stipulated norm. A dedicated unit ensures that permits to meet the skills needs of national priority projects are generally issued within two weeks or less. In the short to medium term much greater efficiency gains are expected from the introduction of automation and a partnership with a visa facilitation service, coupled with the implementation of the 2011 Immigration Act.

The main challenge with regard to the processing of asylum seekers is the pressure created by historic flows of migrants within Southern Africa Development Community (SADC) who use asylum-seeking permits as de facto work permits. There is also the activity of syndicates who smuggle migrants from outside southern Africa and Africa under the guise of claiming asylum. Many then seek to regularise their stay through fraudulent marriages and other means. The DHA and its partners in government are addressing these complex challenges on a number of levels: policy, legal, operational and diplomatically. An important step taken to support the consideration of policy options by government was to commission the Human Sciences Research Council (HSRC) to undertake a baseline study of the state of immigration. A serious limiting factor in terms of enforcement is that there are fewer than 700 immigration inspectors available nationally to enforce immigration legislation. This is one of the reasons why the DHA is in the process of reviewing its funding and operational models.

The auditors acknowledged that there has been an improvement in the formulation of targets.

5.2 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

5.2.1 Departmental revenue

During the 2013/14 financial year the department initially received a budget allocation of R6,568 billion. However, during the adjustment estimate an additional amount of R427 million was received for self-financing. As reported in the previous financial

year, the department had an intention to establish a trading account, however due to unforeseen complexities, the idea was abandoned. The purpose of the trading account was to retain revenue generated from issuing enabling documents for the defrayment of certain expenses incurred in generating the revenue. During the year under review, while an appropriate vehicle is being explored, it was resolved that the department would still be able to retain revenue collected, hence the additional allocation. In this regard, the additional funding was allocated for cash in transit, printing costs, courier services,

smart ID cards for 16 year olds and above first-time recipients of an ID, replacement of the green bar-coded for 60 year olds and above, as well as for enhancement of offices in line with the smart ID card rollout. These adjustments resulted in a final budget allocation of R6, 995 billion. The department also collected its own revenue amounting to R742 million. Therefore the revenue for the 2013/14 financial year including voted and non-voted funds, amounts to R7,737 billion as explained below:

Table 2: Annual appropriation – R6,995 billion

BASELINE ALLOCATION ALLOCATED BY NATIONAL TREASURY	2013/14 R'000	2012/13 R'000
Baseline amount	6 567 769	5 296 269
Home Affairs functions	4 771 910	4 335 450
Electoral Commission	1 579 179	756 228
Film And Publication Board	82 675	69 372
Government Printing Works	134 005	135 219
Additional funds	426 948	47 619
Home Affairs functions	426 948	41 228
Electoral Commission	-	5 928
Film And Publication Board	-	463
Sub total	6 994 717	5 343 888
Reduction (IT modernisation)	-	(100 000)
Final appropriation	6 994 717	5 243 888

The department received a budget allocation of R6,995 billion for the 2013/14 financial year after adjustment estimates inclusive of funding for the Electoral Commission (IEC), Film and Publication Board (FPB) and Government Printing Works (GPW). This is split below as follows:

The budget allocation has therefore increased by 33.4% (R6,995 billion - R5,244 billion = R1,751 billion) as against the previous financial year. The increase can mainly be

attributed to the following: the transfer of Border Post infrastructure fund from Department of Public Works (R130 million); additional allocation for the DHA modernisation project (R134 million); self-financing amount (R426 million); allocation for Political Parties Fund (R115 million); escalation for property rent payments (R134 million); hosting of African Nations Championship (R6 million); IEC preparations for the 2014 national and provincial elections (R707 million) as well as adjustment for inflation.

Table 3: Departmental Revenue – R742 million

Departmental receipts	2013/14			2012/13		
	Estimate	Actual	(Over)/Under collection	Estimate	Actual	(Over)/Under collection
		Amount collected			Amount collected	
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	766 470	673 780	(92 690)	3 223	628 114	624 891
Fines, penalties and forfeits	47 652	61 201	13 549	25 817	43 380	17 563
Interest, dividends and rent on land	442	509	(67)	154	385	231
Sale of capital assets	1 832	46	(1 786)	2 228	2 420	192
Financial transactions in assets and liabilities	1 250	6 069	4 819	5 356	7 772	2 416
Total	817 646	741 605	(76 041)	36 778	682 071	645 293

Departmental revenue is derived from services rendered to citizens and foreign visitors according to approved tariffs. Services to citizens range from the issuing of birth registration certificates, to identification books and passports. Services provided to foreigners include the issuing of visas, permits and permanent residence certificates. Furthermore, the department imposes fines on individuals, as well as on local and foreign transportation carriers, where a transgression in terms of the Immigration Act has occurred. However, the department only recognises the revenue upon receipt of the payment of the fine.

The increase in revenue on sales of goods and services other than capital assets can be attributed to the improvement of operations in managing the collection and recording of revenue from DIRCO.

The department's revenue in foreign missions is collected through DIRCO and recognised in the books of DHA on receipt of the supporting documents and not when cash is received. This is necessitated by the delay in receiving supporting documents from the missions via DIRCO. Since this process is not in line with the framework for the preparation of financial statements, National Treasury was approached to approve an accounting policy to cater for this anomaly. In this regard, in the 2011/12 financial year, National Treasury approved the department's accounting policy, which provided for the treatment of revenue in the following manner:

- (i) Cash collected by DIRCO from foreign missions on behalf of DHA is recognised as revenue when the following conditions are met:
 - complete, accurate and valid supporting documents for the transactions are obtained from DIRCO, and
 - cash relating to the verified supporting documents is received by DHA.

A payable is recognised in instances where:

 - cash is received from DIRCO without the corresponding supporting documents;
 - documents are not validated for accuracy and completeness at the time of publishing the accounts; and
 - where cash received is not yet allocated to the respective accounts.

Payables are disclosed as Intergovernmental Payables in Note 15.
- (ii) A receivable is recognised to the extent that it relates to amounts due to DHA from DIRCO, evidenced by complete, accurate and valid supporting documents, but for which no cash has been received from DIRCO, and is disclosed as Claims Recoverable in Annexure 3.
- (iii) Revenue collected by DIRCO but for which the corresponding supporting documentation and cash has not been received by DHA, is disclosed as a Contingent Asset in disclosure note 18 to the Annual Financial Statements.

5.2.2 Virements

During the year under review, the department shifted funds between programmes/economic classification in line with the PFMA and the set threshold of 8% was not exceeded. The funds were then utilised as per the table below:

Table 4: Programme funding

Items	PROGRAMMES			
	Administration	Citizen Affairs	Immigration Affairs	Total
	R'000	R'000	R'000	R'000
Compensation of employees	(27 285)	(70 946)	(5 686)	(103 917)
Goods and services	274 826	(44 745)	180 087	410 168
Interest and rent on land	–	–	–	–
Transfers and subsidies	(1 419)	7 033	463	6 077
Payment for capital assets	(313 225)	1 500	(703)	(312 428)
Payment for financial assets	100	–	–	100
Total	(67 003)	(107 158)	174 161	-

5.2.3 Programme expenditure

Table 5: Programme expenditure

Programme Name	2013/14			2012/13		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration	1 825 084	1 823 278	1 806	1 616 723	1 476 591	140 132
Programme 2: Citizen Affairs	4 347 984	4 347 636	348	2 951 269	3 177 492	-226 223
Programme 3: Immigration Services	821 649	821 638	11	675 896	750 199	-74 303
Total	6 994 717	6 992 552	2 165	5 243 888	5 404 282	-160 394

During the year under review, the department underspent its allocation by 0.10% (R2,2 million), which can be attributed to delays in receiving invoices in respect of our IT modernisation project. This shows an improvement in the implementation of the programmes of the department as well as improved systems in the management and control of resources. However, it is important to note that the over-expenditure of the previous year was of a technical nature due to non-implementation of the trading account, which was going to provide the department with the option of retaining the revenue collected to defray certain operational expenses. The postponement resulted in the department depositing revenue collected to National Revenue Fund and allocating the expenditure incurred against its budget allocation as the process of adjustment estimates was already closed. This matter has been resolved in the 2013/14 financial year as the department received an additional allocation of R427 million as explained in 5.2.1.

5.2.4 Rollover

Although the department has underspent its budget for the 2013/14 financial year by 0.10% as explained in note 5.2.3 above, no request for a roll-over will be submitted. During the previous financial year, the department reported that although the budget for the 2012/13 financial year was overspent, it had to return R140 million, which was earmarked for IT modernisation. However these funds were utilised to reduce over-expenditure, hence the recorded over-expenditure per appropriation statement was R160 million as against the reported unauthorised expenditure of R301 million. It is prudent to report that an approval was granted by National Treasury not to return the funds and for the funds to be utilised to regularise the over-expenditure.

5.2.5 Lease payments

During the year under review, the department hired photocopiers through a finance lease arrangement as well as a forklift.

5.3 UNAUTHORISED EXPENDITURE

During the year under review, the department did not incur any unauthorised expenditure; therefore the balance remains R1,088 billion. The unauthorised expenditure of R99,9 million, which relates to the 2005/06 financial year was approved by SCOPA. However, there was a delay in the proclamation of the finance bill. It is important to note that R53 million of the R99,9 million was condoned with a provision that it must be funded within the budget allocation of the department.

With regard to the balances of R687,3 million reported in the 2010/11 financial year and R301 million reported in the 2012/13 financial year, the department submitted a request to National Treasury for the tabling of these amounts in various oversight committees to be considered. The response to this request is still awaited, however the department consulted with National Treasury and in principle support was received with regard to the funding of the unauthorised expenditure through a finance bill.

5.4 IRREGULAR EXPENDITURE

During the year under review, the department incurred irregular expenditure to the value of R770 000 as against R4,3 million in the previous financial year. The decrease can be attributed to improvement of controls and understanding of the various prescripts

governing the procurement issues. However, the main contributing factor is still the utilisation of service providers beyond their contract period and obtaining one quotation instead of three quotes from different suppliers.

5.5 FRUITLESS EXPENDITURE

A total amount of R142 000 has been recorded as fruitless expenditure as a result of interest paid on overdue accounts (R77 000) and accommodation (R65 000) booked for officials and subsequently cancelled as a result of competing departmental needs. These cases have been referred to the Loss Control Committee for their consideration. Depending on the recommendations of the committee, any official responsible for fruitless expenditure will be held accountable for the loss.

5.6 FUTURE PLANS OF THE DEPARTMENT

As explained above, the primary objective of the DHA is to secure identity and immigration and to deliver related services that support the achievement of national goals; including security goals and quality service delivery to all citizens.

In support of achieving the outcomes of government and the National Development Plan, the DHA has identified the following priorities over the next 3 - 5 years:

- Effective management of immigration to contribute to security and development. This includes launching a national discussion on immigration policy based on the review that has been conducted and leading the establishment of a Border Management Agency.
- Establish a comprehensive and secure National Identity System (NIS) that will support more secure, efficient and less costly delivery of services by government and private sectors.
- Modernise Home Affairs through investing in people, processes and technology.
- Improve service delivery and promote good governance and administration.
- Develop officials who are ethical, patriotic and professional.
- Visible and firm action in the fight against corruption.

The department needs to balance its security and service delivery functions. The DHA must be a secure department that has the capability to manage risks in terms of legislation, staffing, systems, culture and organisation. Security aspects need urgent attention; yet major efforts will also be made to improve service delivery and access. Failure to deliver services in itself generates security risks. The department intends to be fully integrated

into the security cluster (JCPS); while continuing to develop its relationships with a wide range of state, civil society and international stakeholders and partners.

The on-going modernisation of systems is a critical enabler of security and service delivery. However, going forward, success will be largely dependent on building a cadre of officials who are patriotic, disciplined, security-conscious, professional and humane.

5.7 ACTIVITIES DISCONTINUED/TO BE DISCONTINUED

The department engaged in a process of reviewing the Immigration Act, which resulted in the promulgation of the amended Immigration Act, 13 of 2011 and it was assented to on 26 August 2011. The Act and the Regulations came into operation by means of a proclamation as at 26 May 2014. In terms of the Act, the levying of administrative fines (section 50) and the payment of repatriation deposits are no longer a requirement. In this regard, the requirements for the amended Immigration Act and Regulations are as follows:

(a) Administration fines

Section 25 of the amended Immigration Act states that any foreigner who leaves the Republic after the expiry of his or her visa shall be dealt with in terms of section 30(1)(h), in which they will be deemed undesirable persons by the Director General as prescribed. After such declaration such persons do not qualify for a visa, temporary or permanent residence permit and admission into the Republic.

(b) Repatriation deposits

With regard to the repatriation deposits, Immigration Regulation 11(1)(b)and(c), 2014 states that an applicant for a visitor's visa not exceeding a period of three months shall submit a valid return air flight ticket or proof of purchase thereof and proof of sufficient financial means contemplated in sub-regulation 3.

(c) Challenges and interventions

Considering the complexities faced by the department with regard to the reconciliations of the revenue account with particular reference to the split of revenue items into repatriation and fines, and the accuracy of the fines issued by various systems as well as the probability of collecting the outstanding fines, the department approached National Treasury with the following recommendations, which were duly approved:

- Repatriation deposits and fines in terms of section 50(1) of the Immigration Act be recognised as revenue and any valid claim for refunds be processed against NRF;
- The immigration control account be closed and the balance be transferred to the NRF; and
- The balance of outstanding fines as at 31 March 2013 as reflected in the disclosure notes of the Annual Financial Statements note 23 for section 50(1) of the Immigration Act and uncollected fines issued until the implementation of the new immigration regulations be written off.

Unfortunately, the measures agreed upon in bulletts 1 and 2 above could not be implemented during the period under review for technical reason that will be addressed going forward.

5.8 NEW PROPOSED ACTIVITIES

5.8.1 Border Management Agency

It has long been recognised that a Border Management Agency (BMA) is needed to coordinate the functions of the many departments active in the border environment. The South African National Defence Force (SANDF) is mainly responsible for securing the border line. At ports of entry the key departments are the DHA, which secures and facilitates the movement of persons; SARS deals with the movement of goods; SAPS enforces the law and maintains public order; and the departments of agriculture, health and transport have regulatory roles.

The State Security Agency (SSA) plays a vital cross-cutting role and there are other role players, such as National Treasury and the Department of Public Works (DPW).

The DHA has been given the responsibility of establishing a Border Management Agency. The BMA will be responsible for the entire border environment and its function will be to ensure coordination, oversight, control and effective management. The BMA will enable integrated operations within a strong legal framework.

In the case of the DHA, it is envisaged that the Port Control Chief Directorate will be ceded to the BMA. The BMA will be fully operational in 2016 and interim arrangements will be put in place that will incorporate existing measures. A project manager has been appointed to drive the process, which will involve a collaborative effort by all departments involved. The funding requirements will be submitted to National Treasury based on the kind of business model that is adopted.

5.8.2 Visa facilitation centres

The department is responsible for administering the Immigration Act and regulating the admission and stay of foreign nationals in the Republic. In this regard, the department must establish simple, flexible, responsive processes to administer the whole value chain. This will enhance security and support development. The National Development Plan emphasises the importance of immigration in domestic and regional development. The role of the DHA is to facilitate immigration and the movement of persons across borders in support of faster and more inclusive economic growth.

The department has severe capacity and systems constraints with regards to efficiently managing the processing of visas and permits. Non-achievement of turn-around times and recurring backlogs have a negative impact on the growth of the economy. To address some of the challenges, a decision was taken to form a partnership with a Visa Facilitation Service which would establish 11 Visa Facilitation Centres throughout the country. These centres will provide an efficient and secure service delivery channel for clients to submit applications and collect outcomes. The costs of these services will be borne by the clients.

5.9 SUPPLY CHAIN MANAGEMENT

During the year under review, the department approved 34 deviations from normal tender procedures amounting to R898 million. The reasons were for the maintenance of the legacy systems (National Population Register, HANIS and NIIS) of which skills are no longer easily available in the market (R223,5 million); services being rendered by sole suppliers (R129,4 million); extension of contract terms due to the failed tender process (R146,7 million); services critical for the delivery of the DHA modernisation project in a secured manner or emergency basis (354,7 million) and extension of contracts for service continuity while IT modernisation is implemented (R43,9 million); and matters of emergency.

The amount for the deviations is further split per branch as follows; IT (R600,1 million), Counter Corruption and Security (R117 million), Civic Services (R44,6 million), Immigration Affairs (R34,6 million), Communication (R1,7 million), Legal Services (R26,1 million), Learning Academy (R1,3 million) and Finance (R72,7 million). All these deviations were processed through the departmental Bid Adjudication Committee and approved by the Accounting Officer after due consideration; and also submitted to National Treasury.

5.10 GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

5.10.1 Document verification machines

The department entered into a partnership with the United Nations Office on Drugs and Crime (UNODC) to implement a programme aimed at strengthening law enforcement capacity and criminal justice response to the smuggling of migrants and trafficking of children and other persons. The key outcome of the programme is to improve knowledge and skills in the detection of fraudulent, false or stolen travel documents. In this regard, UNODC procured and installed document verification equipment in certain identified ports of entry and the maintenance and upgrade of software is their responsibility.

5.10.2 Cooperation agreement with Old Mutual

The department entered into a cooperation agreement with Old Mutual regarding the sharing of information to fight the scourge of identity theft, enhance the quality of information and data; and assist the department to improve its customer service process. In order to automate the process of sharing the information, IT equipment was procured and installed at DHA premises at the cost of Old Mutual.

5.11 EXEMPTIONS AND DEVIATIONS RECEIVED FROM NATIONAL TREASURY

During the year under review, National Treasury confirmed the agreed processes for the department to specify how receivables (revenue and repatriation collected by DIRCO abroad) disclosed in the Annual Financial Statements are accounted for. Unfortunately, the accounting treatment agreed upon for repatriation could not be implemented during the period under review for technical reason that will be addressed going forward.

Furthermore, as explained in paragraph 5.7 above, approval was granted that the balance of outstanding fines as at 31 March 2013 as reflected in the disclosure notes of the annual financial statements note 23 for section 50(1) of the Immigration Act and uncollected fine issued until the implementation of the new immigration regulations will be written off.

In addition, to resolve the legacy problems with regard to assets, the department requested that the values of all assets affected be reinstated into their first recognition value; assets with wrong descriptions be corrected; that the date of the first invoice for Marples assets be recorded as the purchase date and the cumulative value as recorded in the register be the recognised

value; available minimum asset information in the identified list of assets be recognised and ring-fenced; and that assets found on the floor in the current financial year be treated in terms of the provisions of the Modified Cash Standard (MCS), which was duly considered.

5.12 INVESTIGATIONS

5.12.1 Who Am I On Line (WAIO)

As reported in the previous financial year, the department commissioned an investigation into the awarding of the WAIO tender, and requested the condonement of expenditure incurred for the implementation of WAIO from the Minister of Public Service and Administration. While the department was proceeding with the investigations, it received a letter from the Public Protector indicating that they will be investigating the matter. It was therefore prudent for the department to suspend its investigations to avoid duplication of efforts, pending the final outcome from the office of the Public Protector. The department provided the Public Protector with all the relevant documentation pertaining to the award of the bid on 14 July 2011. The report from the Public Protector is awaited.

In addition, on 24 April 2013 the department was informed of the intended investigations by the Special Investigating Unit (SIU) with regard to the settlement of the WAIO contract and all necessary documents were submitted. The outcome is still awaited.

During the year under review the department referred certain cases of deviation from procurement norms to National Treasury, with motivations for the deviations provided. In the 2014-15 financial year there will be further engagement with National Treasury to arrive at a conclusive resolution of the matter.

5.12.2 Ikgodiseng

As reported in the previous year, the department awarded a three-year tender to Ikgodiseng Consortium for Adult Basic Education and Training (ABET) for R3,9 million per annum for a period of three years with a total value of R11,7 million. On 23 December 2011 it was discovered that a payment of R5, 5 million was made while the services were not rendered. The matter was reported to the HAWKS for investigation and Auditor-General for information and an order was obtained to freeze their bank account.

In respect of the criminal action, investigations are currently handled by the Commercial Crime Unit of the NPA. No one has yet being formally charged, however, the investigations are ongoing. The department is assisting the NPA with all the information it requires in this matter.

5.12.3 Tshwane Business and Agricultural Cooperation (TIRRO)

As reported in the previous financial year, the department received a complaint through the Office of Public Service Commission that the department entered into a lease contract with the Tshwane Business and Agricultural Cooperation without the involvement of the department of Public Works and there were alleged irregularities by some departmental officials. The department investigated the matter and submitted a report to the Office of Public Service Commission for their consideration. A response is still awaited.

5.12.4 Hallmark building

The department previously occupied the Civitas Building situated on the corner of Struben and Andries Street in the central business district of Tshwane as its head office. During 2004, the Department of Labour declared the building not suitable for human occupation in terms of the Occupational Health and Safety Act. The department had to seek alternative accommodation through the Department of Public Works (DPW) which is mandated to manage the process of acquiring and managing state accommodation. The Department of Public Works could not obtain suitable accommodation within the CBD of Tshwane and had to request Cabinet for a deviation from its resolution, which states that all Departments should be accommodated within the CBD of Tshwane. A building was eventually identified at Waltloo, Silverton for a three-year lease, which was extended from time to time due to scarce accommodation within the CBD. During 2008, DPW managed to procure Hallmark office building in the CBD area in line with the Cabinet Resolution. However there were significant differences between the two buildings, namely:

- (i) Size of the building: Waltloo 30 000 square metres and Hallmark 25 000 square metres.
- (ii) Price per square metre: Waltloo R75, 61 per square metre and Hallmark R109, 80.

The department has been informed that the procurement of the Hallmark building is being investigated by the Offices of the Public Protector and Special Investigations Unit; however a report is still awaited.

5.12.5 MSTRAT

The department advertised a tender for the programme office for the management of IT modernisation project, which stipulated among other conditions that the Tax Clearance Requirement (TCC) must be valid and failure to comply therewith invalidates the bid. The bid was awarded during the course of 2012 to Mstrat. Pursuant to the award of the bid, Mstrat has been providing services to the department and payment amounting to R711, 406.74 has been made thus far.

As part of the internal control process, during February 2013, the department requested SARS to validate the Tax Clearance Certificates (TCC) of service providers awarded tenders from April 2012. Among the list provided to SARS were two TCCs submitted by Mstrat. Subsequent to the department's request, the department received confirmation from SARS that the TCCs submitted by Mstrat were not issued by them and are therefore invalid. The department invalidated the contract and the supplier was informed accordingly. The matter was referred to SARS for further investigation and the department also withheld a prospective payment of R2,3 million pending the outcome of investigations.

5.13 CONTINGENT LIABILITIES

5.13.1 Housing guarantees

The department provides housing guarantees of 20% of the purchase price of a house and the guarantee will be realised once the bond is reduced by the same amount. In the event that an employee fails to meet his/her obligation to the financial institution, the department deducts the guaranteed amount in instalments from that employee's salary. In addition, should the employee resign from the service, the department notifies the bank concerned and terminates the guarantee. However, a challenge arises when a person passes away and the bank has to utilise the guarantee as the department is not allowed to utilise the deceased's pension to clear the debt.

The department has implemented proper processes to manage its guarantees with the banks and submits quarterly reports to National Treasury and the balance is disclosed in Annexure 2A.

5.13.2 Motor finance guarantees

This relates to the financial guarantees given by the department to financial institutions in respect of employees when they purchase a vehicle in terms of the vehicle finance scheme for SMS members. In the event that an employee fails to meet his/her obligation to the bank the department settles the balance and takes over the vehicle. However, if the employee resigns from the service, he/she has the option of taking over the loan or returning the vehicle to the custody of the department. In this regard, an amount of R135 000 (2012/13: R293 000) has been disclosed in Annexure 2A.

5.13.3 Pending legal claims: R1, 435 billion

(a) Immigration and Civic Affairs: R581,2 million and R11,9 million

Immigration claims arise mainly out of the unlawful arrests and detention of illegal

foreigners, as well as damages arising from the department's failure to timeously make decisions on permits (R581,2 million). The claim in respect of a claimant abroad is valued at spot rate against the rand as at 31 March of every year until the matter is finalised.

Civic Services claims arise mainly out of the issuing of a passport to a minor child without the authorisation of the parents; the fraudulent issuance of death certificates; the non-issuing of identity documents and the fraudulent use of an identity document resulting in the arrest and detention of the lawful owner (R11,9 million).

5.13.4 Tenders: R630,6 million

This claim relates to a tender invitation in respect of the expansion of an Electronic Document Management System (EDMS), which was done through SITA. The tender was not finally awarded, however the participants (Valor IT – R28,2 million and New Dawn Technologies - R602,4 million) in the tender process are claiming that the tender was awarded to them. With regard to Valor IT a court date has been set for August 2013.

(a) Contracts: R205,9 million

The claims arising out of contracts amounting to R189,8 million relates principally to two matters (Double Ring R171,5 million and Chillibush Communications R18,3 million) and the balance is with regard to claims by other individual service providers.

- **Double Ring (Pty) Ltd / Minister of Home Affairs: R171,5 million**

This is a claim for payment emanating from a Service Level Agreement with the department for the supply and installation of software, telecommunications technology equipment (satellite dishes), provision of bandwidth and maintenance thereof. The supplier is claiming that services have been supplied by a company abroad, hence they invoiced the department in foreign currency. The department is of the view that the services have been provided locally; therefore it should be invoiced in South African Rand. During the year under review, Double Ring amended their claim from R76,5 million to R171, 5 million. The matter is set down for trial on 6 June 2014.

- **Chillibush Communications (Pty) Ltd / Director-General of Home Affairs: R18, 3 million**

This is a claim for payment resulting from a Service Level Agreement with the department to render goods and services relating to campaigns,

media placements and productions for a 12-months period commencing from May 2008. The contract had a provision for extension in writing after the expiry of the contract. The service provider claims that despite the non-extension of the contract in writing they have a legal right to deliver the services to the department. The court date has been set for July 2013.

- **Mstrat Consulting CC: R2, 2million**

The department has recognised a contingent liability of R 2.2 million in respect of the payments withheld due to perceived irregularities in the conduct of the abovementioned supplier, as explained in 5.12.5.

- **Ikgodiseng Consortium: R6,5 million**

As reported in the previous year, under “possible fraudulent transactions”, the department awarded a three-year tender to Ikgodiseng Consortium for Adult Basic Education and Training (ABET) for R3,9 million per annum for a period of three years with a total value of R11,7 million. On 23 December 2011 it was discovered that a payment of R5,5 million was made while the services were not rendered. The matter was reported to the HAWKS for investigation and Auditor-General for information and an order was obtained to freeze their bank account.

The department issued summons against Ikgodiseng to recover the money and Ikgodiseng defended the claim. Ikgodiseng further raised a counter claim of R6 500 000.00 (Six million five hundred thousand.) for breach of contract. The matter is pending and active as exchange of pleadings is currently under way.

- **Most Khoza Enterprises: R2,5 million**

The plaintiff alleges that the contract for providing security services was unlawfully terminated in 2007 before its expiry date of 2009, however the matter has been inactive for almost two years.

- **Borekhu Travel Tours: R 4,0 million**

This relates to a claim brought by close corporations that run transportation businesses, wherein they claim that the department entered into a verbal contract for the transportation of immigration officials at OR Tambo and they were further instructed to buy new vehicles for the project. However, they were later informed to enter into a bidding process, of which the contract was awarded to another service provider. The department is opposing the matter.

- **Other Contracts: R800 000**

This relates to other claims ranging from alleging breach of contract for non-payment, services rendered based on verbal agreement, etc.

(b) Other Claims: (R4,10 million)

The above amount relates to claims that do not arise from immigration and civic services, tenders or contracts, i.e. vehicle collisions; personal injuries, *contumelia*, etc

5.13.5 DIRCO outstanding claims

As reported in the previous financial year, the department signed a memorandum of understanding with DIRCO, which among other things, provides for the payment of advances in respect of foreign allowances. During the year under review, the department was able to provide advance for the payment of salaries and accommodation expenses up to October / November 2014. However, there is still a challenge with receiving supporting documents from DIRCO.

As the department is operating on a cash basis of accounting it is not able to record this balance on the statement of financial position, hence the disclosure in note 18 and Annexure 4 of the Annual Financial Statements.

5.14 CONTINGENT ASSETS

Revenue collected by DIRCO but for which the corresponding supporting documentation and cash has not been received by the department is disclosed as a Contingent Asset in disclosure note 18 to the Annual Financial Statements.

Furthermore, the Policy on Incapacity Leave and Ill Health Retirement (PILIR) approved by Minister of Public Service and Administration, provides that an employee may apply for Temporary Incapacity Leave upon exhausting his/her 36 days sick leave. In this regard, DPSA appointed a health risk manager at National level to assess the applications and grants approval if the request meets the requirement. However, for the period 1 January 2013 to 30 October 2013, the position was vacant and that resulted in the backlog in the adjudication of cases. This poses a risk that in the event that the application is declined, the employee has to utilise his or her vacation leave days and, if not sufficient, be faced with the situation of unpaid leave. It is in this regard that a contingent asset of R1,4million has been raised.

In addition, as reported in the previous year, a case of theft of state funds was reported in the Wynberg District Office. Based on the preliminary investigations, the estimated loss amounted to R1,3 million. The matter was reported to the South African Police Services and the implicated official was criminally charged and has appeared in court. In addition the official was charged internally and dismissed, and pension funds are being withheld. She has been found guilty and the department will now follow a process of recovery, hence the amount is declared as contingency asset as its recovery is not certain at the moment.

5.15 SERVICES RENDERED BY THE DEPARTMENT

5.15.1 Citizens Affairs

With respect to Citizen Affairs, its key role is to secure and register the identity of citizens; determine their status and to issue related enabling documents such as IDs (identity documents), passports and birth, marriage and death certificates.

5.15.2 Immigration Affairs

Immigration Affairs is responsible for the regulation of migration through ports of entry and via foreign missions, and the issuance of a range of permits. It is also responsible for the determination of the status of asylum seekers and refugees and the issuing of related permits. The Inspectorate function is responsible for enforcing the Immigration Act. The Large Accounts Unit assists public and private organisations with applications for the importation of scarce skills.

5.15.3 Inventory

The inventory on hand at year-end is as follows:

Table 6: Inventory

CATEGORY	AMOUNT	AMOUNT	METHOD OF COSTING
	2013/14	2012/13	
	R'000	R'000	R'000
Controlled stationery	3 801	12 406	Actual Cost

5.15.4 Tariff policy

The department did not review its tariffs for the 2013/14 financial year but continued to utilise the approved tariffs of the 2011/12 financial year, except with regard to issuing of unabridged birth certificate. The issuing of abridged birth certificates was discontinued which resulted in unabridged birth certificates being recognised as a first issue and therefore issued at no fee. Approval for this was granted by National Treasury.

5.15.5 Free services

The department provides free services in terms of the Identification Act, 1997 and Identification Regulations as contemplated in section 22 of the Act in respect of the first issue of the ID, birth, marriage and death certificates. It also issues free official passports.

Furthermore, the Minister in terms of both the Identification and Immigrations Acts has a right to waive the charging of the prescribed fees for enabling documents under certain circumstances. During the year under review no material free services were granted.

5.16 FINANCIAL MANAGEMENT IMPROVEMENTS

During the year under review, the department continued with its endeavour to strengthen financial management through the principle of letting the managers manage as espoused in the PFMA. In this regard, delegation of powers for both financial and human resources management were reviewed to empower managers at different levels to execute their respective responsibilities timeously and effectively. Policies were reviewed and standard operating procedures developed and implemented.

With regard to asset management, as reported in the previous year, the department implemented the BAUD Assets Management System. Various challenges were identified, as follows:

- (i) Assets recorded with different values in various asset registers.
- (ii) Assets with wrong descriptions, which resulted in wrong values and classifications.
- (iii) Assets that were procured from Marples, for the Home Affairs National Identification System (HANIS) as well as for the National immigration System (NIS) with a repayment agreement of three years. However, the department changed the recognition date as per the year of payment, which caused the value not to correspond with the invoice amount.

- (iv) Some additions and revalued assets were captured without the required minimum asset information, which made it difficult to link information from one register to another.
- (v) Assets that cannot be linked to any supporting documents, whether purchased or fair valued.

To rectify these issues, National Treasury was approached and proposals were duly considered for implementation as explained in paragraph 5.11.

5.17 PERFORMANCE INFORMATION

The department developed its strategic plan and annual performance plan for the next MTEF period, which articulates its strategic priorities. To address concerns raised by the Auditor-General with regard to predetermined objectives, the department reviewed its targets for 2013/14 to ensure that they meet the SMART principles and a significance progress has been achieved in this regard.

New policy proposals and objectives are submitted to the Minister for approval. The Minister's Management Meeting reviews the objectives and also paves the way for planning for the new financial year. In this regard, a Ministerial retreat was held to develop strategic priorities for the MTEF period, which formed the basis for the strategic plan as well as Minister's budget vote speech.

5.17.1 Performance management system

The performance management and development system is a management tool for effective monitoring of employees towards achieving the strategic goals. The department is committed to delivering relevant, responsive and high-quality products and services as per its strategic and annual performance plan. The strategic and annual performance plans are cascaded to the business units through branch annual plans, business and operational plans, and finally to the officials' performance agreements.

The system requires that all employees be contracted and evaluated quarterly. During the year under review, the department ensured that branch annual performance plans were in place, that officials have signed performance agreements and their activities are ultimately aligned to the broader organisational outcomes and objectives. Furthermore,

during the assessment process due diligence was exercised to ensure performance rewards were only granted for exceptional performance.

5.17.2 Management reporting

On a quarterly basis the Executive Management Committee (EXCO) reviews progress made with regard to the implementation of the strategic objectives and takes the necessary corrective steps to enable the department to fully achieve its mandate.

Senior management members are required to submit progress reports on their respective areas of responsibility. To ensure monitoring and evaluation of the department's performance, the department conducts quarterly review meetings that include senior management, heads of offices and representatives from various key delivery service points. Furthermore, members of the departmental top management have an oversight function at the provinces, and provincial heads do the same at headquarters. Among other benefits this has improved the working relationship between provincial and national levels.

The following reports are used as mechanisms to inform progress in respective key performance areas:

- Quarterly branch reports (including performance information verification);
- Quarterly individual performance assessment evaluation reports; and an
- Annual report

To streamline this function the department has appointed a Chief Operations Officer and has been tasked with strengthening the monitoring and evaluation (M&E) function in the department. A key objective is to integrate the gathering and analysis of performance information to enhance accountability and empower management. A project has been initiated and, in the first phase, a proposal has been made with regard to proposed structure, information systems and a conceptual framework.

The Chief Directorate: Policy and Strategic Management is responsible for monitoring performance through the evaluation of quarterly reports. Emphasis has been placed on the verification of evidence of performance information by the Internal Audit and Monitoring and Evaluation Units on a quarterly and annual basis. Quarterly reports are sent to the Department of Performance and Evaluation (DPME) and National Treasury.

Furthermore the department participates in the MPAT assessments conducted by the DPME, which assess performance in key areas of management.

5.17.3 Performance reports submissions in compliance with prescripts

During the year under review, the department submitted progress reports to various stakeholders to facilitate oversight. In this regard, strategic and annual performance plans were submitted to National Treasury and the Department of Performance Monitoring and Evaluation as well as to Parliament. Furthermore, quarterly progress reports were submitted to the above-mentioned structures as well as to the Audit Committee.

5.18 EVENTS AFTER THE REPORTING DATE

At the time of reporting, there were no material events affecting the department that had an impact on the Annual Financial Statements, except the proclamation to determine 26 May 2014 as the date on which the Immigration Amendment Act, 2011 (Act No. 13 of 2011) shall come into operation.

5.19 APPROVAL AND SIGN OFF

The Annual Financial Statements set out on pages 146 to 198 have been approved by the Accounting Officer.



Mkusefi Apleni
Director-General
Department of Home Affairs
Date: 31 May 2014

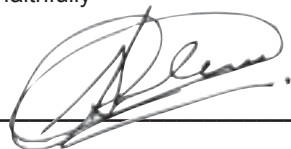
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the Annual Report are consistent.
- The Annual Report is complete, accurate and free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by National Treasury, except where deviation has been approved.
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2014.

Yours faithfully



Mkuseli Apleni
Director-General
Department of Home Affairs
Date: 31 May 2014

7. STRATEGIC OVERVIEW

7.1 VISION

A safe, secure South Africa where all of its people are proud of, and value, their identity and citizenship.

7.2 MISSION

The efficient determination and safeguarding of the identity and status of citizens and the regulation of immigration to ensure security, promote development and fulfil our international obligations.

7.3 VALUES

The Department of Home Affairs is committed to being:

- people-centred and caring
- patriotic
- professional and having integrity
- corruption free and ethical
- efficient and innovative
- disciplined and security conscious

8. LEGISLATIVE AND OTHER MANDATES

The mandates of the Department of Home Affairs are embedded in legislation, as well as in other policy documents. In order to fulfil its mission, the department executes or participates in the execution of the following mandates:

8.1 CIVIC SERVICES

Births, marriages and deaths

- Births and Deaths Registration Act, 1992 (Act No. 51 of 1992)
- Regulations made under the Births and Deaths Registration Act
- Marriage Act, 1961 (Act No. 25 of 1961)
- Regulations made under the Marriage Act, 1961
- Recognition of Customary Marriages Act, 1998 (Act No. 120 of 1998)
- Civil Union Act, 2006 (Act No. 17 of 2006)
- Regulations made under the Civil Union Act, 2006

Identity documents and identification

- Identification Act, 1997 (Act No. 68 of 1997)
- Regulations made under the Identification Act, 1997
- Alteration of Sex Description and Sex Status Act, 2003 (Act No. 49 of 2003)

Citizenship

- South African Citizenship Act, 1995 (Act No. 88 of 1995)
- Regulations made under the South African Citizenship Act, 1995

Travel documents and passports

- South African Passports and Travel Documents Act, 1994 (Act No. 4 of 1994)
- Regulations made under the South African Passports and Travel Documents Act, 1994

8.2 IMMIGRATION SERVICES

- Immigration Amendment Act, 2011 (Act No. 13 of 2011)
- Regulations made under the Immigration Act, 2002
- Refugees Act No. 130 of 1998
- Regulations made under the Refugees Act, 1998
- Criminal Procedures Act, 1977 (Act No. 51 of 1977)
- The Universal Declaration of Human Rights as adopted by the General Assembly of the United Nations on 15 December 1948
- The Basic Agreement between the Government of the Republic of South Africa and United Nations High Commissioner for Refugees (UNHCR), 6 September 1993
- The 1951 United Nations Convention relating to the Status of Refugees
- The 1967 Protocol on Specific Aspects of Refugee Protection
- The Organisation for African Unity Convention Governing Specific Aspects of Refugee Problems in Africa, 1996
- The UNHCR Handbook on Criteria and Procedures for the Determination of Refugee Status, 1997

8.3 OTHER MANDATES

- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Regulations made under the Promotion of Access to Information Act, 2000
- Public Holidays Act, 1994 (Act No. 36 of 1994)
- Imprint Act, 1993 (Act No. 43 of 1993)
- Films and Publications Act, 1996 (Act No. 65 of 1996)

- Regulations made under the Films and Publications Act, 1996
- Electoral Commission Act, 1996 (Act No. 51 of 1996)
- Electoral Act, 1998 (Act No. 73 of 1998)
- Regulations made under the Electoral Act, 1998
- Local Government: Municipal Electoral Act, 2000 (Act No. 27 of 2000)
- Regulations made under the Local Government: Municipal Electoral Act, 2000
- Public Funding of Represented Political Parties Act, 1997 (Act No. 103 of 1997)
- Constitution of the Republic of South Africa, 1996
- Public Service Act, 1994 (Proclamation No. 103 of 1994)
- Regulations made under the Public Service Act, 1994
- Labour Relations Act, 1995 (Act No. 6 of 1995)
- Regulations made under the Labour Relations Act, 1995
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Treasury Regulations made under the PFMA
- Intergovernmental Relations Framework Act, 2005 (Act No. 15 of 2005)
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)
- Regulations made under the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- Regulations made under the Preferential Procurement Policy Framework Act, 2000

8.4 ENTITIES REPORTING TO THE MINISTER

- Film and Publication Board
- Electoral Commission
- Government Printing Works

8.4.1 Film and Publication Board (FPB)

The Board was established in terms of section 3 of the Films and Publications Act, 1996 (Act No. 65 of 1996).

The functions of the Board include the following:

- To regulate the creation, production, possession and distribution of certain publications and certain films by means of classification, the imposition of age restriction and the giving of consumer advice.

- To perform the functions assigned to it by the Act.

The Chief Executive Officer of the Board is the accounting officer of the Board in terms of section 13 of the Films and Publications Act, 1996 (Act No. 65 of 1996).

8.4.2 Electoral Commission (IEC)

The commission was established in terms of section 3 of the Electoral Commission Act, 1996 (Act No. 51 of 1996).

The functions of the commission include the following:

- To manage any election.
- To ensure that an election is free and fair.
- To perform the functions assigned to it by the Act.

The Chief Electoral Officer of the commission is the accounting officer of the commission in terms of section 12 of the Electoral Commission Act, 1996 (Act No. 51 of 1996).

8.4.3 Government Printing Works (GPW)

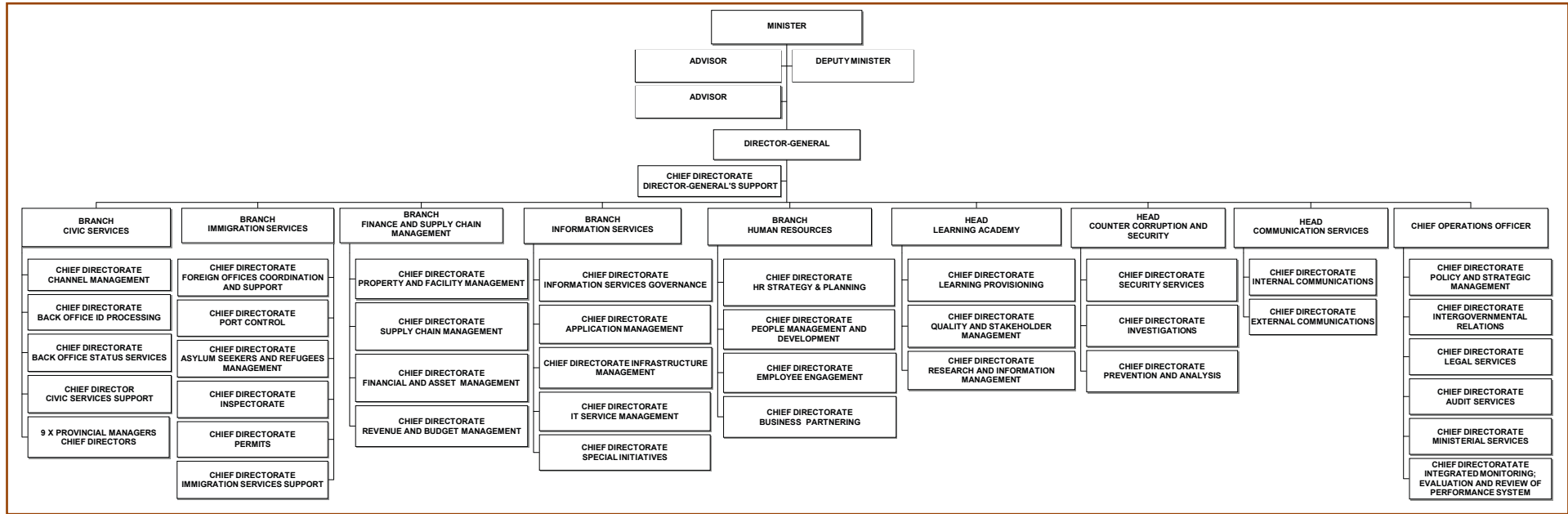
Founded in 1888, the GPW was established to render security printing and related services to the Government of South Africa. During 1976 the GPW was established as a trade account by the Department of Finance. The Government Printing Works operates as a government component after Proclamation in the Government Gazette No. 32616, dated 9 October 2010.

The functions of the GPW include the following:

- Compiling, editing, printing and distribution of Government Gazettes and Provincial gazettes.
- Procuring, and stocking of departmental forms and face value forms.
- Provisioning of a printing service pertaining to high-security documents and also printed matter of a general nature.
- Administering of the Publications Section to provide for the stocking of government publications and the selling thereof to government institutions and the general public, as well as institutions abroad.

The Chief Executive Officer of GPW is the accounting officer in terms of section 36(3) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) of 1999 for the 2011/12 financial year.

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the Minister.

Table 7: Entities reporting to the Minister

Name of entity	Legislative mandate	Financial relationship	Nature of operations
Film and Publication Board	The board was established in terms of section 3 of the Films and Publications Act, 1996 (Act No. 65 of 1996).	Transfer payments	The functions of the board include the following: <ul style="list-style-type: none"> To regulate the creation, production, possession and distribution of certain publications and certain films by means of classification, the imposition of age restriction and the giving of consumer advice. To perform the functions assigned to it by the Act.
Electoral Commission	The commission was established in terms of section 3 of the Electoral Commission Act, 1996 (Act No. 51 of 1996).	Transfer payments	The functions of the commission include the following: <ul style="list-style-type: none"> To manage any election. To ensure that an election is free and fair. To perform the functions assigned to it by the Act.
Government Printing Works	The Government Printing Works operates as a government component after proclamation in the Government Gazette No. 32616, dated 9 October 2010.	Transfer payments	The functions of the GPW include the following: <ul style="list-style-type: none"> Compiling, editing, printing and distribution of Government Gazettes and Provincial gazettes. Procuring, and stocking of departmental forms and face value forms. Provisioning of a printing service pertaining to high-security documents and also printed matter of a general nature. Administering of the Publications Section to provide for the stocking of government publications and the selling thereof to government institutions and the general public, as well as institutions abroad.

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management. Material findings are reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 148 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

Only the Department of Home Affairs is legally mandated to provide a wide range of citizenship and immigration services. It must provide access to these services to large volumes of citizens and other clients, including those in the most remote rural areas and in countries abroad. This requires a large footprint of over 404 provincial offices, border posts and consulates; and channels such as a short message service (SMS), website and call centre.

The population served by the department is huge. All citizens require services from Home Affairs at certain points in their lives and will visit one of the more than 404 service delivery points to apply for services such as registering the birth of a child, marrying or wanting to travel to other countries. Foreign nationals who want to visit or live in South Africa must apply to the department, which must examine their reasons, do various checks and make a determination. All persons entering or leaving South Africa through one of the 72 designated ports of entry must present themselves to an immigration official who is empowered to grant or deny them passage. Over the reporting period there were more than 39 million such transactions at land, sea and air ports. Apart from certain categories, such as persons wanted for various types of crime, all foreign nationals claiming asylum must be processed and their claim adjudicated by a status determination officer.

In the environment of the DHA, service delivery and security imperatives are inseparable. The value of the service is dependent on the entire process that

produces that service or product being secure. For example, if foreign nationals are being registered fraudulently on the NPR as citizens or through fraudulent marriages, then the value of IDs and passports issued by the department is reduced. If South Africans evade paying debt by amending their details on the National Population Register (NPR) so that they acquire a new ID number, then this undermines the credibility of the NPR. Service delivery can only be speeded up if the controls put in place to protect processes are not compromised.

Over the reporting period most citizens continued to benefit from improvements to civic services made during, and subsequent to, the Turnaround Programme. Offices remained open for extended hours and many open on Saturdays. People who apply for documents receive an SMS notifying them when it is ready to collect and specifying the office. Full birth certificates can now be printed in frontline offices. Turnaround targets were largely met, with most deviations caused by technical problems that are being resolved. A number of avenues are open for complaints and redress.

The immigration environment is complex in terms of the nature of the services offered and the risks that have to be mitigated. Most foreign nationals visiting or departing from South Africa are processed efficiently, as indicated by South Africa being a popular venue for large international events. The movement control system (MCS) was enhanced ahead of the 2010 FIFA World Cup and capacity at key ports of entry has been increased, with additional capacity mobilised when required. Permitting backlogs are being cleared and additional officials have been appointed to reduce turnaround times. However, this area will remain a concern until further capacity is acquired and the systems are modernised. The processing of asylum seekers has similarly improved, with the speed up of adjudication of some categories; but the system is still under serious pressure from work-seekers claiming asylum, which prejudices genuine refugees.

In terms of service delivery improvements, the main thrust over the period is towards professionalising the staff and modernising the processes of the department. This and other measures will improve access. The move to a paperless, digital environment will greatly improve both service delivery and security. One example is the rollout of the smart ID card, which includes the introduction of an e-channel so that part of the process can be completed online. In the medium term, Government services and commercial sectors will be able to use the new National Identity System to improve services, reduce costs and prevent fraud.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Table 1: Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievements
Identity Documents	South African citizens & permanent residents	To issue 95% of the IDs within 54 days (first issue) or 47 days (re-issue). The estimated total to be issued is 2 371 138.	2 371 138	Total IDs issued is 1 789 671 against the estimated 2 371 138. 91.7% of first issues were issued within 54 days and 98.2% of re-issues were issued within 47 days.
Birth registration within 30 days	South African citizens & permanent residents	Register 642 000 births within 30 days of birth.	642 000	650 682 births were registered within 30 days of birth.

Table 2: Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation		
Establishment of stakeholder forums	Eight additional stakeholder forums launched.	The department established eight additional stakeholder forums during the review period.
	National Population Register (NPR) Campaign continues, and will focus on establishing culture of early registration of birth to secure identity and citizenship.	National Population Register (NPR) Campaign conducted at seven stakeholder forums. This contributed to 45 786 more births being registered than during 2011/12 financial year. There was also a reduction in late registration of applications.
	On-going use of various channels for public engagement, with a major focus on the use of local radio.	Public engagements through radios done and there are slots from provinces in radios to promote the department's products and services.
Statistics produced by the various units and NUCLEUS are fragmented and not fully utilised for monitoring, analysis and reporting purposes.	Reports from dedicated units that receive and process complaints analysed and used to improve processes and systems.	Statistics produced by the various units and NUCLEUS are fragmented and not fully utilised for monitoring, analysis and reporting purposes.
Conduct Izimbizos to engage communities on issues affecting service delivery and standards.	Two Izimbizos conducted by Minister and Deputy Minister to engage with communities on issues affecting service delivery and standards.	The Minister was actively involved in the stakeholder forum launches in Gauteng and North West provinces.
Access		
Refurbishment of offices.	Fifteen offices refurbished.	Seventeen offices operational (refurbished).
Identification of offices for smart ID card rollout.	Identified for further rollout.	The live capture application for passports was envisaged to be expanded to 167 offices against the baseline of 40 offices. Due to the agreement not yet realised with SARS, this did not materialise. However the pilot ID card was produced and demonstrated to Cabinet.
Usage of mobile units in rural areas and schools.	Continued use of mobile units (offices) in rural areas and schools and the use of 25 additional 4X4s.	117 mobile units were actively deployed in rural areas in provinces and specifically at schools. This resulted in an increase of 5% in the issuance of 1 039 862 ID documents to citizens of 16 years of age. Two additional 4X4 were also procured during this period.
Current arrangement is that most offices use shift roster that is under review.	Implementation of extended office hours (weekdays and weekends) at frontline offices.	All offices continued to work flexi hours during the review period.

Done under different arrangement with COMMS leading.	Use of internet for information purposes and tracking of ID applications.	Internet tracking is available on the DHA website.
Expansion of connectivity to health facilities.	Expand connectivity to health facilities.	Fourty-four health facilities were connected and became operational during the review period.
	Establish a matric hotline.	Although the hotline was not established, a special matric ID application prioritisation project was established through close collaboration with schools.
Courtesy		
Training on customer-related services provided by the Learning Academy.	Extensive training on customer-related services and civic-related issues.	Training on customer-related services was incorporated as part of Home Affairs National Certificate with 243 learners completing the programme.
Top management details not updated on internet but are available.	Information on products, services, fees, contact details of managers in offices.	Information on products and fees as well as the contact details of Provincial Managers are available on the DHA website.
Statistics produced by the various units and NUCLEUS are fragmented and not fully utilised for monitoring, analysis and reporting purposes.	Reports from dedicated units that receive and process complaints analysed and used to improve processes and systems, including training.	Statistics produced by the various units and NUCLEUS are fragmented and not fully utilised for monitoring, analysis and reporting purposes.
Openness & transparency		
Haphazard wearing of name tags by frontline and head office staff.	Wearing of name tags by all officials and displaying of name plates at counter level.	Name tags worn by frontline offices but not consistent.
	Unannounced office visits by the Minister and top management.	
Each province has a champion assigned to the DDG at head office.	Work of champions is on-going, including engagement with stakeholders and clients.	Work of champions continuous. All provinces have a DDG and champions for all provinces appointed.
Provision of contact details of champions and Provincial Managers in all frontline offices.	Posters with the photographs and contact details of champions and Provincial Managers placed in all front offices.	Photographs of Provincial Managers and contact details placed in all frontline office. Review to be done where there is leadership change.
Publication of contact details of all managers on the website.	Contact details of managers are on website.	The contact details of all Provincial Managers and Chief Directors at head office are published on the internet.
Digital platforms being used like SMS number 32551 and the website.	Use of DHA website for verification of personal details such "ID Yourself Now" and track and trace functionality.	The status verification function is available on the DHA website.
Information		
Provision of information to the public on the progress of application and date of collection.	SMS and track and trace on all high-volume services used to inform public on progress of an application and when and where to collect documents.	<p>A total of 833 863 enquiries were raised by members of public to the 32551 sms query function during 2013/14.</p> <p>The following sms notifications were sent to clients during the review period:</p> <ul style="list-style-type: none"> ID notifications = 3 942 525 Passport notifications = 596 732 Unabridged certificate notifications = 152 075 LRB notifications = 200 168 Permit notifications = 229 050 HR notification = 2 799 Cell centre notifications = 56 Citizenship notifications = 1 291 Duplicate notifications = 9 780 Amendment notifications = 27 882 ID Filing notifications = 8 286 Total notifications = 5 162 358

Provision of information to communities through stakeholder forums and other communication medium.	Stakeholder forums, which include CDWs, used to get information to communities.	Eight additional stakeholders were launched during the review period.
Current arrangements are fragmented, uncoordinated, and characterised by duplication of function.	Establish a Home Affairs Contact Centre (HACC) aimed at improving client satisfaction and the brand image.	Established a Home Affairs Contact Centre (HACC) aimed at improving client satisfaction and the brand image.
Lack of floorwalkers and their visibility in all frontline officers.	Floorwalkers providing information and guidance in all offices.	Floorwalkers available but not in all offices.
Distribution of "Know Your Rights" pamphlets.	"Know Your Rights" pamphlets distributed to all offices to inform public about products and services.	Pamphlets were distributed to provinces and were further distributed to South Africans and Non-South Africans by provinces.
Provincial champion contact details distributed through posters.	Posters used to convey key messages and information in several languages.	Posters were distributed to all Home Affairs offices containing the contact information of the provincial management as well as the head office provincial champions.
"Frequently Asked Questions" handbook.	"Frequently Asked Questions" handbooks available in all offices	"Frequently Asked Questions" was handbook developed and provided to all offices.
	All mobile numbers of DG, DDGs and senior managers are displayed in all the offices.	The contact numbers of DG, DDGs and select top management are available on the DHA website and in frontline offices.
Redress		
Outreach campaigns and stakeholder forums.	Ongoing outreach campaigns supported by Stakeholder Forums, including annual visits to schools to process IDs for learners.	37 outreach campaigns were conducted as well as seven stakeholder forums. Schools visits were conducted to assist first-time applicants/matrics.
Usage of mobile units in rural areas and schools.	Continued use of mobile units (offices) in rural areas and to schools and the use of 25 additional 4X4s.	117 mobile units were actively deployed in rural areas in provinces and specifically at schools. This resulted in an increase of 5% in the issuance of 1 039 862 ID documents to citizens of 16 years of age. Two additional 4X4 were procured during this period.
	Local radio used to communicate, especially in rural areas with those who cannot access print media or TV.	Provinces make use of local radio to communicate specific details on campaigns and DHA services.
Value for money		
To increase the issuance of ID first issues to citizens.	ID first issues issued within 54 days.	91.7% of IDs (first issues) issued within 54 working days for applications collected and processed within the RSA.
To increase the issuance of ID re-issues to citizens.	ID re-issues issued within 47 days.	98.2% of IDs (re-issues) issued within 47 working days for applications collected and processed within the RSA.
To reduce errors on IDs.	Reduction of error rate for IDs through Quality Assurance Checklists rolled out to all DHA service points.	A service level agreement with lamination strip suppliers was initiated. Delinking of personal amendments and rectifications from the ID issuance process were also initiated.
ID application forms amended to improve accountability.	ID applications forms in triplicate implemented in order to improve accountability and revenue collection.	All DHA-9 ID application forms are issued in triplicate.
To reduce the turnaround time in issuance of temporary IDs.	1 day for temporary IDs for offices with online verification.	This standard was maintained at all offices with access to online fingerprint verification.
Time		
Identity documents (green barcoded ID) delivers according to set service standards.	IDs <u>First Issue:</u> First issues to be issued within 54 days.	91.7% of IDs (first issues) issued within 54 working days for applications collected and processed within the RSA.
Identity documents (green barcoded ID) delivers according to set service standards.	<u>Re-issue:</u> Re-issues to be issued within 47 days.	98.2% of IDs (re-issues) issued within 47 working days for applications collected and processed within the RSA.

Abridged birth certificates delivered according to set standards.	Birth certificates <u>Abridged</u> One day	From March 2013, the department rolled out the issuance of unabridged certificates on the spot. This replaces the abridged certificates.
Unabridged birth certificates delivered according to set standards.	Unabridged 95% within three weeks and three days (for cases before 4 March 2013).	
Abridged birth certificates delivered according to set standards.	Unabridged certificates for new birth registrations same day.	This initiative was implemented from March 2013.
Cost		
R140 charged and citizens are subsidised.	IDs R272.17 total cost first issue (10% inflation increase)	Pricing in relation to identity documents remained at R140,00 during the review period.
R140 charged and citizens are subsidised.	R241.83 total cost re-issue (10% inflation increase)	Pricing in relation to identity documents remained at R140,00 during the review period.
R140 charged for re-issuance of ID.	Fee charged for a re-issue will increase substantially.	Fees were not reviewed and the price of R140,00 was maintained.
R70 charged for re-issuance of unabridged birth certificates.	Birth certificates R36.98 cost of producing an unabridged certificate	The re-issuance of unabridged birth certificates costs R70,00 whilst a first issue (for those cases from March 2013) is free of charge.
Fee to be charged not determined.	Fee charged to be determined.	A fee of R70,00 is imposed on re-issuance of unabridged certificates.

Table 3: Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Implementation of electronic queue management.	Electronic queue management systems implemented at all offices with the new live capture technology.	Queue management systems were implemented at 5 offices as part of the rollout of live capture. Information Services was responsible for the implementation.

Table 4: Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Customer Service Centre.	A fully-functional and outsourced Customer Service Centre.	The department sustained the operation of the Customer Service Centre during the review period, despite negotiations being at an advanced stage for the take-over of this function by a different service provider.
Publication of mobile numbers on the internet.		The cellular number of Deputy Directors-General responsible for core DHA services are published on the website and clients can contact these numbers in the case of service breakdowns.

2.3 ORGANISATIONAL ENVIRONMENT

The organisational environment over the reporting period was relatively stable in spite of a number of challenges. Gaps in the top leadership (Deputy Directors-General) arose when the DDG responsible for the Learning Academy was appointed to head Immigration Services and when the Chief Financial Officer (CFO) resigned. An experienced CFO was appointed on contract to head Finance and Supply Chain Management until a longer term solution could be found. With regard to the Learning Academy, an able senior manager filled the gap and the Academy played a vital role in the roll out of the smart ID card and the training of new immigration officers.

At the level of Provincial Managers, two vacant posts were filled and two remained unfilled. This could have been more serious, but the appointment of Finance Officers at director level in the previous years helped keep operations running smoothly; as did the appointment of District Manager Operations to oversee clusters of offices. The problems that impacted negatively on the achievement of targets were largely technical. Examples are the poor quality of laminates that resulted in defective ID books being returned; and the down-times experienced through power failures or temporary problems arising from changes to systems.

The department still experiences problems with standardising processes and the uneven quality of service delivery. These are being addressed mainly through improving administration in general; the application of operations management principles; and training and management development. However, the DHA is able to successfully mobilise and organise its resources to address shorter-term objectives. In part this is due to project management expertise acquired during the Turnaround programme and the hosting of the 2010 FIFA World Cup; and in part it is due to the improved reporting and more effective management structures. Examples over the reporting period were the role the DHA played during the funeral of former President Mandela and the hosting of the African Cup of Nations (AFCON); preparation for the elections; and the complex process of developing and rolling out the smart ID card.

As the modernisation programme of the DHA gets underway it is clear that it involves the transformation of its processes and officials as well as its technology. This will require additional resources and a MTEF business case has been submitted to National Treasury that talks to the future role of a modernised Home Affairs. The most serious challenge is in building the capacity to manage immigration efficiently and securely; as well as in acquiring the technical expertise required to maintain a digital platform that supports integrated identity and immigration systems.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

As reported under programmes two (Citizen Affairs) and three (Immigration Affairs) the priority in the reporting period was to develop and gazette regulations that allow the implementation of Acts that were amended between 2007 and 2011. These were the Immigration and Refugees Amendment Acts and Regulations; and the Births and Deaths Registration Amendment Act and Regulations. The Births and Deaths Registration Amendment Act and Regulations was implemented in the reporting period. The Electoral Amendment Act and Regulations was implemented ahead of the elections. Changes introduced through the Electoral Amendment Act were in line with the Constitutional Court decision to allow prisoners to vote; and the act also allowed qualifying citizens living overseas to vote in national elections.

Progress was made in finalising the Immigration Amendment Act regulations, which allowed the act to be implemented in May 2014. The review of specific areas of immigration policy continued; which will lay the basis for comprehensive consultations and discussions over the coming months.

3. STRATEGIC OUTCOME-ORIENTATED GOALS

In the electoral cycle being reported on, the DHA was given direct responsibility for outputs under three of the twelve priority outcomes of government.

The DHA has contributed to Outcome 3: “**All people in South Africa are and feel safe**” mainly through its immigration mandate. A key development was the Cabinet decision that the DHA should take the lead in establishing a Border Management Agency (BMA) and over the reporting period a project manager was appointed and a project office and structures were established. Measures were also taken to improve the management and infrastructure of key ports of entry, including maritime ports. Going forward, under its civics mandate, the building of a comprehensive, secure National Identity System will contribute significantly to reducing fraud and preventing identity theft.

The contribution of the DHA to Outcome 5: “**A skilled and capable workforce to support an inclusive growth path**” is mainly through facilitating the importation of skills that are critical to ensure economic growth and the creation of jobs. Progress was made in clearing the backlog of temporary residence permits and reducing turnaround times for new applications. Work was completed on regulations that will allow the Amended Immigration Act to be proclaimed and thus streamline the permitting regime and introduce a Critical Skills visa. The Corporate Accounts Unit very efficiently fast-tracks applications from designated government and private entities, such as Eskom, that are engaged in projects of national importance.

Perhaps most significantly, the DHA contributes to achieving Outcome 12: **“An efficient, effective and development oriented public service”** through being the custodian of the identity and status of citizens. The National Identity System, coupled with the smart ID card, will provide a powerful impetus towards e-government, greater access and affordable services. Identity systems can be used to reduce corruption and increase transparency and engagement by citizens. It will also enable greater inclusion of the mass of South Africans into the mainstream economy because it reduces the cost of services such as banking and insurance. A condition for such systems to be effective is that they must be comprehensive; with the early registration of birth essential to secure identity. Over the reporting period the DHA

in every province, aided by stakeholder forums, undertook outreach campaigns to ensure the registration of all South Africans who are not yet counted as citizens.

The main contribution expected from the DHA in the National Development Plan is in the efficient facilitation of the importation of critical skills needed to grow the economy. This is dealt with under Outcomes 3 and 5 above. Less explicit but equally important is the potential role of the DHA in building a capable state that can lead development, through providing modern identity and immigration services. The same functions contribute to maintaining stability and social cohesion, which are key enablers of economic growth.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1: ADMINISTRATION

Purpose: Provide leadership, management and support services to the department.

LIST OF SUB PROGRAMMES:

- Ministry
- Management Support Services
- Corporate Services
- Transversal Information Technology
- Management
- Office Accommodation

The strategic objectives relevant to this programme are:

- To issue identity documents (IDs) to citizens turning 16 years of age and above
- To ensure the identification and registration of South African citizens and foreign nationals to enhance the integrity and security of identity
- To transform the culture of the organisation in support of securing the identity, citizenship and international migration
- To ensure ethical conduct and a zero-tolerance approach to corruption
- To obtain a clean audit report
- To ensure secure, effective, efficient and accessible service delivery to clients

The Administration Programme contains key national executive and executing structures, such as the Ministry and the office of the Director-General. Also located in this programme are the support functions that enable these structures to be effective, such as communications, legal services, policy and planning, monitoring and evaluation, inter-governmental relations, counter corruption and security, internal audit, risk management and training. The three largest business units, however, are Finance and Supply Chain Management (SCM), Human Resources and Information Systems branches. These three branches provide essential transversal systems and support across the department.

Information services is both a support branch and an integral part of the core business of Home Affairs. It plays a key role in the overall design of the systems that enable modernisation, although the specifications for each sub-system, such as the population register, must be determined by the branch that is responsible for the system. The human element, however, is still the most crucial. This was demonstrated when the Learning Academy became central

during the roll out of the smart ID card to the first 70 offices. The trainers drove change management, trained the staff and helped resolve business process issues. The achievement of the target was strategic in that it effectively launched the modernisation project.

Another strategic target that was achieved was the drafting of new regulations; allowing amended acts relating to civil registration and immigration to be proclaimed and implemented. Gaps and loopholes in legislation can compromise security and service delivery and undermine the capacity of the state to achieve its objectives.

4.1.1 Management

Policy and Strategic Management

Purpose: To ensure an informed policy, strategy, planning and organisational performance management function that is aligned to government priorities and frameworks.

In the period under review the Chief Directorate facilitated and coordinated a review of immigration policy and legislation. Specialists from Immigration, Civics, Legal Services, Research and Policy formed work-streams to analyse legislation and policy in depth and identify what problems relate respectively to policy, legislation or administration. Desktop and comparative research was undertaken that included interviews with relevant officials from a number of embassies. A study tour to Uganda was also undertaken in order to observe how the country dealt with the challenges of providing protection to refugees. The Directorate Policy Development formed the secretariat of a steering committee, chaired by the DDG: Immigration Services who reviewed and guided the work of the teams. External researchers were commissioned to produce reports on specific areas and draft internal position papers that were developed for consideration by top management structures. The Chief Directorate also played an active part in engagements on policy issues with external role players, such as the departments of International Relations and Cooperation, Labour, Defence, Police, Trade and Industry and Higher Education and Training. In addition, policy related support was given to international engagements, both bilateral and multilateral.

The Chief Directorate is also responsible for supporting the planning function in the department. This includes managing the planning cycle that, at a national level, is managed by the National Treasury and the Presidency. The Technical Assistance Unit (TAU) of the National Treasury was contracted to assist with the planning process for the drafting of the 2014/15 Annual Performance Plan. In addition, the Planning Directorate developed planning tools and worked with branches and provinces to strengthen bottom-up planning at national and provincial levels. A committee was established to ensure

that indicators and targets were well-crafted and aligned to national and departmental priorities. The Strategic Plan Improvements in the formulation of targets and indicators were noted in the interim management report issued by the Auditor-General.

The Monitoring and Evaluation (M&E) Directorate focused on improving quarterly reviews and in the last quarter issued fortnightly reports to ensure that remedial actions were implemented. The format of review meetings was made more effective and efficient by constituting a panel that each DDG presents to, rather than holding a meeting at which all senior managers are invited. The directorate systematically checks the evidence of the performance that is submitted by branches in terms of completeness, relevance and consistency. Analysis of performance was strengthened by considering information from different sources, such as that produced by the Management Performance Assessment Tool (MPAT). A compliance monitoring system was developed that will be rolled out in 2014 to ensure reports are submitted, as required, to external bodies such as other departments. The reports will be kept in a database that will provide a source for evaluations and other enquiries going forward. Looking ahead, a project team to strengthen the M&E function in the department, has completed the design phase and will begin implementing various initiatives in the 2014-2015 financial year.

4.1.2 Communication Services

Purpose: To develop and implement departmental communication strategy within the framework of the broad national communication strategy of government in support of ministerial, departmental and overall governmental programmes, campaigns and events.

During the period under review a number of communication and media initiatives were undertaken to highlight the achievements of the Ministry of Home Affairs. These initiatives included the live broadcast of the launch of the smart ID card held at the Union Buildings in Pretoria on 18 July 2013, to coincide with Nelson Mandela Day.

The function was preceded by communication and media support during the first phase of applications for the smart ID card by prominent South African leaders including President Jacob Zuma, Deputy President Kgalema Motlanthe; the late former President Nelson Mandela; former Presidents Thabo Mbeki and FW De Klerk; Ahmed Kathrada; Andrew Mlangeni; Denis Goldberg; Archbishop Desmond Tutu; Graca Machel; Winnie Madikizela-Mandela; Dr. Frene Ginwala; Sophie de Bruyn-Williams and several senior citizens.

The focus of the first phase of the campaign was to introduce the concept and features of a smart ID card while simultaneously educating the public on the process of applying

for the card. This was done through news on radio, television and print media as well as advertisements in both electronic and print media.

The same level of communication and media support was provided during the President's visit to the Government Printing Works in Pretoria where he inaugurated the four smart ID card printing machines and officially named them after the four women leaders who led the march to Union Buildings against the pass laws in 1956, namely Lillian Ngoyi, Helen Joseph, Rahima Moosa and Sophie de Bruyn.

More work was done at the national Human Rights Day function where the President and Minister of Home Affairs handed out eight smart ID cards to families of victims of the 1960 Sharpeville shootings who were killed for protesting against the pass laws.

Advertisements calling 16 year-old youths and pensioners who are 60 years and above, to apply for smart ID cards were placed in all print and electronic media. These advertisements were flighted on LED screens at Orlando and FNB Stadium during major football events.

Stakeholder engagements

Communication support was extended to ministerial engagements with various stakeholders including the launch of various Home Affairs community stakeholder forums, interaction with the Austrian Chamber of Commerce, Musliah Today Conference, the South African Medical Association Congress and the SA-German Chamber of Commerce among others.

National population registration campaign

As part of national efforts to deepen consciousness among citizens about the need for child registration within 30 days of delivery and encouraging 16 year-old youths to apply for IDs and ending the scourge of late registration of birth, communication support was provided for a number of ministerial undertakings.

These included, among others, the launch of the unabridged birth certificate at the Parklane Clinic in Johannesburg and such initiatives as ministerial visits to various hospitals during the new year celebration to encourage registration of birth immediately after delivery, particularly in the Western Cape and Gauteng.

Other initiatives included visits to Bophelong in Mamelodi, Pretoria where birth certificates were handed over to parents; a visit to the University of Pretoria to hand

over an ID to an applicant who had waited for over two years for this enabling document; as well as visit to an elderly person in Laudium, Pretoria.

Budget vote speech

An enhanced communication and media service was provided during the delivery of the Home Affairs budget vote speech in the National Assembly, which for the first time was aired on radio and television to create consciousness among citizens. The speech was also publicised at airports through the usage of digi-pods and LCD screens.

The key issues arising from the budget speech were packaged and flighted as adverts for radio and television as well as on digi-pods, in-flight screens on domestic SAA flights and Youtube. This was in addition to placing the contents of the speech on the departmental website and intranet and ensuring its dissemination through all print media.

Ending the scourge of duplicate IDs

During the budget vote speech of the department, the Ministry announced the campaign to end the scourge of duplicate IDs. This referred to two categories of duplicate IDs, namely, one person sharing an ID number with another, and the second category referring to those with multiple ID numbers.

A massive publicity campaign in national and provincial print media listed people affected in the two categories and encouraged them to approach their nearest Home Affairs office for assistance. This resulted in a number of those affected approaching DHA offices across the country to seek the support of the department in addressing their problem.

Izimbizo

During the reporting period, the focus of communication services was to help organise izimbizo in various provinces of the country as part of government efforts to ensure direct communication with various communities. Citizens are able to interact with government Ministers and Deputy Ministers and are given an opportunity to offer views on service delivery levels.

In this regard, communication services organised and mobilised communities for izimbizo at Setlagole in the North West; Elukwatini in Mpumalanga; Orange Farm in Gauteng, Matatiele in the Eastern Cape; Khayelitsha in the Western Cape and Kwambonambi, Richardsbay in Kwazulu-Natal.

Live broadcasts of proceedings were arranged through local community radio stations. Public awareness initiatives through the use of LCD screens at the venue, loudhailers, pamphlets and posters contributed positively towards the tone and successful attendance of such izimbizo by community members.

In addition, communication support was provided to the Ministry in its interaction with communities affected by natural disasters. The Ministry handed over IDs or temporary identity certificates to residents who had lost such documents in fires in Khayelitsha in Cape Town, the Chris Hani settlement in the Nelson Mandela Bay Metropolitan Municipality and Knysna in the Western Cape.

In preparation for all izimbizo, the communication research unit visited relevant communities to scan the environment, identify key issues affecting communities and alert political principals.

Key campaign messages such as the National Population Registration Campaign and other national campaign messages were also exhibited prominently in all izimbizo by the marketing and events management team of the communication branch.

Production of publicity material

Publicity material in the form of pamphlets, posters and other information material continued to stand the department in good stead and support all departmental campaigns.

This extended to the layout, design and use of photographic images in the production of official documents such as the Annual Report and Strategic Plan, and internal HR documents. Posters were placed in all Home Affairs offices across the country to highlight

such campaigns as counter crime and corruption efforts, promote service delivery and advise the public on what documentation is required when applying for IDs, passports and birth certificates.

The section was also responsible for the lay-out and design of internal electronic e-mail banners and print magazines e-Khaya and Ikhaya respectively, Notes from the DG's desk as well as the Home Affairs Today publication of the Ministry. All of these were used to communicate policy and administrative decisions, programmes, plans and priorities to the general staff of Home Affairs.

This ensured the staff was consistently aware of national and departmental developments, thus empowering them to act as ambassadors of the department wherever they may be while promoting the aims and objectives, programmes and campaigns.

Service delivery impact

As part of the assessment of the efficiency and efficacy of departmental services to the citizenry, the communication branch also commissioned a customer satisfaction survey, which was completed in September 2013. The study identified several key successes and challenges that the department faces in delivering services to both citizens and foreign nationals, and made recommendations to be addressed in the next financial year.

The branch has also begun compiling the 20-year review report focusing on the fundamental changes that the democratic government has brought to bear since the dawn of democracy in 1994. It will focus on service delivery to the citizenry and, as part of national efforts aimed at the consolidation of the restoration of national identity, citizenship and dignity to all South Africans. This will be finalised in the new financial year.

4.1.3 Legal Services

Purpose: In broad terms, the Chief Directorate: Legal Services drafts legislation (new "Acts and "Regulations", as well as amendments to existing Acts and Regulations) administered by the department based on information received from the relevant line functions, Immigration Management Services (IMS) and Civic Services (CS) and in line with policy decisions; provides legal opinions and legal support to line and other support functions in dealing with International Agreements, Memoranda of Understanding (MOUs) and Commercial Contracts. It also provides support in the litigation process where civil litigation (actions and motions) is instituted against the department.

The Chief Directorate provided support to the Independent Electoral Commission in processing the Electoral Amendment Bill, 2013 through Parliament. This Bill was passed by Parliament and was assented to and signed by the President, and placed on the Statute Book as the Electoral Amendment Act, 2013 (Act No. 18 of 2013).

The Births and Deaths Registration Amendment Act, 2010 (Act No. 18 of 2010) was brought into operation on 1 March 2014, upon approval of the new Regulations on the Registration of Births and Deaths by the Minister.

The department is in the process of finalising the Immigration Regulations in order to bring into operation the Immigration Amendment Act, 2007 (Act No. 3 of 2007) and the Immigration Amendment Act, 2011 (Act No. 13 of 2011), respectively.

The department is still working on the amendments to the Refugee Regulations in order to bring into operation the Refugees Amendment Act, 2008 (Act No. 33 of 2008) and the Refugees Amendment Act, 2011 (Act No. 12 of 2011), respectively.

Legal Services also rendered support to the Film and Publication Board in the drafting and finalisation of the Regulations on Films and Publications.

Legal Services assisted in finalising and obtaining the Presidential Minutes regarding the International Agreements between the Government of the Republic of South Africa and the Governments of Nigeria and Kazakhstan on the waiver of visa requirements for holders of diplomatic or official passports.

Legal Services rendered legal support in finalising and signing the Memoranda of Understanding between the department and Private Security Industry Authority (PSIRA) on access to verification status; Statistics South Africa (Addendum); Old Mutual on access to verification status (Addendum); GCIS on media bulk buying; National Student Financial Aid Scheme on access to top verification status; and Agri-SA assisting in the registration of people in farming communities.

With regard to commercial contracts, Legal Services provided legal support on 159 matters received. A significant percentage of the contracts drafted and finalised were necessary for the successful implementation of the department's Information Systems Modernisation Project and the roll-out of the new smart ID card. Of the 159 matters received during 2013/14, 149 were finalised within one month of receipt (93.5% achievement). At the end of 2013/14, four contracts had not been finalised, as these are major contracts which require lengthy and extensive negotiations.

Turning to the percentage success rate on finalised litigation cases instituted against the department, Legal Services was able to manage an overall success rate of 85% for the reporting period, excluding litigation relating to the Lindela Repatriation Centre.

4.1.4 Intergovernmental Relations

Purpose: To manage international engagements and the department's interaction with other government departments, Parliament and its committees and other external stakeholders.

The Chief Directorate facilitates Home Affairs interaction with governmental forums, parliament and foreign governments.

International engagements

The Chief Directorate facilitated bilateral interactions with the following countries: Angola, Australia, Azerbaijan, Bangladesh, Botswana, Brazil, China, Cuba, the DRC, Ethiopia, Gabon, Ghana, Indonesia, Iran, Kazakhstan, Kenya, Lesotho, Mozambique, Netherlands, Namibia, Nigeria, Pakistan, Philippines, Serbia, Somalia, Swaziland, Sweden, Tanzania, Uganda, Ukraine, United Kingdom and Zimbabwe.

The engagements with these countries focused on legal and illegal migration, border management, asylum seeker and refugee management, human smuggling and trafficking, consular issues and training.

The Chief Directorate assisted interactions with the following multilateral institutions on matters relevant to the department's mandate: the Commonwealth, the International Civil Aviation Organization, the International Air Transport Association, and the International Organization for Migration, the Southern African Development Community and the United Nations.

Intergovernmental engagements

The Integrated Governance Unit has been pivotal in ensuring that DHA is well represented and active in the Justice, Crime Prevention and Security (JCPS) and Governance and Administration (G&A) clusters. As a consequence of this participation, DHA is leading the development and establishment of the Border Management Agency.

The unit has also been critical in ensuring that reports are compiled and sent to the relevant structures, mostly the Department of Performance, Monitoring and Evaluation

(DPME). DHA has, over the reporting period, been responsible for the reports on the turnaround processes for the issuance of identity documents (smart ID cards), permits and other enabling documents.

The unit facilitated all parliamentary engagements for the period under review. There were 43 parliamentary engagements scheduled with the department and its entities - 36 were with committees, seven meetings were cancelled by the committees. In respect of parliamentary questions, a total of 200 questions were received by the department. A total of 186 were from the National Assembly and 14 from the National Council of Provinces. DHA takes pride in the fact that all the parliamentary questions were answered.

4.1.5 Information Services

Purpose: To manage information resources and provide technological solutions to enable the department to achieve its mandate.

Modernising DHA

Live capture for smart ID cards and passports

During the reporting period, the front-end business processes for ID and passports have been fully automated to be seamless and completely paperless. The system was successfully rolled out in 70 offices throughout the country. The network bandwidth of all 70 offices was upgraded to a minimum of 1MB and 2MB in high volume offices. Three major offices are running with dual networks to eliminate possible services delivery disruptions should the offices experience last mile network challenges or cable theft.

Smart ID card

As part of improving DHA's services the department started to issue a secure and state-of-the-art smart ID card to replace the green barcoded ID book. The smart ID Card has advanced security features such as Public Key Infrastructure, Fingerprint Match On Card and is embedded with an 80kb contactless chip that contains the citizen's demographic information. The contactless card also has partitions that can later be utilised by other government entities to store citizen-related information.

The smart ID Card is produced through a paperless process and has reduced the turnaround time for delivering an ID document. A total of 163 634 applications had been processed as at 31 March 2014.

Enhanced movement control system

As part of securing South Africa's borders the department has implemented the Enhanced Movement Control System (EMCS) to an additional 13 ports. EMCS is now rolled out to a total of 58 out of 72 POEs around the Republic of South Africa.

Challenges

The global economic financial constraints that affected the Republic of South Africa had resulted in significant cost-cutting measures that impacted the quality of service to a certain extent, i.e. insufficient IT infrastructure and equipment to refresh most of the front offices were procured.

The recently-implemented Live Capture System is network bandwidth heavy. Although efforts were made to increase the bandwidth, this is still not adequate for the volumes of transaction processed over the network.

Significant progress is being made in modernising the department with more focus on technology; the continued effort is now on changing the mind-set of personnel in the organisation, maintaining and protecting the systems.

4.1.6 Learning Academy

Purpose: The Learning Academy is assisting the department with a strategy to reposition DHA as a learning organisation using the four pillars of training, research, knowledge management and information management.

Through training, the Learning Academy aims to achieve the development of an all-rounded DHA cadre supported by the efficient and strategic management of knowledge and information from research in the department.

The 2013/14 Annual Performance Plan had two main targets that included:

- Six hundred newly appointed officials enrolled and trained in the National Certificate: Home Affairs Services. A total of 667 newly appointed officials were enrolled and commenced training on the National Certificate: Home Affairs Services. The target was overachieved by 11%. In addition, 174 existing officials also commenced training on the National Certificate: Home Affairs Services.
- One hundred managers at senior, middle and junior levels were enrolled and trained in outbound management and leadership development programmes. The philosophy of outbound management and leadership development programmes implies that the programmes are customised to meet the needs of Home Affairs

in terms of core business and other issues such as gender and disability. During the 2013/14 financial year, 129 managers were enrolled and trained in outbound management development programmes. The outbound management and leadership development programmes included the Emerging and Advanced Management Programmes, Project Management and the District Office Managers' Programme. The target of 100 was therefore overachieved by 29%.

In addition to the above targets, the pilot for the cadet programme was implemented with the appointment of 70 unemployed graduates for a period of 18 months. They will receive training in partnership with stakeholders on the core functions of the department and on other related skills programmes in partnership with stakeholders. The training that they are being exposed to is predominantly experiential.

The challenges experienced in achieving the objectives were:

- Competing priorities such as service delivery versus training and the modernisation project
- Inadequate funding in the provinces for the travel and subsistence of learners
- Unavailability of senior managers to attend management training.

4.1.7 Finance and Supply Chain Management

Purpose: The purpose of the Branch: Finance and Supply Chain Management is to ensure effective integrated financial services and supply chain management systems.

General

It is best practice to review policies and procedures at regular intervals to assess relevance to operations and ensure that the organisational practices are in compliance with the prevailing legislation. The following policies and procedures were revised and approved by the Accounting Officer:

- Supply chain management (SCM) policy
- SCM delegations
- BAC and BEC guidelines
- Loss and disposal policy and committee
- Loss and disposal management SOP
- Entertainment and catering policy
- Travel and subsistence policy
- Travel management
- Cellphone policy (in progress)

Facilities and property management

The branch continues to support the core business units with their service delivery plans.

In the year under review, the branch was able to support the department in its footprint expansion by ensuring that two new offices were opened in the Western Cape towns of Mossel Bay and Bredasdorp. The Pretoria (Gauteng) and Vredendal (Western Cape) offices were relocated to new larger and modern facilities. In addition, a total of nine offices were refurbished as part of the "look and feel" project.

The branch also played a major role in the smart ID card launch project by making sure that the targeted 70 offices were structurally reconfigured to issue the new smart card. This involved the modification of DHA frontline offices, which included changing the layouts of the offices, the installation of a new photo booth, the provision of server rooms, the installation of generators and uninterrupted power supply (UPS) units.

The branch also played a critical support role in the refurbishment of Cowrie Place situated at the Cape Town harbour. Cowrie Place is a government house that will integrate all departments and agencies operating in the harbour environment. It also provided support and assistance in the provision of mobile homes and offices at certain Port of Entries.

To enhance the speed of service delivery, the branch has completed the appointment of contractors for three-year contracts. This will ensure that the implementation of the "look and feel" refurbishment and rollout of the smart ID card will be achieved at a faster rate. It will also enable the department to monitor quality and ensure uniform standards are achieved in all DHA offices.

The branch was able to successfully finalise the appointment of new service providers for travel and accommodation. The new service providers were appointed at competitive rates that were less than what was previously paid. The transition from the previous service providers was achieved with minimum disruption.

The Archives and the Records Management units of the branch were able to finalise the records retention schedule and disposal of records for the department. Approval was also sought and obtained from the National Archives. These will assist the department in reducing the storage space, both locally and abroad.

Expenditure management

The department continues to be committed to payment of invoices within 30 days of receipt. This is in support of government's strategy to create and maintain a sustainable economy and promote business development.

There is a progressive improvement since the implementation of a robust system to ensure suppliers are paid for services rendered in good time. In the current year the department achieved 90% performance against the target of 100% compared to 86% in the previous year. The improvement can be attributed to the implementation of the following strategies:

- Standard Operating Process Manual (SOPM) on invoice tracking drafted and is in the process of being finalised.
- Coordinated invoice certification stamps from one central point.
- Upgraded the Invoice Tracking System for alignment with the SOPM
- Initiated the process of establishing a central point of receiving invoices.
- Finalising arrangements with travel agencies to settle their client service offices (CSO) within the department in all geographical locations (i.e. head office and provinces).

4.1.8 Counter Corruption and Security Services

Purpose: The purpose of Counter Corruption and Security Services is to prevent and combat corruption in order to protect and promote the integrity of the department.

Overview of achievements and challenges

The Branch: Counter Corruption and Security Services is dedicated to ensuring that DHA operations are conducted in a safe and corruption-free environment and safeguarding all DHA employees, clients and assets.

In the past year emphasis was placed on mechanisms to consolidate and solidify our efforts in corruption detection, prevention and investigation, as well as ensuring the security of DHA. Special attention was also directed at promoting ethical behaviour of DHA officials. In this regard, the following documents were developed to enhance

mechanisms to prevent and fight corruption and fraud in the department: Counter Corruption Strategy, the DHA Conflict of Interest Policy, Internal Security Policy, Vetting Policy, Whistle-blowing Policy.

The Ethics Management Committee was established and the Ethics Champion was appointed to oversee the implementation of an ethics management programme within the department. This will further contribute to the enhancement of an ethical and corruption-free department.

During 2013/14, 627 cases of fraud and corruption were finalised through investigation. Of these cases, 130 were referred to Employee Engagement for disciplinary action to be taken against the implicated officials. There were 40 cases referred for criminal actions, (HR will report on the outcome of disciplinary matters). Only two cases of criminal prosecution were finalised by the courts with guilty findings. The sanctions were: five years imprisonment without an option of a fine for the case of defrauding marriages and births for purposes of submitting fraudulent claims to insurance companies, and six years imprisonment (two years suspended) for defrauding the department in subsistence and travel claims.

As detection mechanisms, process reviews were conducted in the areas of Asylum Seeker Management, smart ID card, Supply Chain Management and IT Modernisation, with the intention of identifying corruption and security loopholes and developing mitigating strategies to address these shortfalls.

The department has prioritised the issue of vetting personnel deployed in critical areas. To this end, 420 vetting fieldwork investigations were completed and the applications were submitted to SSA for adjudication and decision. Various anti-corruption and fraud prevention awareness initiatives were conducted through work sessions, the publication IKhaya and posters.

The branch continues to support a safe and corruption-free environment and the safeguarding of all DHA employees, clients and assets. 79 Threat and Risk Assessments were conducted in the past financial year. The branch supports the IT Modernisation Project and new installations and security upgrades were carried out regularly.

Table 5: Outcome and strategic objectives of Programme 1, Administration

Programme		Programme 1: Administration					
DHA Outcome		Outcome No 1: Secured South African citizenship and identity					
Strategic Objective		Strategic Objective 1.3: To ensure the identification and registration of all South African citizens and foreign nationals to enhance the integrity and security of identity					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Number of offices with live capture functionality for passports and IDs installed and functional.	1.3.1.2	Not achieved Definitive agreement between DHA and Gijima signed. The following interfaces to the new live capture were developed and tested: NPR, HANIS, and passports printing at GPW.	Live capture functionality for passports and IDs rolled out (installed and functional) to 70 offices.	Achieved Live capture functionality for passports and IDs rolled out (installed and functional) to 70 offices.			Transversal Information Technology Management
Status of creation of scanning capability (equipment) for 500 000 manual documents as per project plan.	1.3.1.3		Scanning capability (equipment and human resources) created for minimum of 500 000 manual documents as per project plan.	Not achieved	Scanning capability was not created because the budget allocated was reprioritised to support the rollout of smart ID card and live capture.	Scanning capability will be acquired in phase two of the modernisation programme.	Transversal Information Technology Management

Programme		Programme 1: Administration					
Outcome		Outcome 3: A service that is efficient, accessible and corruption free					
Strategic Objective		Strategic Objective 3.1: To transform the culture of the organisation in support of securing identity, citizenship and international migration					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Number of newly appointed officials enrolled and trained in National Certificate: Home Affairs Services.	3.1.1.1		600 newly appointed officials enrolled and trained in National Certificate in Home Affairs Services.	Achieved Total number of newly appointed officials trained: 667. Total number of existing officials trained: 174. Total number of officials trained: 841.			Corporate Services

Programme		Programme 1: Administration					
Outcome		Outcome 3: A service that is efficient, accessible and corruption free					
Strategic Objective		Strategic Objective 3.1: To transform the culture of the organisation in support of securing identity, citizenship and international migration					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Number of managers at senior, middle and junior management levels enrolled and trained in outbound management and leadership development programmes.	3.1.2.1	Achieved During 2012/13 there were 143 managers enrolled and 133 trained in the outbound management development programmes. The target of 100 was therefore overachieved by 33%.	100 managers at senior, middle and junior levels enrolled and trained in outbound management and leadership development programmes.	Achieved 129 managers at senior, middle and junior levels were trained and enrolled in outbound management and leadership development programmes.			Corporate Services
Number of employees participating in DHA cadre ambassador programme.	3.1.2.2		Ambassador programme implemented among an additional 200 employees at head office and provinces.	Achieved A total of 203 employees were nominated as DHA Cadre Ambassadors. 200 ambassadors were trained on DHA Cadre Framework, Change Management, Protocol and Events Management, DHA Cadre Development, DHA Modernisation, Counter Corruption and Security, in partnership with the Learning Academy.	None	None	Corporate Services
Status of the design and phased implementation of the integrated monitoring and evaluation system according to project plan specifications.	3.1.3.1	Not applicable	Integrated monitoring and evaluation system designed and phase 1 implemented (concept paper approved, data systems designed, structure approved).	Achieved These targets include: concept paper approved, data systems designed, structure approved.			Corporate Services

Programme		Programme 1: Administration					
Outcome		Outcome 3: A service that is efficient, accessible and corruption free					
Strategic Objective		Strategic Objective 3.2: To ensure ethical conduct and a zero-tolerance approach to corruption					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Number of reports, compiled on security evaluations performed on four processes, signed off by Director-General.	3.2.1.1	Achieved Security evaluations performed on processes of four focus areas (Missions, Ports of Entry, Supply Chain Management and Deportations) to identify gaps or loopholes and security risks.	Reports compiled on security evaluations performed on a further four processes, signed off by Director-General.	Achieved Security evaluations performed on Asylum Seeker Management (ASM), smart ID card, Supply Chain Management (SCM) and IT Modernisation.			Corporate Services
Status of customisation and testing of DHA Investigations Case Management System, which provides integrated reports on counter corruption cases, as per project plan specifications.	3.2.1.2	Not achieved Consultations were held with internal stakeholders for the design of the system. The database was designed.	DHA Investigations Case Management System, which provides integrated reports on counter corruption cases, customised and tested (ready for implementation) for accessibility to all JCPS stakeholders.	Not Achieved	The tender advert was issued and a compulsory briefing session was conducted with the prospective bidders. However, sufficient funds could not be sourced to purchase the software required due to an increase in scope as the project progressed.	The target was transferred to the 2014/15 operational plan.	Corporate Services
Status of submission of draft policy and legal framework document for approval by DHA, cluster and cabinet (policy and legal framework document submitted for approval / not submitted for approval to identified structures).	3.2.1.3	Partially achieved Concept paper drafted and initial research conducted.	Draft policy and legal framework document submitted for approval by DHA, cluster and cabinet.	Not Achieved	The Policy and Legal Framework was tabled at EXCO on 23 March 2014. EXCO decided that further discussion was required.	The target will be moved to the department's 2014/15 operational plan.	Corporate Services

Programme		Programme 1: Administration					
Outcome		Outcome 3: A service that is efficient, accessible and corruption free					
Strategic Objective		Strategic Objective 3.2: To ensure ethical conduct and a zero-tolerance approach to corruption					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Status of anti-corruption awareness campaign conducted with identified number of communication and awareness products undertaken in identified offices nation-wide.	3.2.1.4	Not applicable due to target as formulated being new.	Anti-corruption awareness campaign conducted with one or more communication and awareness products undertaken in identified offices nation-wide.	Achieved			Corporate Services

Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Percentage of misconduct cases finalised within 60 working days (from date the charge sheet is issued until the presiding officer's report is received).	3.2.2.1	Partially achieved 103 of 143 cases were finalised within 60 days. Thus, 72.02% of cases were completed within 60 working days. 49 cases were carried over from the previous financial year. 140 new cases were received since the beginning of the financial year A total of 189 cases were therefore handled to date. At the end of the reporting period. 58 cases are in progress; 46 of the 58 are still within the 60-day period and 12 are outside the 60-day period.	85% of misconduct cases finalised within 60 working days.	Not achieved A total of 106 out of 164 (55%) completed cases were finalised within the target of 60 working days and 58 cases finalised outside the target of 60 days.	Unavailability of witnesses. Officials being on sick, study or vacation leave. Chairpersons failing to submit reports on time.	Retraining of departmental chairpersons. Training of more officials as chairpersons in disciplinary hearings in all provinces. Training of initiators on initiation process. Address budgetary constraints. Provinces to prioritise the appointment of labour relations officers. Consider creating permanent posts for chairpersons.	Corporate Services

Programme		Programme 1: Administration					
Outcome		Outcome 3: A service that is efficient, accessible and corruption free					
Strategic Objective		Strategic Objective 3.3 To obtain a clean audit report					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Status of: - compliance checklist - quarterly financial statements - annual financial statements - monthly management pack - Audit action plan	3.3.1.1	Partially achieved The delay in finalisation of procedures and policies is due to changes in the Treasury Regulations.	Unqualified audit report for 2013/14 financial year.	Disclaimer of opinion: audit report for 2013/14 financial year.			Corporate Services
Percentage of valid invoices settled within 30 days of certification of invoices.	3.3.2.1	Partially achieved There has been an improvement in the 2012/13 financial year due mainly to decentralisation of procurement and payment to provinces, and roll out of LOGIS. Timeframes were developed for each stage of the payment process. Daily monitoring of expenditure and timeframes. An automated track and trace system has been developed and has been operational since March 2013.	100% of valid invoices settled within 30 days of certification of invoices.	Not achieved The department achieved 85.81% performance against the target of 100%.	<ul style="list-style-type: none"> Out-dated or invalid tax clearance certificate. Invalid supplier banking details. Trading names of invoice differ from the supplier banking details on the system. Bulk invoicing remains a challenge as the payment cannot be processed before all individual invoices are certified. 	<ul style="list-style-type: none"> Enforce compliance with SCM guidelines. Conduct workshops for budget and finance co-ordinators in quarter 1 for 2014/15. The process is being re-engineered to assess alternative solutions in consultation with the users and suppliers. 	Corporate Services

Programme		Programme 1: Administration					
Outcome		Outcome 3: A service that is efficient, accessible and corruption free					
Strategic Objective		Strategic Objective 3.4: To ensure ,effective, efficient and accessible service delivery to clients					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Number of months to fill vacant funded posts from date of funding or date being vacated until letter of offer is issued.	3.4.2.1	Partially achieved 538 (60%) of the 895 funded posts filled by 31 March, in a six-month turnaround time.	Vacant funded posts filled within six months.	Not achieved 18.1% (310) of total funded vacancies (1711) were filled in a six-month turnaround time.	Delays owing to the need to reprioritise posts. In some cases, there was a challenge in attracting candidates of the right calibre. Also, HR provincial delegations for chairing panels was too high.	Reprioritisation of posts will be done as a once-off exercise during the budgeting process. HR capacity in provinces to be enhanced. HR delegations have been reviewed.	Corporate Services

Strategy to overcome areas of under performance

Strategies to address underperformance are captured in the reports by the business unit and in the performance tables where a target is not achieved.

Table 6: Sub-programme expenditure

Sub- programme name	2013/14			2012/13		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Transversal Information Technology Management	678 742	675 848	2 894	473 360	333 228	140 132
Corporate Services	628 051	627 683	368	681 534	681 534	-
Total	1 354 590	1 303 531	3 262	1 154 894	1 014 762	140 132

4.2 PROGRAMME 2: CITIZEN AFFAIRS

Purpose: Provide secure, efficient and accessible services and documents for citizens and lawful residents.

LIST OF SUB PROGRAMMES

- Citizens Affairs Management
- Status Services
- Identification Services
- Access to Services
- Service Delivery to Provinces

The strategic objectives relevant to this programme are:

- To ensure that registration at birth is the only entry point to the National Population Register (NPR) for South Africans

- To issue Identity Documents (IDs) to citizens turning 16 years of age and above
- To ensure the identification and registration of South African citizens and foreign nationals to enhance the integrity and security of identity
- To ensure secure, effective, efficient and accessible service delivery to clients

The department planned to register 642 000 births during the review period and a total of 650 682 births were registered. A new strategy for Late Registration of Births (LRBs) was also adopted and the Amendment Regulations in terms of the Births and Deaths Registration Act was signed into effect on 20 February 2014. The department planned to establish 40 operational health facilities and 44 were connected and operational. Eight stakeholder forums were launched and functional. The new smart ID card was launched on 18 July 2014 at the Union Buildings in Tshwane. Rollout took place from 1 October and the department managed to issue 125 112 smart ID cards by the end of March 2014 against a planned target of 100 000. Seventeen out of 15 planned offices were refurbished.

The LRB strategy, additional health facilities connected, as well as the launch of additional stakeholder forums, are contributing targets to support our strategy to increase the number of births registered within the legal requirement of 30 days from date of birth. These sustained efforts are taking DHA closer to ensuring that birth is the only entry point to the National Population Register. As far as the issuance of identity documents to persons 16 years and older is concerned, the launch and subsequent issuance of 125 112 smart ID cards is a step closer to securing the identity of SA citizens. Efforts to secure, effective, efficient and accessible service delivery to clients was achieved through the refurbishment of 17 additional offices.

Home Affairs' efforts to register births within 30 days, implement an LRB mop-up strategy, launch additional stakeholder forums, connect additional health facilities and gradually replace of the old green bar-coded ID with a secure smart ID card with highly sophisticated security features, are contributing to the government Outcome 3, "all people are and feel safe". By securing the National Population Register through ensuring that birth is the only entry point; we reduce the possibility of fraud and move closer to a credible and reliable National Population Register. We have also contributed to Outcome 12, "an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship" by refurbishing DHA offices with a new "look and feel" concept that creates a much better service delivery and working environment for our clients and staff. Similarly, we managed to issue 98.2% of ID re-issues within 47 working days. This ensures accessibility to enabling documents required by citizens to vote in elections as well as for other life-enabling purposes.

4.2.1 Citizen affairs management

This sub-programme is responsible for the overall management of the branch and includes all chief directorates and support services reporting to the Deputy Director-General: Civic Services. The Branch is responsible for both head office and front line operations. Head office provides policy direction and set standards as well as management of back office processes. Provincial management includes provincial operations management for both civic and immigration operations at front offices.

4.2.2 Status services

Status Services regulates all matters relating to the National Population Register (NPR). These include: maintaining an accurate population register of all citizens and immigrants who have acquired the right to permanent residence; registration of births, deaths and marriages; provision of travel documents and related matters, such as passports; provision of financial assistance to citizens abroad by paying for their visas and travel costs if they wish to return to South Africa and have no means to do so; and determining and granting citizenship.

Birth registrations

One of the key strategies coordinated by Civic Services since 2009 is to ensure a credible, accurate and secure National Population Register (NPR) with a single point of entry at birth. The launch of the NPR campaign in 2010 achieved this objective on a national scale. The NPR campaign, included various initiatives such as:

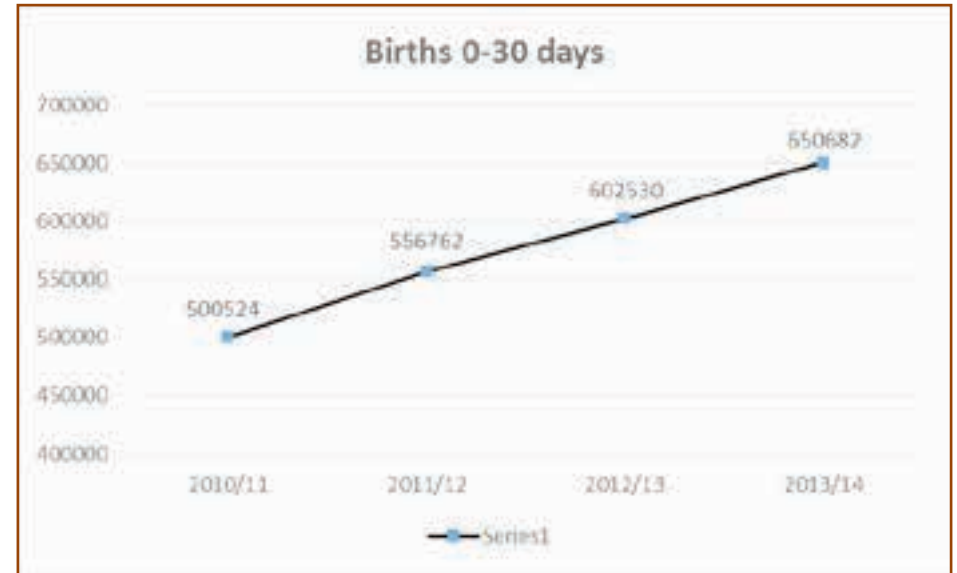
- Conducting outreach programmes in rural areas, schools, farms and informal settlements.
- Stakeholder forums at local, district, metro and provincial levels. These forums are designed to enhance community involvement and participation in the DHA outreach programmes. During the 2013/14 financial year a total of eight additional stakeholder forums were launched. Since this initiative started in 2010, a total of 264 stakeholder forums have been launched to assist with various community-based service delivery projects rendered by the department. The NPR campaign and engagements with stakeholder forums have contributed to increased awareness of birth registration requirements.
- Online birth registration points were rolled out to 44 additional health facilities during the review period. Birth registration services are now available at 390 health facilities.

The overall situation as far as birth registration (all ages) is concerned reflects a marginal year-on-year decline in the number of registrations due to changing demographic dynamics in the country. The decline is fairly consistent with estimates issued annually by Statistics South Africa. Graph 1 highlights this gradual decline.

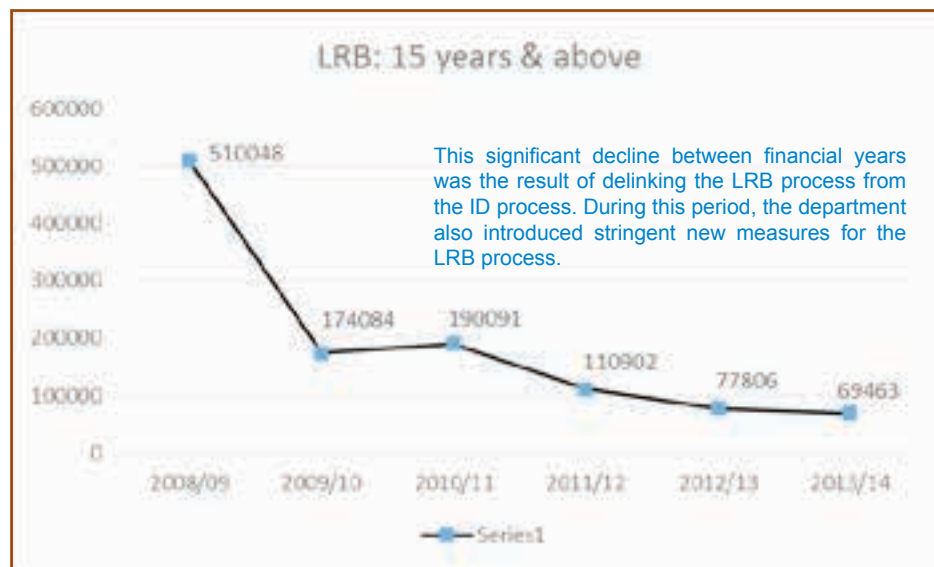
Graph 1 : Number of births (0-14 years)



Graph 2: Number of births (0-30 days)



Notwithstanding this gradual and anticipated decline in birth registrations rates, the department’s strategic focus since launching the NPR campaign in 2010 was to increase the number of births registered within 30 days of birth. The branch is satisfied that inroads are being made in this regard. Graph 2 illustrates a consistent increase in year-on-year birth registrations for the age category 0 to 30 days. This category is consistent with the legal requirements contained in the Births & Deaths Registration Act of 1992 (as amended) requiring births to be registered within 30 days of birth. It appears the majority of citizens are embracing these legal requirements. Although an increase in this category is acknowledged, the department still has to work hard to ensure that birth is the only entry point into the National Population Register and that a hundred percent target for birth registration is achieved.

Graph 3: Late registration of births (15 & above)

Late registration of births strategy

Contrary to the situation outlined in graph 2, an anticipated declining trend in late birth registration is prevalent as far as the registration of births in the age groups 15 and above; is concerned. This decline is as a result of the department's strategic focus wherein pressure points where large numbers of citizens remained undocumented in specific geographic areas are identified and targeted. Graph 3 above illustrates this anticipated decline.

A new strategy for Late Registration of Births was adopted and rolled out during the review period. The strategy affirms various initiatives that were implemented to identify and encourage unregistered citizens to register their births. This strategy is also aligned to the recent amendments to the Regulations in terms of the Births & Deaths Registration Act, which was signed into law by President Jacob Zuma on 20 February 2014. A mop-up plan to eradicate all outstanding cases is due to be implemented during the next

financial year, for example; the deployment of mobile units to rural areas, continuous engagements with the various stakeholder forums nationally as well as focused outreach campaigns.

4.2.3 Identification services

This sub-programme oversees issues relating to identity management, such as fingerprints, photographs and identity documents (IDs). Once personal details are recorded in the NPR, IDs are issued to persons who have attained the age of 16 years. This sub-programme is also responsible for the storing and verification of fingerprints in the central database of the Automated Fingerprint Identification System (AFIS), a subsystem of the Home Affairs National Identification System (HANIS) and its overall administration.

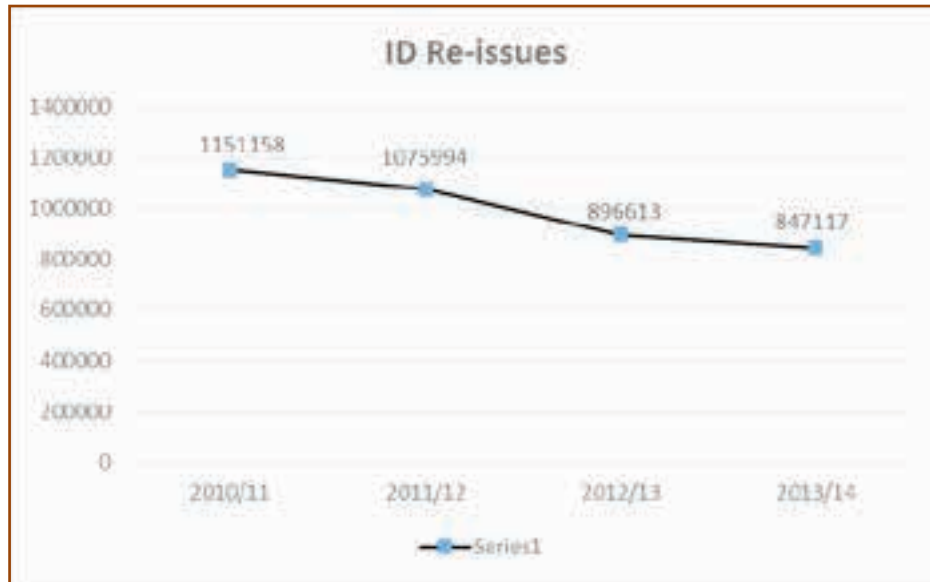
Issuance of smart ID cards to citizens

The much anticipated launch of the smart ID card took place on 18 July 2014 at the Union Buildings in Tshwane. Subsequent to this launch, the department succeeded to issue 125 112 smart ID cards, primarily to citizens aged 60 years and above. The smart ID card is considered a suitable replacement for the existing green barcoded identity document as it is equipped with advanced security features that will significantly hamper syndicated attempts to defraud the identity system. Thus far, the first year of production has been fairly event free, although ample systemic adaptations have been identified and progressively implemented. A full-scale rollout will commence from the 2014/15 financial year onward.

ID re-issues

The department obtained approval from National Treasury to increase the revenue tariffs in respect of ID re-issues from R20 to R140 with effect from 1 April 2011. This increase was largely necessitated due to the fact that the demand for ID re-issues was higher than first issues. An analysis done on ID re-issue trends reflects that misplacement of IDs due to client negligence is the foremost cause for re-issues. The price increase therefore impresses upon clients the need to attach greater value to their personal identification documents and also effectively reduces the amount required by the department to subsidise the re-issuance of IDs. Graph 4 illustrates a consistent reduction in applications for the re-issuance of identity documents.

Graph 4: Identity documents re-issues



4.2.4 Access to services

the development and facilitation of strategic channel management ensured optimal placement and utilisation of Home Affairs services by co-ordinating the departmental footprint strategy, hospital services, mobile offices and the Customer Service Centre.

Refurbishment of existing offices

The purpose of the “look & feel” project is to have an improved corporate image and office environment meeting the needs of staff and clients, including people with disabilities. The department planned to refurbish 15 offices during the review period. Seventeen offices were refurbished. The total number of offices refurbished under the “look & feel” project since inception is 153.

Implementation of online birth registration at health facilities

The department planned to roll out online birth registration at 40 additional health facilities during the review period. A total of 44 health facilities were connected during the review period bringing the total number of health facilities with online birth registration (since the inception of the project) to 390.

Table 7: Outcome and strategic objectives of Programme 2, Citizen Affairs

Programme		Programme 2: Citizen Affairs					
Outcome		Outcome No 1: Secured South African citizenship and identity					
Strategic Objective		Strategic Objective 1.1: To ensure that registration at birth is the only entry point for South Africans to the National Population Register (NPR)					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Number of new born children registered within 30 calendar days of birth as measured against the rolling baseline (of the previous financial year).	1.1.1.1	Achieved 602 530 births were registered for the category 0 to 30 days. 45 768 more births were registered during the review period compared against the 2011/12 baseline.	642 000 births registered within 30 calendar days of the birth.	Achieved 650 682 births were registered within 30 calendar days of the birth.			Status Services Service Delivery to provinces
Number of health institutions with maternity facilities operational for online birth registration (rendering an online birth registration service).	1.1.1.2	Achieved 85 health institutions were connected and are operational.	40 additional health institutions with maternity facilities operational for online birth registration.	Achieved 44 health facilities were connected and became operational during the review period.			Access to Services Service Delivery to provinces
Number of stakeholder forums launched and functional.	1.1.1.3	Partially achieved Seven stakeholder forums were launched during the financial year.	Eight additional stakeholder forums launched and functional.	Achieved Eight additional stakeholder forums were launched during the review period and were functional.			Status Services Service Delivery to provinces
Status of strategy and plan implementation to reduce the number of South Africans without birth certificates applying via the late registration of birth (LRB) process as per project plan specifications.	1.1.2.1	Partially achieved 89,7% of LRB cases were finalised within Six months.	Strategy and plan implemented nationally and in Nine provinces to reduce late registration of birth.	Achieved The LRB strategy and plan was approved and rolled out to nine provinces.			Status Services Service Delivery to provinces
Strategic Objective		Strategic Objective 1.2: To issue Identity Documents (IDs) to citizens turning 16 years of age and above					
Number of smart ID card issued to citizens 16 years of age and above.	1.2.1.1	Achieved Service provider was appointed to design the smart ID cards.	Smart ID card issued to 100 000 citizens.	Achieved 125 112 smart ID cards were issued during the review period.			Identification Services

Programme		Programme 2: Citizen Affairs					
Outcome		Outcome No 3: A service that is efficient, accessible and corruption free					
Strategic Objective		Strategic Objective 3.4: To ensure, effective, efficient and accessible service delivery to clients					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Number of offices refurbished, both state owned and long-term private leases, to achieve uniformed standards.	3.4.1.1	<p>Partially achieved 19 offices were refurbished during the review period. Ten of these offices were carried over from the 2011/12 financial year and were finalised during the first quarter. The balance of nine offices was part of the 2012/13 annual target of 15.</p> <p>Rollovers: Eastern Cape: Tsolo Gauteng: Ennerdale, Devon, Eldorado Park, Ekangala, Duduza Mpumalanga: Mkobola (Kwaggafontein) and Tholulwazi (Leandra) Northern Cape: Carnovan and Groblershoop</p>	Fifteen offices refurbished to achieve uniform standards.	<p>Achieved Seventeen offices refurbished. Standards for three of the offices were in accordance with the requirements of the modernisation programme; which includes the digitation of systems.</p>			<p>Access to Services</p> <p>Service Delivery to provinces</p>



Programme		Programme 2: Citizen Affairs					
Outcome		Outcome No 3: A service that is efficient, accessible and corruption free					
Strategic Objective		Strategic Objective 3.4: To ensure, effective, efficient and accessible service delivery to clients					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Percentage of IDs (first issues) issued within 54 working days for applications collected and processed within the RSA (from date of receipt of application until ID is scanned at office of application).	3.4.2.2	Partially achieved 92,2% (959 487) of ID first issues were issued within 54 days (out of a total of 1 039 862 ID first issues issued during the year).	95% of IDs (first issues) issued within 54 working days for applications collected and processed within the RSA.	Not Achieved 91.7% of IDs (first issues) issued within 54 working days for applications collected and processed within the RSA. 864 138 IDs were issued within 54 working days. 78 356 IDs were issued above 54 working days. The total IDs issued was 942 494.	<ul style="list-style-type: none"> The main reason was lamination errors due to the poor quality of strips. Permanent Residence, hand written birth certificates, marriages and refugee applications prolongs the process due to verification. HANIS (non-functional from 20 January to 14 March 2014). 	<ul style="list-style-type: none"> New lamination strips based on new specifications were received and were tested and meet the requirements. Review the process for birth permanent residence and refugees. Review the maintenance plan for HANIS. 	Identification Services Service Delivery to provinces
Percentage (%) of IDs (re-issues) issued within 47 working days for applications collected and processed within the RSA (from date of receipt of application until ID is scanned at office of application).	3.4.2.3	Achieved 98% (879 476) of ID first issues were issued within 47 days (out of a total of 896 613 ID re-issues issued during the year).	95% of IDs (re- issues) issued within 47 working days for applications collected and processed within the RSA.	Achieved 98.2% of IDs (re-issues) issued within 47 working days for applications collected and processed within the RSA. 831 952 IDs were issued within 47 working days. 15 165 IDs were issued above 47 working days. The total IDs issued was 847 117.			Identification Services Service delivery to provinces

Programme		Programme 2: Citizen Affairs					
Outcome		Outcome No 3: A service that is efficient, accessible and corruption free					
Strategic Objective		Strategic Objective 3.4: To ensure, effective, efficient and accessible service delivery to clients					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Percentage of machine-readable passports (manual process) issued within 24 working days for applications collected and processed within the RSA (from date of receipt of application until passport is scanned at office of application).	3.4.2.4	Partially achieved 94% of passports were issued within 24 days. 388 544 passports were issued within 24 days and 24 670 were issued above 24 days. The total passports issued were 413 214.	95% of machine-readable passports issued within 24 working days (manual process) for applications collected and processed within the RSA.	Not achieved 93.7% of machine-readable passports issued within 24 working days (manual process) for applications collected and processed within the RSA. 424 170 were issued within 24 working days and 28 385 issued over 24 working days. The total passports issued were 452 555.	Reconfiguration of offices to introduce new digital systems temporarily slowed down delivery via existing systems.	To decentralise image enhancement to frontline offices to correct photographs that do not meet specified standards.	Status Services Service Delivery to provinces
Percentage of machine readable passports (live capture process) issued within 13 working days for applications collected and processed within the RSA (from date of receipt of application until passport is scanned at office of application).	3.4.2.5	Partially achieved 93,3% of passports were issued within 13 days. 155 856 passports were issued within 13 days and 11145 were issued after 13 days. The total passports issued were 167 001.	97% of applications for machine-readable passports issued within 13 working days (live capture process) for applications collected and processed within the RSA.	Not achieved 95.9% of machine-readable passports issued within 13 working days (live capture process) for applications collected and processed within the RSA. 154 818 were issued within 13 working days and 6 635 issued after 13 working days. The total passports issued were 161 453.	Reconfiguration of offices to introduce new digital systems temporarily slowed down delivery via existing systems.	To decentralise image enhancement to frontline offices to correct photographs that do not meet specified standards.	Status Services Service Delivery to provinces

Strategy to overcome areas of under performance

Strategies to address underperformance are captured in the reports by the business units and in the performance tables where a target is not achieved.

Linking performance with budgets

Table 8: Sub-programme expenditure

Sub- Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Citizens Affairs management	24 063	24 000	63	31 385	28 473	(2 912)
Status services	440 205	440 166	39	67 175	302 282	235 107
Identification services	210 961	210 884	77	242 817	242 549	(268)
Access to services	68 279	68 218	61	66 596	62 866	(3 730)
Service delivery to provinces	1 808 617	1 808 509	108	1 575 726	1 574 112	1 614
Total	4 347 984	4 347 636	348	2 951 269	3 177 492	229 811

4.3 PROGRAMME 3: IMMIGRATION AFFAIRS

Purpose: To facilitate and regulate the secure movement of people through the ports of entry into and out of the Republic of South Africa, determine the status of asylum seekers and regulate refugee affairs. Confirm and provide enabling documents to foreign visitors legally residing within RSA. Enforce immigration legislation and effect deportations.

LIST OF SUB PROGRAMMES

- Immigration Affairs Management
- Admission Services
- Immigration Services
- Asylum Seekers

The strategic objectives relevant to this programme are:

- To ensure a secure, responsive and flexible immigration regime in support of national security, priorities and interests
- To implement effective and efficient asylum seeker and refugee management strategies and systems
- To facilitate the efficient movement of bona fide travellers to support national interests and priorities, and to prevent and prohibit the movement of undesirable persons in the interest of national security
- To contribute towards realising a positive skills migration trend
- To ensure secure, effective, efficient and accessible service delivery to clients

4.3.1 General overview

The core immigration mandate is to:

- Facilitate and regulate the secure movement of people through the ports of entry into and out of the Republic of South Africa.
- Confirm and provide enabling documents to foreign visitors legally residing within RSA.
- Enforce immigration legislation and effect deportations.
- Determine the status of asylum seekers and regulate refugee affairs.
- Contribute towards realising a positive skills migration trend into the RSA.

During the period under review, the Immigration Services branch devoted significant attention to the amendment of the Immigration Regulations in order to bring into effect the Immigration Amendment Act 2007 and 201. In line with section 7(1) of the Immigration Act, numerous consultative meetings were held with the Immigration Advisory Board (IAB) before Minister could approve and publish the Regulations for implementation. The amended Immigration Act and Regulations aim to support national development goals by facilitating the attraction of critical skills, while increasing penalties for those unwilling to comply with immigration laws. They will also give effect to the department's constitutional mandate to defend the country's sovereignty, security and public safety and allow immigration decisions to be based on an assessment of risk to South Africa.

During the 2013/14 financial year in the area of port control, important infrastructure improvements were completed at 11 identified ports of entry and the Enhanced Movement Control System (EMCS) was extended to 13 identified ports of entry, while the user and technical specifications for the Trusted Traveller Programme (TTP) were completed. Important progress was made in the establishment of the Border Management Agency (BMA) by getting Cabinet approval, appointment of the Project Manager and support staff and undertaking a feasibility study. Combined, these developments allowed significant progress to be made towards achieving BMA-related targets.

The improvements made in relation to Ports of Entry (PoE), both in terms of infrastructure and systems as described above, are aimed at facilitating the efficient movement of bona fide travellers to support national goals and priorities, and to prevent and prohibit the movement of undesirable persons in the interest of national security. Further, the identified changes to electronic systems and the move towards integration of both systems and structures are aimed at ensuring that the immigration regime is both responsive and secure in the face of global opportunities, risks and interests.

In the area of permitting, significant progress was made in clearing backlogs in relation to both permanent and temporary residence permits, through the institution of targeted backlog projects and in separating Permanent Residence from Temporary Residence functions. Permit adjudication capacity was increased and some specialisation in adjudication based on different categories of permits and visas has been created. Furthermore, a strategy for the attraction and retention of critical skills and a critical skills list were drafted and approved, while important changes were made to systems to speed up the adjudication and issuance of critical skills permits.

The initiatives outlined above are directly related to taking steps to realise a positive skills migration trend. Importantly, the user and technical specifications for a future e-Visa and permitting system were developed and approved during the 2013/14 financial year. The objective of these initiatives was to make the permitting process more efficient and secure. The attraction of critical skills to South Africa is in direct support of NDP objectives related to the economy, employment and economic growth. They also contribute towards rendering a secure, effective, efficient and accessible service to clients as turn-around times for finalisation of applications improve.

An immigration policy review process was conducted to develop specific proposals, among others, on how to engage the management of asylum seekers. In the 2015/16 financial year wide-ranging engagements will be held with stakeholders on all aspects of immigration policy.

4.3.2 Port Control

During the performance year 2013/14, Port Control achieved relative success in the achievement of its Annual Performance Plan targets and other critical programmes. The Chief Directorate assisted with the appointment of the BMA Project Manager and the establishment of the Border Management Agency Project Office. Port Control also increased its participation at national structures such as the Inter-Agency Clearing Forum (IACF), Border Control Coordinating Committee (BCOCC), as well as internal DHA structures to ensure the strengthening of Port Control and its functions.

Improvements were made to infrastructure and operational processes at Beitbridge and Maseru Bridge PoE. In this regard, two key targets, namely, the roll-out of improved infrastructure to 11 PoEs and the EMCS to 13 PoEs were successfully finalised. Further, specifications for the Trusted Traveller Programme were also signed off by all relevant departmental structures. During this reporting period, the Chief Directorate: Port Control also supported all high-volume ports while managing, on a permanent basis, the three major

airports in the country (Johannesburg, Durban and Cape Town). Human, financial and other resources were provided for the successful processing of travellers during the state funeral of former President Nelson Mandela and the 2013/14 December festive period.

Port Control remains challenged by low levels of management capacity, system shortfalls and staffing problems. The Chief Directorate: Port Control structure presently consist of only four SMS level positions (one Chief Director and three Directors). Thus at a national level, the command and control of 72 PoEs remains a critical challenge in ensuring the effective management of port operations. The management of most ports at relatively low supervisory levels also adds to the challenges experienced.

The fragmented management environment in Port Control contributed to challenges in the management of fines and the proper recording of penalties. The challenges pertaining to the management of fines are expected to ease from June 2014 onwards, as the amended Immigration Act does away with fines as a penalty for people who overstay the duration of their visas.

4.3.3 Permitting

Management of critical skills

There was great improvement in the management of migrants with critical skills. The Track and Trace system was upgraded with a function that will make it possible to identify the work visas issued under the critical skills category according to occupational class. This development assisted the department to clearly identify the occupations with the highest demand under the critical skills category. The capturing of critical skills applications per occupational class resulted in the collection of data that was used as further input towards informing the department's strategy on the facilitation of attracting and retaining migrants with critical skills.

Highly-skilled and experienced professionals are important to the growth and development of the Republic. Through the Presidential Infrastructure Projects, their contribution has been critical to realising an integrated growth and development agenda of the country through the transfer of skills. The Immigration Act requires that visas should be issued as expeditiously as possible and on the basis of simplified procedures that do not consume excessive administrative capacity.

The swift processing of corporate visas resulted in the movement of highly-skilled foreign workers being facilitated timeously. The much needed skills of technicians, engineers, scientists, researchers and technologists required on Strategic Infrastructure Projects in the oil and gas industry, mining and construction, automotive manufacturing, renewable

energy, power generation and the maritime environment were facilitated through a corporate visa that enables employers to recruit skills not readily available in the Republic.

Following the announcement by Daimler AG, one of the biggest producers of premium cars and the world's biggest manufacturer of commercial vehicles, that it would be investing a further R2 billion into the South African plant in preparation for production of the next-generation Mercedes-Benz C-Class, the Directorate: Corporate Accounts met with Mercedes-Benz SA (MBSA) to ensure that the movement of highly-skilled technicians from abroad would be facilitated without undue delays. Through the issuance of the relevant work visas to Mercedes Benz's international suppliers the department ensured that the investment would yield extensive skills training and the introduction of the very latest technology into the automotive sector.

In the period under review the corporate account status was granted to all institutions of higher learning and corporate companies whose activities were corroborated by the Department of Trade and Industry as being of national interest in terms of job creation and contribution to the economy. As part of recruiting highly-skilled people to contribute to the development of South Africa, the newly drafted critical skills list will endeavour to provide a range of attractive work visa options to Doctoral Graduates who graduate within the Republic.

Visa facilitation services

A milestone was reached within permitting with the appointment of a service provider as a business partner to perform permitting front office duties. This will bring about an automated visa application process that is efficient and will ensure that turnaround times for finalisation of applications are achieved. The project will be fully implemented with 11 Visa Facilitation Service (VFS) centres distributed nationally within every province. However, all adjudication will continue to be carried out by the DHA.

Permanent residence

The permanent residence backlog project was implemented to eradicate backlog applications. All backlog applications were finalised and the department is working on current applications. The processing of permanent residence applications within eight months was not achieved. The eradication of the backlog ensured that officials can concentrate on targeted adjudication of applications within the Annual Performance Plan (APP) target period of eight months. The department will strengthen systems to ensure that the current status is sustained to avoid any recurrence backlogs.

Temporary residence

In the 2014/15 financial year, the department will focus on finalising temporary residence applications within the APP target period of eight weeks. The department has revised business processes to ensure that applications are finalised within the stipulated timeframes by removing administrative bottlenecks. As part of this exercise it was established that adjudication is not a constraint.

Waivers

For the reporting period, the department processed 2 251 waiver requests. The large majority (90%) of these waivers were for applicants who entered South Africa on intra-company transfer work permits, being seconded by their companies abroad, which have affiliates or branches in South Africa.

These waiver requests were from companies such as BMW, Mercedes, TATA, ZTE Corporation (telecommunications) and Hitachi. These companies have invested money and time to boost the South African economy and have also created numerous employment opportunities for South African citizens.

The granting of these waivers was critical for the continuation of certain projects and businesses to ensure benefit to both the companies and South Africa. For example, upgrades to Medupi power station and the building of new motor plants are likely to have positive side-effects for job creation for South African citizens.

Companies resort to waiver requests due to the fact that an intra-company transfer permit is only issued for two years and is not extendable. Amendments to the Immigration Act have increased the period to four years. The waiver assists them to apply for general work permits to continue with their international assignments. During this period they have been informed to have a skills transfer plan in place and ensure that South African citizens are trained. After the completion of their international assignment, such clients are expected to return to their positions overseas.

At the beginning of the year the turnaround time for waiver requests was 8-12 months, however, this improved to a turnaround time of 30 days by the end of the financial year.

4.3.4 Asylum Seeker Management

Overview of service delivery environment

Managing asylum seekers and refugees in South Africa is a specialised environment that requires an efficient, humane and secure approach. The challenges include mixed migration of persecuted people (asylum seekers) and economic migrants looking for opportunities.

The Chief Directorate: Asylum Seeker Management (ASM) aims to ensure compliance with the department's mandate to give effect within the Republic to the relevant international legal instruments, principles and standards relating to refugees. ASM is mandated to implement the Refugees Act, No 130 of 1998, which enables the reception, assessment, documentation, protection and finding of durable solutions to refugee problems nationally, regionally (SADC circumstances) and internationally (UNHCR perspective) in the context of mixed migration.

Overview of organisational environment

The Chief Directorate (ASM) has a duty to provide policy direction as well as oversee processes and systems relating to applications for asylum, the determination of refugee status and the issuance of refugee enabling documents. The Chief Directorate is responsible for managing asylum data/information for strategic policy and decision-making as well as constant monitoring and evaluation of the management of asylum/refugee practices and services to ensure adherence and compliance to standards and legislation.

Once granted refugee status, the persons are given relevant documents that assist them to intergrate into society. When it is safe for refugees to return to their country of origin ASM works with key stakeholders to explore resettlement and voluntary repatriation options as durable solutions. These role-players, which include the United Nations High Commissioner for Refugees (UNHCR), have separate converging key obligations of ensuring protection and providing social relief to asylum seekers and refugees.

In support of durable solutions, ASM facilitates local integration through the provision of enabling documents for refugee while promoting regional cooperation on asylum management. The unit researches socio-political and economic situations in refugee countries and produces country information reports to enable effective status determination.



Achievement of strategic targets

With regards to immigration policy, the target was not achieved, although progress was made. Achievements included conducting a situational analysis and an international best practices survey on the management of asylum seekers and refugees. Other focus areas were the management of economic migration from SADC and residence of foreign nationals in South Africa. The submission of a policy and strategic options paper to the Minister by 31 March 2014 was assisted by the work of the Policy directorate.

Another target was to establish Status Determination Committees (SDC). This target was not achieved. It was decided that it was not possible for the SDCs to come into operation. The SDC model, as finally adopted – after parliamentary debate – required resources beyond those available to the department and it became apparent that, as structured, the SDC model would be unlikely to improve the effectiveness and efficiency of the asylum determination process.

Giving that the production of enabling documents to recognised refugees in the form of ID documents and travel documents is a key function of the Chief Directorate, this output will be measured closely from the 2014/15 financial year onwards. During the current reporting period, the Chief Directorate ASM began to address the backlog on the production of refugee ID documents and identified interventions to deal with the backlog.

During the 2013/14 financial year, the South African Cabinet declared a cessation on the refugee status of certain categories of Angolan nationals, thus paving the way for such persons to return safely to their country of origin or integrate into South African society. The cessation came into effect on 31 August 2013. The department is currently dealing with outstanding cases linked to the Angolan cessation as follows: (1) cases of unaccompanied minors that are still under consideration; (2) 410 out of 2 049 Angolan passport applicants who opted for alternative immigration status are still waiting for their passports from the Angolan government; and (3) failed asylum seeker applicants. All these cases will be finalised early in the 2014/15 financial year.

There were a number of interventions instituted by the Chief Directorate ASM to enhance the management and processing of asylum seekers and refugees. Some of the key initiatives include the following:

- *Implementation of a Track and Trace System for asylum applications on the National Immigration Information System (NIIS) to track applications and enable the generation of management reports.*

- *Compilation and submission of Draft User Requirements Specification relating to the asylum seekers and refugees information system environment under the expansive DHA National Identification System (NIS) to the IMS Modernisation Committee after reviewing current status and shortfalls.*
- *Installation of NIIS at Beit Bridge PoE to monitor entry and exit of asylum seekers and refugees.*
- *On-line verification of asylum permits by financial institutions - Registration of various financial institutions to access the on-line verification service.*
- *Development of a regional mechanism to manage asylum seekers and refugees – SADC has set up dedicated structures to improve coordination of asylum seekers and refugees and establish appropriate regional mechanisms.*

Challenges that impacted service delivery and annual performance plan targets

There were a number of factors that either delayed certain achievements or contributed to their non-achievement. These include:

- The non-availability of required financial resources to support the establishment of SDCs in each refugee reception office.
- The finalisation and approval of the Immigration and Refugee Policy designed to provide strategic direction not only on the strategic location of refugee reception offices, but also on the management of economic migrants in the context of mixed migration flows.

Moreover, there are challenges resulting in the lack of proper identification of new arrivals at admission level leading to significant backlogs at all levels of the asylum determination process. Such protracted processes not only prolong the deportation of finally rejected asylum seekers but also negatively impact on the effectiveness and credibility of the asylum system. These challenges are characterised by:

- *Human capacity* - Lack of adequate, sufficient and required human resources to process all clients efficiently.
- *Office accommodation* - Inadequacies of infrastructure to cater for the effective management of asylum seekers and refugees
- *Lack of integrated information systems* – this includes key systems such as the MCS, NIIS, Case Management System and NPR.

4.3.5 Inspectorate

Achievements

The Inspectorate has signed new technical bi-lateral agreements with Tanzania and continued co-operation with Botswana, Zimbabwe and Mozambique in combatting illegal migration. A joint inspection exercise was conducted with the UK government. Active participation in the structures of SADC continued with a view to implementing the SADC strategy on combatting illegal migration.

The Inspectorate assisted Permitting in the backlog clearance exercise of permanent residence applications. A project was formed in the last three months of the financial year, specifically for this purpose. With limited resources, vehicles, officials and finances, a team of approximately 15 officials was deployed for purpose of tracing applicants, South African spouses, family members and neighbours of PR applicants and their spouses. These officers undertook to interview all the people mentioned, take sworn statements, write reports and forward their recommendations to Permitting to inform decisions on such cases.

By engaging in thorough investigations, it was found that a significant number of applicants were involved in marriages of convenience, fictitious life partnerships and some registered minor children as their own in order to benefit from the permitting system.

As a result of the successes of this project, the Inspectorate and Permitting are working closely to ensure that all applications, whether they are for temporary or permanent residence permits, made through a spouse, life partnership or relative must first be investigated by the Inspectorate before they can be processed. In addition to this, all marriages between a foreign national and a South African must first be investigated by the Inspectorate before Civic Services can capture such marriages on the NPR.

To date, the cooperation on the Permanent Residence Backlog project has yielded the following figures: out of 526 applications investigated, 57 were referred for approval, whereas 469 were referred to Permitting for refusal. A total of 122 applications were rejected, 298 resulted in prosecutions, while 49 were expunged.

In addition to assisting the Permitting division, the Inspectorate's Central Law Enforcement

and Monitoring directorate dealt with 369 investigations and finalised 127 of these investigations.

During the 2013/14 financial year, a total of 131 907 illegal foreigners were deported. This figure includes deportations from the Lindela Holding Facility as well as direct and special deportations from provinces. The Deportations directorate has maintained a steady rate of cases that have not exceeded 120 days detention.

Immigration Services have issued new uniforms that include combat uniform for staff in the Ports and Inspectorate environment. This is an important development in ensuring that immigration officials receiving travellers look presentable and proudly representative of South Africa.

Challenges that impacted service delivery and annual performance plan targets

The main challenge that affected the mandate of the Inspectorate is that of limited human resources. The Inspectorate is tasked with all the law enforcement functions under the legislation administered by the department and particularly the Immigration Act and the Refugees Act. Besides conducting investigations and operations at different locations throughout the country, the Inspectorate is also tasked with the tracing of illegal foreigners and their deportation, as well as the deportation of failed asylum seekers. At its current human resource capacity, the Inspectorate is unable to optimally execute on its mandate. Additionally, the Inspectorate operates with limited resources, including vehicles to conduct investigations, mobile phones to call contacts of applicants, and funding for its projects.

4.3.6 Foreign Offices Coordination

Overview of service delivery environment

Foreign Office Coordination (FOC) services 125 foreign missions, represented by 45 officials in 39 foreign missions. Tourism represents a large proportion of overseas visitors. Asia is a growing tourist market for South Africa with numbers reaching 95 000 per annum for China, while both India and China have become strategic investment partners and are responsible for significant capital infusions into the economy.



Mixed flow migration also presents potential risks as Southern Africa is targeted by criminal syndicates involved in trafficking children, drugs, money laundering, etc.

Achievements

FOC completed training of all new recruits and deployed 95% of them to foreign missions by the end of the 2013/14 financial period. It also managed to repatriate 99% of officials whose postings had been subject to repeated extensions.

Foreign missions play a critical role not only in facilitating the movement of visitors to the Republic but also in screening visitors in support of national security and a risk-based approach to immigration management. In the year 2013, foreign missions in 119 countries issued a total of 425 253 visas to foreign visitors. These figures show that foreign missions are a key player not only in fostering tourism but also in enabling the movement of persons with critical skills necessary for the growth of South Africa's economy.

In order to assist with the effective management of visa and permit applications, Visa Facilitation Services (VFS) centres were rolled out to all targeted high-volume missions. In addition, FOC provided support to foreign missions as allowed by its resources.

Challenges

FOC lacks financial and human resource capacity to provide effective support and monitoring of the work carried out at foreign missions. Further, it can be argued that the reduced DHA presence in fewer foreign missions is impacting negatively on the critical role of DHA in protecting national security and sovereignty. In this regard, the department must campaign for an increased presence in all foreign missions given its critical and strategic importance to national security.

4.3.7 Border Management Agency

The department had three annual outputs related to the Border Management Agency (BMA) in the 2013/14 financial year:

- The development of an operating model for the BMA for submission to Cabinet for approval.
- The development of a Bill for the BMA for submission to Cabinet for approval.
- The establishment of BMA structures for implementation.

Over the 2013/14 period the border management environment in South Africa largely remained unchanged compared to previous years. The National Security Strategy that was approved in December 2013 pointed out that key risks and threats continued to characterise the border environment in South Africa. Poor border control and security were identified as key challenges. Concern was also expressed about the slow establishment of a BMA in the country. The BCOCC continued to coordinate the efforts of various stakeholders at PoEs, but the more complex systemic and structural challenges affecting collaborative and integrated management in the border environment remained unresolved.

Various government departments and state agencies, including DHA, continued to discharge their respective legislative mandates in the border environment. Over 33 pieces of legislation are known to regulate the roles and responsibilities of different stakeholders along the borderline and at PoEs. The Department of Home Affairs is focused on providing immigration services at PoEs.

On 26 June 2013, Cabinet resolved to establish a Border Management Agency (BMA) in South Africa under the leadership of the Department of Home Affairs. Other key elements of Cabinet's decision included the endorsement of:

- Guiding principles for the BMA establishment process.
- Implementation steps for establishing the BMA.
- The formation of an Inter-Ministerial Oversight Committee for the duration of the BMA establishment period.

Informed by this decision, the department appointed a Project Manager for the BMA in November 2013. The key task of the Project Manager is to manage the preparation of a BMA feasibility study for submission to Cabinet in 2014 and to manage the BMA establishment process by the end of 2016.

In December 2013, a pre-Feasibility Study on the BMA was prepared. This laid the basis for a Feasibility Study that will be undertaken in 2014. By March 2014 the terms of reference for the Feasibility Study were finalised and formally approved by the IACF and the JCPS Cluster of Directors-General. These terms of reference were conceptualised to cover an Institutional Options Analysis and a Business Case for the preferred option for the BMA. The policy framework and operating model for the BMA will also be covered in the Business Case component of the Feasibility Study.

The need to develop a draft Bill for the BMA was identified after Cabinet approval of the Feasibility Study in 2014. The draft BMA Bill is also planned for preparation after the approved Feasibility Study. The Technical Assistance Unit (TAU) from National Treasury was formally requested to undertake both the Feasibility Study and preparation of the draft BMA Bill.

In order to manage the BMA Feasibility Study process, a Project Management Office (PMO) for the BMA was conceptualised and various support staff positions were created and advertised. These positions will be filled in the first quarter of the 2014/15 financial year. The PMO will be the administrative and project management centre for the BMA establishment process.

Four technical working committees have also been endorsed by the JCPS Cluster and IACF to guide the BMA Feasibility Study process. These committees will include all relevant government departments and state agencies active in the border environment in South Africa and will commence their work in 2014 onwards.

The achievements registered above were mainly in the third and final quarters of the 2013/14 financial year. Poor conceptualisation of the BMA establishment process was the key reason for the lack of progress in 2013. However, this was corrected mid-2013 when the department decided that dedicated project management capability was required to drive an inclusive inter-governmental and inter-agency process to ensure full buy-in for the BMA establishment process.

4.3.8 General challenges for IMS

Despite enhanced HR capacity in some sectors (i.e. adjudication capacity in Permitting), IMS continues to be seriously under-capacitated in key areas, namely:

- Inspectorate (inability to discharge law enforcement functions and investigations adequately at all levels which increases the security risks associated with illegal migration).
- Permitting (lack of adequate supervisory capacity for adjudication staff; need for structural change to create a directorate dealing with permit appeals).
- Foreign missions: not only does DHA have an inadequate number of persons placed at missions, but it is also represented at a limited number of such missions. This can increase security risks and hamper the image of South Africa as a destination of choice for investment and growth.

IMS is in need of critical intergrated information systems to ensure that immigration is managed in line with a risk-based approach. It is envisioned that a number of such systems will be developed during the 2014/15 financial year.

Table 9: Outcomes and strategic objectives of Programme 3, Immigration Affairs

Programme		Programme 3: Immigration Affairs					
Outcome		Outcome No 2: Immigration managed effectively and securely in the national interest including economic, social and cultural development					
Strategic Objective		Strategic Objective 2.1: To ensure a secure, responsive and flexible immigration regime in support of national security, priorities and interests					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Status of approval of immigration and refugee policies for consultation on identified areas by DHA (policies approved/not approved for further consultation).	2.1.1.1	Achieved The immigration policy and legislative review paper, detailing the extent to which the mischief originates from policy, legislation and operations, was finalised by end of March and submitted to the Minister for approval.	Immigration and refugee policies further developed and approved for consultation on: <ul style="list-style-type: none"> • management of asylum seekers and refugees. • economic migrants within SADC. • attracting and retention of migrants with critical skills. 	Not achieved	Draft proposals were submitted for consideration. It was decided that additional work needed to be done before approval could be given for consultation to proceed.	Further work on the policy proposals will be included in 2014/15 operational plan of the department.	Immigration Service Management

Programme		Programme 3: Immigration Affairs					
Outcome		Outcome No 2: Immigration managed effectively and securely in the national interest including economic, social and cultural development					
Strategic Objective		Strategic Objective 2.2: To implement effective and efficient asylum seeker and refugee management strategies and systems					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Number of Status Determination Committees (SDC), with a minimum number of sub-committees, established and operational in three refugee reception offices.	2.2.1.1	Not achieved The annual target of establishing one SDC with two sub-committees has not been achieved.	One Status Determination Committee (SDC), with a minimum of two sub-committees, established and operational in three refugee reception offices.	Not achieved	As planning for implementation progressed it became clear that it would be impractical and unproductive for the SDCs to come into operation.	In 2014/15 a process would be initiated to develop an alternative adjudication model and thereafter follow due process to amend the Refugees Act.	Asylum Seekers

Programme		Programme 3: Immigration Affairs					
Outcome		Outcome No 2: Immigration managed effectively and securely in the national interest including economic, social and cultural development					
Strategic Objective		Strategic Objective 2.3: To facilitate the efficient movement of bona fide travellers to support national interests and priorities, and to prevent and prohibit the movement of undesirable persons in the interest of national security					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Status of development of operating model for BMA for submission to cabinet for approval (operating model developed / not developed for submission to cabinet for approval).	2.3.1.1		Operating model for BMA developed for submission to cabinet for approval.	Not achieved The BMA Project Manager was appointed in November 2013 to undertake the Feasibility Study. Terms of reference for the Feasibility Study were approved by the JCPS cluster in March 2014.	The reason is that the scope is larger than originally anticipated.	The Technical Assistance Unit (TAU) was formally requested to undertake the BMA Feasibility Study to be completed by the end of 2014. The operating model will form part of the Feasibility Study. The TAU has confirmed its availability to undertake the Feasibility Study.	Admission Services
Status of development of Bill for BMA for submission to cabinet for approval (Bill developed/not developed for submission to cabinet for approval).	2.3.1.2		Draft Bill for BMA developed for submission to cabinet for approval.	Not achieved The BMA Project Manager was appointed in November 2013 to undertake the Feasibility Study. Terms of reference for the Feasibility Study were approved by the JCPS cluster in March 2014.	The reason is that the scope is larger than originally anticipated.	The TAU was formally requested to undertake the BMA Feasibility Study to be completed by the end of 2014. The Policy framework and draft Bill will form part of the Feasibility Study. The TAU has confirmed its availability to undertake the Feasibility Study; which includes a legislation element.	Admission Services

Programme		Programme 3: Immigration Affairs					
Outcome		Outcome No 2: Immigration managed effectively and securely in the national interest including economic, social and cultural development					
Strategic Objective		Strategic Objective 2.3: To facilitate the efficient movement of bona fide travellers to support national interests and priorities, and to prevent and prohibit the movement of undesirable persons in the interest of national security					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Status of establishment of BMA structures for implementation (Identified structures established / not established).	2.3.1.3		Structures to implement BMA established.	Achieved Project office active. Oversight structures in place.			Admission Services
Number of priority ports of entry with improved residential and office accommodation as per set standards.	2.3.2.1	Not achieved There were continuous engagements with relevant stakeholders and DPW.	Infrastructure development programme rolled out to 11 priority ports of entry for improved residential and office accommodation as per set standards.	Achieved Infrastructure development programme rolled out to following 11 priority ports of entry for improved residential and office accommodation as per set standards: <ul style="list-style-type: none"> • Beit Bridge • Pafuri • Pondrift • Lebombo • Oshoek • Koptfontein • Makgobistadt • Middelputs • Mc Carthys Rest • Maseru Bridge • Caledonspoort 			Admission Services
Status of approval of e-Permitting design by DHA (design approved / not approved).	2.3.3.1		e-Permitting system design completed and approved by DHA.	Achieved Design approved by DG.			Immigration Services Management

Programme		Programme 3: Immigration Affairs					
Outcome		Outcome No 2: Immigration managed effectively and securely in the national interest including economic, social and cultural development					
Strategic Objective		Strategic Objective 2.3: To facilitate the efficient movement of bona fide travellers to support national interests and priorities, and to prevent and prohibit the movement of undesirable persons in the interest of national security					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Status of approval of user and technical specifications for trusted traveller programme (user and technical specifications approved/not approved).	2.3.4.1	Not achieved Project charter was approved. User requirements drafted. Development and implementation did not take place due to reprioritisation.	User and technical specifications for trusted traveller programme approved by DHA.	Achieved			Admission Services
Number of ports of entry equipped with current enhanced movement control system (EMCS).	2.3.5.1	Not achieved Only three ports equipped with EMCS.	Additional 13 ports of entry equipped with current EMCS.	Achieved The following 13 ports have been implemented: <ul style="list-style-type: none"> • Josefsdal • Makhaleen Bridge • Pontdrift • Rietfontein • Sendelingsdrif • Sepapu Gate • Telle Bridge • Waverley • Ramatsilitso Gate • Platjan • Bothashoop • Middelputs • Onverwacht 			Admission Services

Programme		Programme 3: Immigration Affairs					
Outcome		Outcome No 2: Immigration managed effectively and securely in the national interest including economic, social and cultural development					
Strategic Objective		Strategic Objective 2.3: To facilitate the efficient movement of bona fide travellers to support national interests and priorities, and to prevent and prohibit the movement of undesirable persons in the interest of national security					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Successful integration of biometric technology (fingerprint and facial recognition solutions) with EMCS as per project plan specifications. Status of pilot (development and testing) of biometric technology (fingerprint and facial recognition solutions) at OR Tambo International Airport as per project plan specifications.	2.3.6.1	Partially achieved Live verification on only one workstation at arrivals at ORTIA during business hours.	Biometric technology (fingerprint and facial recognition solutions) integrated with EMCS and piloted at ORTIA as per project plan specifications.	Not achieved	The process is technically demanding and there were competing demands on resources.	The project will be integrated into the larger process of implementing an e-border solution over the medium term.	Admission Services

Programme		Programme 3: Immigration Affairs					
Outcome		Outcome No 2: Immigration managed effectively and securely in the national interest including economic, social and cultural development					
Strategic Objective		Strategic Objective 2.4: To contribute towards realising a positive skills migration trend of around 50 000 migrants annually					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Status of strategy approval by DHA to facilitate and support the attraction and retention of foreign migrants with critical skills (strategy approved / not approved).	2.4.1.1	Not achieved The drafting of the Terms of Reference (ToR) was done.	Strategy approved by DHA to facilitate and support the attraction and retention of foreign migrants with critical skills.	Achieved			Admission Services

Programme		Programme 3: Immigration Affairs					
Outcome		Outcome No 2: Immigration managed effectively and securely in the national interest including economic, social and cultural development					
Strategic Objective		Strategic Objective 2.4: To contribute towards realising a positive skills migration trend of around 50 000 migrants annually					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Number of permits issued to foreign migrants with skills as per approved skills list.	2.4.1.2		20 000 permits issued to foreign migrants with skills as per approved skills list.	Not achieved	The development of a critical skills list took longer than anticipated.	A critical skills list will be published in 2014.	Admission Services

Programme		Programme 3: Immigration Affairs					
Outcome		Outcome No 2: Immigration managed effectively and securely in the national interest including economic, social and cultural development					
Strategic Objective		Strategic Objective 3.4: To ensure secure, effective, efficient and accessible service delivery to clients security					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Percentage of permanent residence permits issued within eight months for applications collected within the RSA (from date of receipt until application is ready for collection at office of application or result is known).	3.4.2.6	Not achieved Annual performance is 1.3%. Out of 16 711 PR applications only 211 applications were finalised within eight months.	50% of permanent residence permits issued within eight months for applications collected within the RSA.	Not achieved 28.2% of permanent residence issued within eight months for applications collected within RSA.	Spousal and relative applications (children) require more investigations as preliminary assessments indicate non-existence of relationship in most applications.	A targeted adjudication system has been instituted to ensure that applications are finalised within the stipulated turn-around time frames. The adjudication capacity has been strengthened with a view to enhancing turn-around times.	Admission Services

Programme		Programme 3: Immigration Affairs					
Outcome		Outcome No 2: Immigration managed effectively and securely in the national interest including economic, social and cultural development					
Strategic Objective		Strategic Objective 3.4: To ensure secure, effective, efficient and accessible service delivery to clients security					
Performance Indicator	Annual Target No.	Actual Achievement 2012/13	Planned Target 2013/14	Annual Performance 2013/14	Deviation from planned target	Comment on deviations	Sub Programme
Percentage of temporary residence permits (critical skills – quota and exceptional) issued within eight weeks for applications processed within the RSA and abroad (from date of receipt until application is ready for collection at office of application or result is known).	3.4.2.7	Partially achieved Annual performance is 49.5% This is represented by 29 227 applications of which 14 471 applications were finalised within eight weeks.	85% of temporary residence permits (critical skills) issued within eight weeks for applications processed within the RSA and abroad.	Not achieved 48.7% of the applications were finalised within eight weeks. Out of 39 065 specified permits, a total of 19 035 temporary residence permits were finalised within eight weeks as stipulated in the regulation.	Offices of application fail to forward applications for adjudication on time. Although applications were adjudicated, more outcomes were not sent to the front office within eight weeks as officials had to manually issue permits, capture track & trace and capture on the EMCS.	The introduction of Visa Facilitation Services centres will facilitate the capturing of permits.	Admission Services

Linking performance with budgets

Table 10: Sub-programme expenditure

Sub- Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Immigration Affairs management	60 274	60 265	9	42 624	99 902	57 278
Admission services	394 111	394 111		293 487	319 780	26 293
Immigration services	309 738	309 738		271 867	271 866	(1)
Asylum seekers	57 526	57 524	2	67 918	58 651	(9 267)
Total	821 649	821 638	11	675 896	750 199	74 303

5. TRANSFER PAYMENTS

5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

Public entities receive sizeable transfer payments from government and are often the front-line providers of services on behalf of government. It is therefore important to understand the impact of these services on the community. Departments are requested to provide information on the services provided by these public entities, transfer payments to the public entities, the actual amount spent from the transfer received by the public entities, strategic achievements of the public entity. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfer payments. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

Table 11: Transfer payments to public entities

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Electoral Commission	To manage national, provincial and municipal elections and to ensure that those elections are free and fair.	1 579 179	1 579 179	Not yet available
Government Printing Works	To provide security printing and auxiliary services to all organs of state in all spheres of government.	134 005	134 005	Not yet available
Film and Publication Board	Regulates and controls creation, production, exhibition and distribution of certain films, interactive computer games and publications in terms of the Film and Publication Act (1996)	82 675	82 675	Not yet available

6. CAPITAL INVESTMENT

6.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Infrastructure projects undertaken

As part of the improvements in the processing of passengers and ships in the harbour environment as well as to improve the security in that environment, the department together with other government departments operating in the harbour, successfully established a government house in the Cape Town harbour. A building requiring extensive renovation was leased from Transnet and renovations at a cost of R23 million commenced in December 2013. This accelerated project was completed on the 25 April 2014 and was officially opened by the Honourable Ministers' of Home Affairs and Finance. At the end of the current financial year under review, by 31 March 2014, R17 million had been spent on the project.

In the modernisation project, 70 offices were renovated to accommodate the smart card process, new server rooms were built, and standby generators were installed. There was a reconfiguration of the layouts in the majority of these offices.

To ease congestion during festive and Easter periods, and to achieve efficiency in the processing of travellers at the ports of entry, the department together with other departments operating at the ports, successfully deployed mobile offices in Beit Bridge, Maseru Bridge and Lebombo ports of entry. In addition the department continues to provide mobile homes and offices for use as offices or accommodation in a number of ports of entries where they are facing challenges in this regard. In the year under review, three ports of entry were equipped with mobile offices and eight with residential units.

Table 12: Infrastructure projects

Infrastructure projects	2013/14			2012/13		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Rehabilitation, renovations and refurbishments (ports of entry).	22 757	22 757	0			
Rehabilitation, renovations and refurbishments "look and feel".	19 692	18 306	1 386	12 304	1 360	10 944
Rehabilitation, renovations and refurbishments (modernisation of 70 offices).	54 127	49 256	4 871			
Total	96 576	90 319	6 257	12 304	1 360	10 944

PART C: GOVERNANCE

1. INTRODUCTION

The commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilise the state resources funded by the tax payer.

2. RISK MANAGEMENT

2.1 NATURE OF RISK MANAGEMENT

The Risk Management directorate reports to the Chief Audit Executive. Risk Management comprises seven staff members excluding administration. The Directorate is located at head office currently with only two filled post i.e one Director and one Deputy Director.

All officials in the department who are at director level are appointed in writing as the risk champions. Their roles and responsibilities are outlined in their appointment letter. Ongoing training on risk management is provided to the champions.

The Risk Management Committee (RMC) operates under the approved Terms of Reference (ToR). In the 2013/14 financial year, the committee successfully met four times as per its ToR. The RMC presents the risk management report on a quarterly basis to the Director-General (DG) and the Audit Committee (AC). The risk management report is also presented to EXCO.

2.2 RISK MANAGEMENT STRATEGIES TO IDENTIFY AND MANAGE RISKS

The Risk Management unit conducted one-on-one meetings with management from different branches to facilitate the revision of the 2012/13 risks and identify new risks. During the one-on-one meetings the following was undertaken:

- Revised the old risks
- Identified the new emerging risks
- Aligned each risk to the strategic objectives
- Identified the contributing factors for each identified risk
- Rated each risk according to the impact and the likelihood; this was done at an inherent and residual level

The completed risk register was provided to Internal Audit for the preparation of their Risk Based Annual Plan.

Further one-on-one meetings were conducted throughout the year to facilitate the following:

- Ongoing monitoring of the implementation of the risk mitigating strategies for each prioritised risk.
- Identification of newly emerging risks during the year.
- Updating of the risk register on a quarterly basis.
- Quarterly reporting the status to the RMC, DG, AC.

Twenty four risk management awareness workshops were conducted throughout the year across the provinces and at head office. The awareness covers the process of risk management and the practical compilation of the risk register.

2.3 PROGRESS MADE IN ADDRESSING RISKS IDENTIFIED

At the beginning of the year 17 strategic risks were identified. During the year the strategic risks were revised to eight because some of the risks were at operational level and needed to be removed from the Strategic Risk Register.

The following is the progress made on the eight strategic risks as reported to the RMC meeting during each quarter of the financial year 2013/14.

The table below shows that as the year progressed from Quarter 1 to Quarter 4, interventions to mitigate the risks resulted in two of the risks moving from high risk (red) to medium risk (amber)

Table 1: Progress in addressing risks

Matrix	Residual rating at identification stage	Residual rating end of Q1	Residual rating end of Q2	Residual rating end of Q3	Residual rating end of Q4
Maximum (Dark red)	0	0	0	0	0
High (Red)	8	8	8	6	6
Medium (Amber)	0	0	0	2	2
Low (Yellow)	0	0	0	0	0
Minimum (Green)	0	0	0	0	0

2.4 CHALLENGES

The following challenges were experienced by the Directorate during the execution of their duties:

- Insufficient capacity to cover the size of the department
- Insufficient funding
- Unavailability of management for risk management support and awareness workshops

3. FRAUD AND CORRUPTION

In accordance with the Cabinet Resolution of 2002, the department is utilising the National Anti-Corruption Hotline (NACH) for reporting corruption.

During 2013/14, 627 cases of fraud and corruption were finalised through investigation. Of these cases, 130 were referred to Employee Engagement for disciplinary action to be taken against implicated officials. There were 40 cases referred for criminal actions. HR reports on outcome of disciplinary matters. Only two cases of criminal prosecution were finalised by the courts with guilty findings. The sanctions were, five years' imprisonment without an option of a fine for the case of defrauding marriages and births for purposes of submitting fraudulent claims to insurance companies, and six years' imprisonment (two years suspended) for defrauding the department subsistence and travel claims.

Other reporting mechanisms are:

- Telephone Line - 012 406 2900
- E-mail: report.corruption@dha.gov.za
- Walk-ins at Counter Corruption offices

The Analysis and Research unit is responsible for receiving and recording all reported cases. Prescreening is conducted to determine whether the cases fall within the mandate of fraud and corruption or elsewhere in the department. A register for all reported cases is maintained.

4. MINIMISING CONFLICT OF INTEREST

In its effort to minimise conflict of interest, the department compelled all senior management service (SMS) members; and non-SMS officials employed in the supply chain management services to declare financial interests on an annual basis. During the year under review, 145 out of 150 SMS members in the department completed and submitted declarations of financial interest in terms of the Public Service Regulations 2001, as amended. Of the five SMS members who did not declare their financial interest, three were not eligible to do so as they had either retired, resigned or been dismissed at the time of submission. The last two were on suspension and progressive disciplinary action was nevertheless instituted against them for noncompliance.

The department is instituting disciplinary measures against 13 SMS members for under-disclosure. The charges include non-compliance to the provision of section 30

of the Public Service Act, Act 103 of 1994 as amended. This section of the Act requires employees to seek permission from the executing authority to perform remunerative work outside the public service. The department has granted permission to 59 employees of which one was an SMS member in terms of the provisions of the Act. Disciplinary action was also taken against three non-SMS employees who contravened section 30 of the Public Service Act. The rigorous monitoring of financial interest led to the department registering zero findings on conflict of interest.

In terms of Treasury Regulations, regulation 16A6.2 an institution's SCM system must inter alia, provide for the adjudication of bids through a bid adjudication committee, the establishment, composition and functioning of bid specification, evaluation and adjudication committees and the selection of bid adjudication members.

4.1 BID ADJUDICATION COMMITTEE (BAC)

The BAC exists in the department and has been established through the appointment of members in writing by the Accounting Officer. Its terms of reference are as follows:

- Makes recommendation to the Accounting Officer for all bids irrespective of the amount.
- Ensures that all necessary bid documentation has been submitted.
- Ensures disqualifications are justified and that valid and accountable reasons/motivations were furnished for passing over of bids.
- Ensures scoring has been fair, consistent and correctly calculated and applied, and bidders' declarations of interest have been noted.

4.2 BID EVALUATION COMMITTEE (BEC)

The BEC is currently not a standing committee, however it is established per project and members are appointed in writing (user department/SCM with compulsory membership). Guidelines for the BEC have been compiled and approved. These guidelines establishes BEC with standing committee members except user departments that will be appointed per project. Such guidelines will be effective as from 1 May 2014. The terms of reference of the BEC are as follows:

- The committee is responsible for the consideration and evaluation (in terms of PPPFA) of all bids received and submitting a report with recommendations regarding the award of the bid(s) to the BAC, including but not limited to the verification of:
 - Capability/ability of the bidders to execute the contract
 - Validity of the tax certificate



4.3 POLICIES AND FRAMEWORK IN PLACE

- SCM policy aligned to National Treasury Practice/Instruction Notes
- BAC guidelines
- BEC guidelines
- SCM Delegations
- Documented SCM business processes
- BAC Code of Conduct issued by National Treasury
- Code of Conduct for SCM practitioners

4.4 POLICY AS A PREVENTATIVE STRATEGY TO ADDRESS POSSIBLE IRREGULARITIES

A compliance checklist aligned to regulatory requirements is implemented to prevent and detect non-compliance and irregularities. Any irregularities are recorded in the irregular expenditure register as prescribed by National Treasury. These cases are reported to National Treasury on a monthly basis and are consolidated at the end of the financial year and reported to the Accounting Officer.

4.5 DISCIPLINARY MEASURES TO DEAL WITH IRREGULARITIES

All cases of irregularity, non-compliance and fruitless and wasteful expenditure are reported to the Loss Control Committee for consideration and recommendation of appropriate disciplinary action to the Accounting Officer.

5. CODE OF CONDUCT

The department's zero-tolerance approach towards fraud and corruption and its stance on unbecoming conduct resulted in strict adherence to the provisions of the Code of Conduct for the public service as well as applicable provisions of disciplinary procedures for both SMS and non-SMS officials. During the year under review, the department instituted disciplinary action against 164 employees. This resulted in the dismissal of 70 (43%) employees and the suspension without remuneration of 36 (22%) employees. 13 (8%) employees were awarded final written warnings. Despite its stance on fraud and corruption, the department is still confronted with high volumes of fraud and corruption cases. These account for 102 (62%) of all registered cases of misconduct in the year under review. 19 (12%) of these cases are misconduct due to improper conduct, while gross negligence and absenteeism accounts for 12 (7%) each. Furthermore, a total of 64 officials were placed on precautionary suspension during the 2013/14 financial year.

The department further applied varied disciplinary measures against six SMS members. Two were dealt with formally and four progressively. One SMS member was dismissed, one was discharged for absenteeism, three were issued with final written warnings and one case is not yet finalised.

The disciplinary measures applied in the department are yielding positive outcomes as the number for deviant conduct is gradually declining each year. The decline is also attributable to various awareness campaigns and interventions targeting employees at salary level 1-9; officers at Ports of Entry; and middle management service band. The focus on these interventions was designed to increase capacity among employees on the Code of Conduct, Disciplinary Code and Procedures and Grievance rules.

National Treasury issued a Code of Conduct for SCM practitioners and a Code of Conduct for BAC.

All SCM officials are made aware of the contents of the Code of Conduct through workshops and sign a declaration that they are aware of the contents. They have all been provided with the copy of the Code of Conduct for ease of reference.

The BAC guidelines have been aligned to the BAC Code of Conduct. Upon appointment as members of the BAC, each member is given a copy of the guidelines and members are also inducted on the guidelines and other applicable frameworks.

5.1 Processes in place to deal with breach of conduct

The Loss Control Committee was established and its members appointed by the Accounting Officer, to consider and make recommendations on cases of breach of conduct.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The department has, through the Directorate: Employee Wellness, ensured the development and implementation of Occupational Health and Safety programmes. It also monitored and managed health and safety standards in the organisation including the implementation of risk assessments, and the provision of advice on precaution and mitigation measures. An analysis of health trends was conducted and appropriate mitigating actions were developed and implemented. The impact of these interventions resulted in the department registering about 62.5% less workplace health risks and hazards.

The department identified the need to empower and capacitate the employees in order to minimise occupational injuries and reduce health and safety risks in the workplace. As a result, 159 employees were trained throughout the provinces on the Compensation for Occupational Injuries and Diseases Act, Act 130 of 1993 in partnership with the Department of Labour. A further 229 employees were trained on First Aid Level One. Inoculation programmes were administered, leading to a total of 951 vaccinations (for hepatitis A, meningitis, tetanus, and yellow fever) of Immigration Management Services (IMS) officials; officials posted in foreign missions (and their families); and officials undertaking official travel to health risk foreign countries. This resulted in zero infection to officials of the department.

Occupational Health and Safety Audits and inspections were conducted in six provinces with specific focus on commercial Ports of Entry such as Alexander Bay, Maseru Bridge, Ramatlabama, Lebombo, Golela and Beit Bridge. Inspections were conducted on a sample basis with a view to determine the state of health and safety standards in the Ports of Entry. The inspections revealed that 67% of the inspected Ports of Entry are compliant to occupational health and safety standards. The 33% non-compliant Ports of Entry are being monitored to enforce compliance to the identified health and safety standards.

6.1 EMPLOYEE WELLNESS PROGRAMMES

The department implemented HIV/AIDS/TB, chronic diseases management and health and wellness programmes during the year under review. These resulted in 4 385 employees being reached through the implementation of HIV/AIDS/TB & Chronic Disease Management and Gender Mainstream Plan 2013/14 in all provinces, including Head Office. All the health calendar events were conducted in Provinces in terms of the National Health Calendar. Five hundred employees underwent voluntary HIV and AIDS testing. The outcomes were that 495 employees tested negative and five tested positive. The infected employees were referred to their local ARV sites for treatment and support in terms of applicable procedures. On-going education and information sharing sessions about healthy lifestyles were conducted to reduce the stigma attached to chronic diseases including HIV and AIDS. These interventions may be attributable to the decline of new HIV and AIDS infections (five reported cases) in the year under review as compared to 48 new infections reported in the previous financial year.

The department also conducted health screening programmes (blood sugar, blood pressure, cholesterol, BMI) in partnership with Government Employees Medical Scheme

(GEMS) on a quarterly basis in all provinces. This assisted the department to implement intervention measures to assist affected employees to cope with their health challenges. The department, in partnership with South African National Blood Service (SANBS), conducted blood donation clinics every eight weeks in numerous offices. This resulted in the department registering 200 regular blood donors in the year under review. Employee health and wellness activities also included implementation of HIV peer educator programmes; participation in various sports and recreation activities such as annual interprovincial music competitions; aerobics; fun run/walk and soccer.

7. PORTFOLIO COMMITTEE

The department attended nine meetings with the Portfolio Committee on Home Affairs during the 2013/14 financial year having been invited to brief the committee on different matters. A table detailing the topics appears after this section. During the briefings, members of the committee posed questions to which the department responded.

On 11 June 2013 the Speaker of the National Assembly of Parliament wrote to the Minister of Home Affairs about the adopted report (adopted on 4 May 2013) of the Portfolio Committee on Home Affairs on the Annual Performance Plan and Budget Vote 4 of the Department of Home Affairs 2014 and its Entities for 2013/14. The Minister responded on 8 August 2013 informing that the recommendations of the Portfolio Committee are noted and that future briefings to the Portfolio Committee on progress made in achieving the objectives in the respective Annual Performance Plans will also cover the recommendations in the report.

Further recommendations of the Portfolio Committee (PC), from observing issues during the year under review, were reflected upon when DHA was developing its Annual Performance Plan 2014/15. The PC recommended that the Minister of Home Affairs prioritise the following salient matters in the future planning and budget allocations:

- Urgent implementation of IT Modernisation Programme in 2013/14
- Clear action taken between the DHA, DIRCO and the National Treasury in relation to the management of revenue generated in missions abroad prior to the end of 2013/14 financial year
- Implementation of trading account to offset operational costs against income
- A special intervention is required by the DHA to ensure that the permanent and temporary residence permits and the related backlogs are addressed
- Prioritisation of the filling of all vacant funded posts is needed within 12 months of vacancies or new posts arising

- Submission of preliminary plans to Parliament prior to the final strategic plan being submitted
- Early indications of underperformance against targets in quarterly reports should be addressed by management and staff as soon as possible to ensure more stringent monitoring and achievement of targets
- The Counter Corruption unit should be fully capacitated as a matter of urgency in order to deal with ongoing matters of corruption in the DHA and to comply with recommendations made by the State of the Nation Address and National Development Plan
- An urgent meeting between the Ministers of the DHA and DPW is required to address office accommodation challenges
- Regulations relating to the Immigration Amendment Bill and Refugees Amendment Bill should be finalised by the end of 2013/14
- The draft of the Border Management Agency Act should also be given to Parliament for consideration as early in 2014/15 as possible
- DHA needs to continue to adopt appropriate technologies to speed and scale up civil registration, manage civil registration records, and ensure their integrity and security against natural disasters, civil wars, etc
- There needs to be assurance that the internal audit and compliance monitoring capacity and training of both the DHA and its entities would be prioritised
- There needs to be improvement on human resource development and training to ensure that new regulations and accounting systems are uniformly implemented

Table 2: Portfolio Committee on Home Affairs briefings

No.	Date of meeting	Committee	Agenda/Topic	Venue and Time	Responsibility	Status / Comments
1.	30 April 2013	Portfolio Committee on Home Affairs	Briefing by the DHA on internal audit and compliance monitoring capacity and functioning in DHA including in missions	Parliament 14:00	CFO,CD:INTERNAL AUDIT	Engagement honoured
2.	21 May 2013	Portfolio Committee on Home Affairs	Briefing by the Department of Home Affairs on the National Development Plan emphasising reliable, realistic and measurable strategic targets	Parliament 09:30	CD:POLICY & STRATEGIC MANAGEMENT	Engagement honoured
3.	28 May 2013	Portfolio Committee on Home Affairs	Briefing on the Regulations to the Births and Deaths Registration Act	Parliament 09:30	DDG:CS, CD:LEGAL SERVICES	Engagement honoured
4.	18 June 2013	Portfolio Committee on Home Affairs	Briefing by the Department of Home Affairs on 3rd and 4th quarter expenditure of 2012/13	Parliament 09:30	CFO	Engagement honoured
5.	23 July 2013	Portfolio Committee on Home Affairs	Briefing by the Provincial Managers of Northern Cape and North West on state of the provinces	Parliament 09:30-16:30	NW & NC Provincial Managers	Engagement honoured
6.	24 July 2013	Portfolio Committee on Home Affairs	Briefing by the Provincial Managers of Free State and Eastern Cape on state of the provinces	Parliament 09:00-16:30	FS & EC Provincial Managers	Engagement honoured
7.	25 July 2013	Portfolio Committee on Home Affairs	Briefing by the Provincial Managers of Limpopo, Gauteng and Mpumalanga on state of the provinces	Parliament 09:00-16:00	LP, GP and MP Provincial Managers	Engagement honoured
8.	30 July 2013	Portfolio Committee on Home Affairs	Briefing by the Provincial Managers of KwaZulu-Natal and Western Cape on state of the provinces	Parliament 09:30-16:30	KZN and WC Provincial Managers	Engagement honoured
9.	10 October 2013	Portfolio Committee on Home Affairs	Briefing by the Department of Home Affairs on the Annual Report for 2012/13 financial year	Parliament, M46, Ground Floor, Marks building 09:30-13:00	CFO/CD: P&SM	Engagement honoured

8. SCOPA RESOLUTIONS

8.1 SCOPA ENGAGEMENTS WITH THE DEPARTMENT OF HOME AFFAIRS – 2013/14 FINANCIAL YEAR

On 14 May 2013 the Standing Committee on Public Accounts (SCOPA) met with the department to interrogate and hear evidence on the contents of the Annual Report and the Report of the Auditor-General (AG) on the 2011/12 financial statements of the Department of Home Affairs. The Minister of Home Affairs led the delegation from the Department of Home Affairs.

After the meeting SCOPA scheduled an oversight visit to the DHA head office to continue discussions with the Minister and the DHA on current regular audit reports of the Auditor-General on the affairs of the department. Discussions would also reflect on subsequent SCOPA resolutions. However the intended oversight visit scheduled for 2 August 2013 was postponed. There were also no SCOPA resolutions for the Department of Home Affairs adopted in the 2013/14 financial year. The department had previously engaged with SCOPA in August 2011.

Table 3: SCOPA resolution

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1.	Fourteenth Report of the Committee on Public Accounts on the unauthorised expenditure of the Department of Home Affairs dated 18 October 2011.	<p>The committee notes unauthorised expenditure totalling R99 883 000 incurred during the 2005/06 financial year relating to the following:</p> <p>a) An amount of R53 002 000 was overspent which resulted in unauthorised expenditure; and</p> <p>b) An amount of R46 881 000 was earmarked for information technology capital projects to defray current expenditure relating to information technology without prior approval from the National Treasury.</p> <p>2. Recommendation The committee recommends that the amount of R99 883 000 relating to the 2005/06 financial year be funded through savings from the department's budget.</p>	<p>The unauthorised expenditure of R99,9 million, which relates to the 2005/06 financial year was approved by SCOPA. However, there was a delay in the proclamation of the Finance Bill.</p> <p>It is important to note that the R53 million of the R99,9 million was condoned with a provision that it must be funded within the budget allocation of the department.</p>	<p>YES The matter was also reported in the Accounting Officer's report for the year ended 31 March 2013. (See pg 112 of the DHA Annual Report 2012/13.)</p>

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

During the previous financial year, the department received a qualified audit opinion on four matters, namely: Receivable for Departmental Revenue; Accruals; Employee Benefits; and Capital Assets. To rectify the situation, the department developed an action plan to clear all the issues, which included among other things, reviewing the policies and the development of standard operating procedures. The implementation of the plans was monitored through the Back to Basics project. This also involved the Finance Directors from provinces. A plan was developed for the preparation of financial statements to ensure the accuracy of information submitted as well as adherence to the set time frames. In addition, a departmental meeting of all SMS members and heads of offices was convened to explain the responsibilities of managers with regard to financial management. Internal Audit was requested to develop an audit plan, which aimed at evaluating the implementation of the plans with regard to the qualification matters. Significant progress has been made to resolve the issues, and proposals were submitted to National Treasury for the rectification of legacy issues such as revenue and asset management, which were duly approved. Furthermore, the promulgation of the amended Immigration Act also assisted in resolving some of the systemic issues.

10. INTERNAL CONTROL UNIT

The department has established an Internal Control unit within the Directorate Expenditure, however it still needs strengthening. The main responsibility of the unit is to ensure that all requests for payments comply with relevant prescripts before a payment is made. In summary, the unit serves as a safety net to ensure compliance and the prevention of fraud and corruption. Once it is a fully-fledged unit it will also assist in identifying training needs with regard to procurement and financial management issues, development of standard procedures and determining areas of risk.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

11.1 KEY ACTIVITIES AND OBJECTIVES OF INTERNAL AUDIT

The Chief Directorate: Audit Services of the Department of Home Affairs obtains its mandate from the Public Finance Management Act (PFMA), Act No. 1 of 1999 as amended and its Treasury Regulations, as amended.

The purpose of Chief Directorate: Audit Services is to provide independent, objective

assurance and consulting services to add value and improve the department's operations. It helps the department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Internal Audit Function reports to the Audit Committee and administratively to the Chief Operations Officer. In order to ensure its independence it operates under the terms of the Internal Audit Charter approved by the Audit Committee.

The scope of work of the Chief Directorate: Audit Services is to determine whether the department's network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure, among other things, that:

- Risks are appropriately identified and managed.
- Interaction with the various governance groups within the department and/or the Public Service occurs as appropriate.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programmes, plans and objectives are achieved effectively.
- Quality and continuous improvement are fostered in the department's control process.
- Significant legislative and/or regulatory issues impacting the department are recognised and addressed appropriately.

11.2 SUMMARY OF AUDIT WORK DONE

The 2013/14 Annual Internal Audit Plan was approved by the Audit Committee on 2 April 2013 and the IT Audit Plan was approved on 28 August 2013. The Chief Directorate: Audit Services had 26 internal audit projects and 14 IT audit projects to complete as per the approved 2013/14 Annual Audit Plan.

Internal audit completed 23 audit projects including ad hoc management requests and follow up audits. The audit plan was revised in February 2014 to focus on the following areas where the department received a qualification in the previous financial year.

- Foreign revenue
- Asset management

- Leave management
- Commitments and accruals

The revised audit plan was approved by the audit committee on 26 February 2014. Internal audit visited various offices throughout the country and it has made a tremendous effort to bring control weakness identified immediately to process owners to correct. The Internal Audit unit plays an important role in exposing weaknesses in governance and controls, and if the DHA addresses these issues it should achieve improved audit reports.

The previous CAE was dismissed in October 2013 and in the meantime the department has appointed a CAE from 03 February 2014 on a short-term contract to bring stability and leadership in the units. The process of appointing a permanent CAE has resumed.

The unit has developed a Turnaround Strategy to address the poor performance experienced in the past. The strategy has identified key focus areas that will enable Internal Audit to meet its stakeholders' expectations, provide quality and value adding audit. There has been a noticeable improvement in administrative compliance concerning the operations of internal auditing and in the quality of audit reports. Management implementation of audit recommendations has also improved.

11.3 KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT COMMITTEE

The Audit Committee must, in terms of paragraph 3.1.10 of the Treasury Regulations, review the following:

- The effectiveness of the internal control systems.
- The effectiveness of the internal audit function.
- The risk areas of the department's operations to be covered in the scope of internal and external audits.
- The adequacy, reliability and accuracy of financial information provided to management and other users of such information.
- Any accounting and auditing concerns identified as a result of internal and external audits.
- The department's compliance with legal and regulatory provisions.
- The activities of the internal audit function, including its annual work programme, coordination with the external auditors (i.e. the Auditor-General), the reports of significant investigations and the responses of management to specific recommendations.

Table 4: Audit committee members

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date resigned	No. of meetings attended
Mr Sathie Gouden	<ul style="list-style-type: none"> - BCom - Higher Diploma in Accounting - Chartered Accountant - Professional Accountant - Certificate in Forensic Accounting & Fraud Examination - Executive Leadership Development 	External		15 May 2012	N/A	Seven meetings
Ms Rene Renosi	<ul style="list-style-type: none"> - BCom - BCom Honours - Certified Theory In Accounting - CA - Certification: Internal Audit Quality Assurance 	External		01 May 2012	N/A	Seven meetings
Mr Dhires Ramklass	<ul style="list-style-type: none"> - BSC Engineering (Electronic Engineering) - Certificate Director – Accelerated Directorship Programme - Project Appraisal and Risk Management Programme - Masters of Business Leadership - Certificate in Programme Management 	External		15 May 2012	N/A	Six meetings

12. AUDIT COMMITTEE REPORT for the year ended 31 March 2014

The Audit Committee (committee) hereby presents its report in respect of the financial year ended 31 March 2014 in terms of its obligations according to Paragraph 3.1.13 of the Treasury Regulations issued in terms of section 38(1) (a) of the Public Finance Management Act (PFMA), Act 1 of 1999, as amended by Act 29 of 1999.

12.1 AUDIT COMMITTEE MEMBERS, MEETINGS AND ATTENDANCE

The department has established an Audit Committee in accordance with the provisions of section 38(1) (a) (ii) and 77(a) of the PFMA. The Audit Committee Charter requires that the Audit Committee be comprised of a minimum of three and a maximum of five members, the majority of whom should be from outside the public service.

In terms of section 77(b) of the PFMA, the Audit Committee must meet at least twice a year. The committee meetings during the financial year under review were attended as follows:

Name of member	Scheduled meetings	Attended
Mr S Gounden (Chairperson)	7	7
Mr N Russouw (retired on 26 November 2013)	6	6
Ms R Kenosi	7	7
Mr D Ramklass	7	6

The members of the committee held meetings with the Director-General, senior management of the department and Internal Audit, collectively and individually, on matters related to governance, internal control and risk in the department, throughout the reporting period. The committee also held meetings with the former Minister of Home Affairs, Honourable N. Pandor and the current Minister, Honourable M. Gigaga respectively to report on governance, internal control, risk, performance and financial information and other relevant matters concerning the department.

12.2 AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has complied with its responsibilities arising from section 38(1)(a) (ii) of the PFMA and Treasury Regulation 3.1.13, and also reports that it operated in terms

of the Audit Committee Charter read in conjunction with the Internal Audit Charter, as its terms of reference in discharging all its responsibilities as regulated therein.

12.3 EFFECTIVENESS OF INTERNAL CONTROLS

The committee acknowledges management's efforts to strengthen internal controls in the department. However, when seen in the context of the reports issued by the Auditor-General and Internal Audit, it is clear that management's efforts have not yielded the required benefits to date. There is a need for increased technical support, monitoring and evaluation from head office to unlock the full potential of these efforts.

The committee is concerned that in certain instances the matters reported in prior years have not been fully and satisfactorily addressed. However, we are aware that the department is in consultation with National Treasury to address some of these complex matters. Management has given assurance that effective corrective action will be implemented in respect of all internal control weaknesses and the committee will monitor these going forward.

The committee is especially concerned with the lack of consistent compliance with established policies and procedures and the lack of accountability in that regard. The committee believes there needs to be tighter controls around work ethic, responsibility and accountability, and that non-adherence to such should be addressed through a fair and rigorous application of the performance management system. Management should consider the possibility of performing a skills audit.

Vacancies undermine the effective functioning of the system of internal control and it is imperative that the department reviews its recruitment procedures to ensure that vacancies are filled timeously with properly qualified, skilled and experienced personnel.

The department has adopted aggressive anti-corruption measures to curb the frequency and magnitude of fraud and corruption. The committee is not satisfied with the regularity, content and transparency of the reports it receives on this important matter and these concerns have been raised with management. The committee has requested that the detailed fraud prevention plan and progress reports on the action plans for addressing the fraud risks be tabled at each quarterly meeting of the Audit Committee.

Due to the strategic importance of, and massive investment in, the modernisation process and of information and communication technology (ICT) in the department, the committee

has monitored the risk register and progress reports on the respective action plans during the year under review. The committee is concerned that there is insufficient information to assess the benefits and whether all risks are mitigated, in implementing the new systems.

The committee is not satisfied with the state of the internal control environment.

12.4 THE QUALITY OF MANAGEMENT AND MONTHLY REPORTS/QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA AND THE DIVISION OF REVENUE ACT (DORA)

The committee was satisfied with the content and quality of quarterly financial reports prepared and issued by the department during the year under review, in compliance with the statutory reporting framework. However, the committee has suggested improvements to reports especially relating to performance information. The committee has recommended that the department prepare interim financial statements, which would assist the department in attending to reconciliations timeously as well as eliminate year-end adjustments.

12.5 INTERNAL AUDIT FUNCTION

The Department of National Treasury seconded a staff member to act as Chief Audit Executive (CAE) on a part-time basis to fulfill this function, as the previous CAE was suspended. The CAE was then employed on a contract basis since 1 February 2014. There was a delay in resolving the issue of the suspended CAE, which prevented the department from timeously appointing a permanent CAE. The matter has finally been resolved.

The Committee is not fully satisfied that Internal Audit had properly discharged its functions and responsibilities in the period under review. As the financial year progressed, the audit plan was amended to confront the issues raised by the Auditor-General in the previous financial year. The capacity of Internal Audit has been enhanced through the restructuring of the internal audit department, employment of additional personnel and investments in an intensive training programme. The committee expects these initiatives to contribute to Internal Audit becoming more efficient, more responsive to the challenges of the department and providing audit reports of a high quality to management and the committee on a timely basis.

12.6 RISK MANAGEMENT

The committee is responsible for the oversight of the risk management function. The Risk Management Committee reports to the Audit Committee on the department's management of risk on a quarterly basis. In order to ensure that the Risk Management Committee understands the requirements of the committee, a member of the Audit Committee currently serves as a member of the Risk Management Committee. The committee has reviewed the risk register and is generally satisfied with reports from the Risk Management Committee.

12.7 EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The committee has:

- reviewed and discussed the audited Annual Financial Statements included in the Annual Report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's management letter and management's response thereto;
- reviewed and discussed the performance information with management;
- reviewed changes in accounting policies and practices; and
- reviewed the entity's compliance with legal and regulatory provisions.

12.8 EVALUATION OF THE FINANCE FUNCTION

It should be noted that the Chief Finance Officer (CFO) resigned in September 2013 and an Acting CFO was appointed from October 2013 until March 2014. The Director-General (DG) acted as CFO from March 2014 until August 2014, in addition to performing his role as DG. The finance department could not perform at its optimal capacity with all the changes in leadership. This has placed a huge strain on the finance department to deliver quality information on a timely basis.

We are not satisfied with the department's finance function during the year under review. A new CFO was appointed from 1st September 2014 and the committee believes that this will strengthen the management of the financial function.

9. AUDITOR-GENERAL'S REPORT

The committee concurs with and accepts the conclusions and the audit opinion of the Auditor-General on the Annual Financial Statements and is of the view that the audited financial statements be accepted and read together with the report of the Auditor-General.

The committee confirms that it has been actively involved throughout the audit process and is thoroughly appraised of the issues giving rise to the audit opinion.

The committee appreciates the enormity of the challenge associated with managing a large, geographically dispersed and complex department. However, the disclaimer opinion of the Auditor-General is of serious concern. Discussions have been held with management on steps to be taken to improve the internal control environment as well as making staff more accountable on areas under their control.

The committee has already put in place certain fundamental processes to advise management and also to monitor their progress in addressing the significant matters in the Audit Report, as well as internal control deficiencies and staff accountability in general.



S. Gounden
Chairperson of the Audit Committee
On behalf of the Audit Committee
Pretoria
9 September 2014

PART D: HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

The purpose of the Branch: HR is to provide strategic and transformed human resource services that support the department to achieve its strategic objectives.

The HR vision is to support the DHA in becoming an “exceptional performing modern organisation” and an “Employer of Choice” through being a strategic business partner and the mission is to provide and enhance Service Excellence through value-added HR solutions.

The Human Resources strategic intention is to:

- Build skills levels and leadership capability suited to a client-oriented and security conscious environment
- Drive a compliance and performance culture that contributes to the overall improvement of the department, develop mechanisms to identify exceptional performers and manage rewards and recognise talent (PMDS)
- Promote an ethical department through programmes and structures that prevent and drive a zero-tolerance approach towards corruption and ill-discipline
- Recruit for talent, motivational and organisational fit and the right attitude
- Have a transformed leadership that has shared values and views on building a well-designed organisation with high-calibre staff, as we strive to become a department of excellence (Organisational Transformation and Change)

The DHA is committed to making a difference as stated in the Public Service Administration and DHA value statement of, “we belong, we care and we serve”.

1.1 LEGISLATION THAT GOVERNS HR MANAGEMENT

The functioning of Human Resources in the public service is governed by legislation, as well as other policy documents. HR executes its functions based on the following legislative frameworks:

- The Constitution of the Republic of South Africa (1996)
- White Paper on the Transformation of the Public Service (1995)
- White Paper on Human Resource Management in the Public Service (1997)
- Public Service Act (1994) as amended
- Public Service Regulations (2001) as amended
- Collective Agreements
- Code of Remuneration (1999) (CORE) as amended

- The SMS Handbook (2003) as amended
- Labour Relations Act (LRA), 66 of 1995
- Basic Conditions of Employment Act, 75 of 1997
- Employment Equity Act (EEA), 55 of 1998
- Skills Development Act, 97 of 1998
- Skills Development Levies Act, 1999
- Occupational Health and Safety Act, 1993
- Compensation for Occupational Injuries and Diseases Act, 130 of 1993

1.2 STANDARD OPERATING PROCEDURES AND TOOLKITS DEVELOPED

The department has revised its business processes and developed standard operating procedures and toolkits to provide guidance and uniformity in the application of people-management practices. The following management guides exist:

- Leave management
- Exit management
- Staffing management/ People acquisition
- Overtime management
- Subsistence and travel management
- Payroll management
- Management of post establishment
- Performance management
- Misconduct management
- DHA cadre ambassadors management
- Management of the HR intranet

2. OVERVIEW OF HUMAN RESOURCES

2.1 HUMAN RESOURCES STRATEGY

The strategic objectives of Human Resources remain similar over the five-year plan; however, they are reviewed year-on-year to ensure continuous alignment with the department’s strategic focus areas. The five key human resources priorities identified to drive organisational effectiveness and people management practices have been refined to further enhance the transformation and change agenda in support of both the organisational strategies and priorities. These key human resources priorities are as follows: People Acquisition; Human Resources Development; Performance Management;

Employee Relations; and Transformation and Change. The performance of the Branch: Human Resources during the 2013/14 financial year was informed by these priorities.

Some officials are diligent and ethical, however, there are instances which point to the following challenges:

- A culture of non-compliance, disregard for authority and a lack of self-discipline. Proper governance /administration is not being fully entrenched by management.
- In some instances low morale, poor ethics and unauthorised absence.
- A culture of entitlement rather than striving for excellence.
- Subtle resistance and malicious compliance in some areas.

Another challenge is that the distribution of HR resources (people, posts and budget) has evolved over time and needs to be reviewed and changed to reflect new priorities.

In response to the above challenges, we continue to deepen the implementation of the HR strategy to ensure that service delivery is not adversely impacted upon. The main focus is on the following:

- Workforce planning: Continuous assessment of the present and future workforce needs to ensure alignment to the dynamic demands of the departments in an effective manner
- People acquisition (recruitment): The attraction of staff with experience, knowledge, skills and expertise within a framework that ensures equity and diversity. Some key strategies employed to attract and recruit a skilled and capable workforce include rebranding of adverts, targeted media placement, reviewed competency-based interview techniques and a refreshed database of headhunting agencies.
- Staff recognition: The introduction of the excellence awards to ensure that staff remain motivated and committed.
- Human Resources development: To coach and develop staff to excel in their functions and to better manage their careers while in the department.
- Communication, consultation, engagement and awareness: To ensure that we have effective channels that will allow staff to be heard and to draw on input received that would further inform the HR strategies.
- Organisational transformation: Continued roll out of the department's change intervention in support of the department's modernisation and broader change initiatives.

- Employee Wellness and work-life balance : The utilisation of a hybrid model by the department as a solution for staff to address their socio- economic challenges to increase staff morale and productivity.

The organisation's staff establishment, employment equity plan, HR strategic development framework and employee engagement plans are dealt with in more detail below.

2.2 ORGANISATIONAL DEVELOPMENT

It is important for the department to be designed in a manner that supports its core mandate and objectives. The DHA has begun a journey of repositioning itself as a modern department of excellence through modernising its business processes and systems; hence it has initiated a process of assessing its organisational structure to ensure it serves as a vehicle to achieving its service delivery goals and objectives.

The updated post establishment is captured monthly on the Human Resources Management Information System (PERSAL) to ensure that all filled and vacant funded positions are recorded appropriately. Further, the department reconciles the post establishment with compensation of employees' budget on a monthly basis to ensure that the establishment is maintained properly. The departmental funded post establishment was recorded as 10 344 as at the end of the 2013/14 financial year. The approved organisational structure and post establishment is implemented to drive operations and implement organisational strategies and plans. Job profiles and job descriptions have been revised in line with the revised business processes and job content and titles aligned with those on the organisational structure. Jobs in the DHA are classified in line with the relevant Code of Remuneration (CORE) and graded accordingly.

2.3 HUMAN RESOURCES PLANNING

The Human Resources Strategy has been reviewed to ensure alignment with the organisational status of being a service-oriented department that is security conscious. This has fostered an integrated approach to planning for human resources and work organisation. The Human Resources Plan was adjusted, approved and implemented in relation to the identified five key priorities stated above. Human Resources Plan implementation reports have been submitted to the Department of Public Service and Administration in line with the Human Resource Strategic Planning Framework for the Public Service - Vision 2015. The development of HR Plans was cascaded to the provincial level and the HR Planning template was simplified in order to ensure that

the development of HR Plans at provincial level is seamless. This was done to ensure facilitation of reporting at provincial level. Furthermore, the implementation of provincial HR plans is monitored through the submission of quarterly reports.

The Branch: Human Resources submits HR metrics reports on a quarterly basis to enable management to optimise workforce practices, and ensure that management and developmental activities remain relevant to the business strategy. In order to comply with the 2008 cabinet decision to improve the human resource function, the HR Learning Forum was established and launched in the financial year under review. It serves to foster consistency in application of people management practices, shared learning and cross pollination of knowledge and best practices across the department.

The Integrated Planning Committee was established to ensure synchronisation of infrastructure, systems, operations, human resources and financial planning. This committee will also assist the department in ensuring that there is a value chain and proactive approach to the management of resources within the Medium Term Expenditure Framework (MTEF). HR delegations were approved and rolled out at head office and provinces to ensure the execution of the HR function at service delivery levels.

2.4 TRANSFORMATION AND CHANGE MANAGEMENT

The broader change agenda of the DHA focuses on the following:

- Immigration proactively advances national interests, and the entry, stay and exit of visitors who do not present a risk or a threat facilitated rapidly.
- Secured Ports of Entry and efficient and welcoming of legitimate travellers.
- The status of asylum seekers is securely and efficiently determined; and genuine refugees are assisted in a coordinated way by relevant departments and by national and international organisations.
- The corporate image and basic office environment is of the same high standard everywhere (“look and feel”).
- Home Affairs sets the standard for e-government and the cost effective and creative use of many alternative channels for service delivery.
- All South Africans have a secure identity and are proud of it.
- Improving the capacity, capability and image of the DHA as a professional, counter-corruption focused, people-centred and responsive public institution.

In response to the broader change agenda, the DHA has also introduced the Cadre Ambassador Programme that serves to harness the organisational culture through attracting, developing and retaining competent, capable, disciplined, loyal and

patriotic cadres to serve as change agents and live the organisational values. A total of 203 employees were nominated as DHA Cadre Ambassadors and empowered on the DHA cadre framework, change management, protocol and events management, DHA cadre development, DHA modernisation and counter-corruption and security services, in partnership with the Learning Academy. The DHA Cadre Ambassadors participated in a number of key strategic events and programmes of the department in the year under review. The cadres also serve the role of being change agents in the modernisation roll-out programme to empower other DHA officials on change management.

2.5 EMPLOYMENT EQUITY

The departmental employment equity plan is reviewed annually with adjusted targets as per the annual budget. The department prioritised vacant and funded posts for occupation in terms of targeted race, gender and people with disability statistics in the financial year 2013/14.

In terms of gender, the percentage of female representation at organisational level is at 59.20%, whereas the department representation of females at senior management level is 45.88%. The department has regressed with regards to the employment of female SMS members from 48% as per the 2012/13 Employment Equity Annual Report. This was due to female SMS members resigning and the department continuing to employ male SMS members.

Going forward, branch heads and provincial managers will be required to report on a quarterly basis to the departmental Management Committee on their branch and province’s status with regards to 50/50 representation of males and females at SMS levels as per the DHA Gender Equality and Women Empowerment Strategy. The department will mainstream gender in the Department to achieve inclusivity and representatively at all levels through development programmes.

The department’s integrated Employment Equity Strategy is beginning to yield positive results where the percentage of people with disability has increased from 0.95% to 1.36% this year. The strategy includes the utilisation of available databases of people with disability through various organisations and institutions for people with disabilities and ring-fencing of identified posts for occupation by people with disability. An awareness programme on the recruitment of people with disability for employees at salary levels 1-12 and SMS members in the department has been rolled out. The department also implemented a disclosure campaign on people with disability that encouraged all employees not recorded in the PERSAL to disclose their status.

To further achieve gender equality, the department engaged women leadership formations and graduate organisations to solicit curriculum vitae of prospective qualifying candidates. The department also works collaboratively with the Department of Women, Children and People with Disability and the DPSA.

In addition, the department developed a programme for female management to attend the Home Affairs Senior, Middle and Emerging Management Development Programme. The programme is aimed at increasing the pool of talented female candidates for promotion into higher level positions within the department in the future. Going forward, where there is over or underrepresentation within the department, the Employment Equity Targets will be aligned prior to the commencement of the recruitment process to ensure representivity across race and gender.

2.6 BUILDING LEADERSHIP CAPABILITY AND CAPACITY

In an effort to build leadership capacity and capability, the department launched and implemented the Leaders' Forum in July 2010 with the purpose of ensuring a shared mind-set and synergy amongst DHA leadership, in relation to the strategic leadership direction and brand. The forum continues to gain momentum every year and thus far nine forums have been hosted successfully.

The 9th Leaders' Forum was held on 6 September 2013, and its focus was on ethical conduct and zero tolerance to corruption. The forum was attended by Senior Managers and best performing Deputy Directors nominated by branches and provinces. The satisfaction survey outcome indicates that the 9th Leaders' Forum yielded the desired results, with an 88% satisfaction rate recorded. Amidst a number of other initiatives, an Ethics Committee has been constituted to promote awareness around ethical conduct within the department.

Leadership development through the Leaders' Forum and the cascading of developmental initiatives that introduce and maintain best people management practices will continue; to ensure improvement of operational matters and the embedding of a performance culture within the department. In support of a culture of effective people management towards optimising organisational performance and service delivery, a revised Overtime Policy, Integrated Exit Management Strategy and Integrated Retention Strategy were developed and approved for roll-out during the 2014/15 financial year.

The design of a number of talent enhancement initiatives have commenced, these include a Career Management and Occupational Assessment Framework (which will be

piloted during the 2014/15 financial year, and is envisaged to bolster competency-based recruitment for front-line Immigration and Civic Services officials), alignment of SMS and MMS competency assessment results to Personal Development Plans and actual training accessed.

Mentoring pools, talent spotting skills enhancement for managers, internship exit strategy and experiential learning frameworks are currently being designed aimed at improving the department's capability to acquire, develop and retain competent human resources.

2.7 RECRUITMENT

At 31 March 2014, a total of 1 205 (70%) of the department's total vacant funded posts were filled, reducing the department's vacancy rate by 3.7% during the financial year (from 10.3% at 31 March 2013 to 6.6% at 31 March 2014).

In keeping with national and strategic priorities, 435 (36%) of the posts filled, focus directly on the strengthening of Ports of Entry (land, sea, rail and airports and asylum seeker matters), and the management thereof. This has contributed to the 7.9% decrease reflected in the vacancy rate of Programme 3 (Immigration Affairs) during the financial year (from 15% at 31 March 2013 to 7.1% at 31 March 2014).

The vacancy rate of Programme 2 (Citizen Affairs) has also been decreased by 3.6% during the financial year (from 9.9% at 31 March 2013 to 6.2% at 31 March 2014), mainly as a result of the department's continued drive to adequately capacitate its front office service delivery arm at all salary levels.

The department appointed 20 new employees classified as "people with disability" during the year under review; and nine officials classified as "people with disability", were promoted internally.

Attracting suitably qualified female candidates for SMS positions, and a sufficient pool of candidates classified as "people with disability", remains a challenge. Various interventions have already been introduced, and the department remains committed to achievement in these areas.

To improve the speed of capacitating the department towards expedited service delivery, HR delegations were approved, with Provincial Managers now, amongst others, approving the filling of posts on salary level 8 and below. The department has also commenced work on an e-recruitment web portal which is planned to be launched during the 2014/15 financial year.

To strengthen the calibre of candidates recruited into the department, advertisements have been reviewed in terms of content, look and feel. A Competency-based Selection Guideline is being developed for roll-out during the 2014/15 financial year. In addition, all senior and middle managers are subject to compulsory competency assessment as a normal part of the selection process. During the period under review, 265 managers (28% of officials on salary levels 9 and above), were trained on “hiring right”, to fully equip them as interview panel members. In addition, in order to ensure the smooth integration of new recruits into the department, and their early alignment to organisational values, objectives and performance standards, an Integrated On-boarding Strategy has been developed and approved, which will be implemented during the 2014/15 financial year.

2.8 EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

The level of compliance with PMDS legislative frameworks has improved considerably at all levels, with the overall compliance rate being at 99.5% for submission of performance agreements at 31 March 2014; reflecting a 2.5% improvement when measured against the 2012/13 financial year. Continuous monitoring and compliance management remains a top priority.

With the compliance rate having improved this much, the department’s focus has now shifted to include the improvement of its performance culture, and the alignment between individual and organisational goals and performance. In support hereof, a Performance Improvement Guideline for Supervisors and Managers has been developed for roll-out during the 2014/15 financial year. An Integrated Reward and Recognition Model as well as an Excellence Awards Programme have been developed in order to enhance morale, productivity and organisational performance, and will be implemented during the 2014/15 financial year.

2.9 LEAVE AND ABSENTEEISM MANAGEMENT

The improvement of the management of attendance and absenteeism has received priority attention within the department during the financial year; in support of enhanced productivity, service delivery and reduced costs related to production days lost.

The full implementation of the national Absenteeism Management Framework within the department has been monitored, and improved management tools developed and implemented.

Monthly leave credit and trend analysis reports are issued to all SMS members to strengthen the monitoring process. Regular audits of attendance registers versus leave transactions on staff files and PERSAL were conducted.

The capturing of leave is being tracked on a weekly basis, and monthly leave audit verifications are undertaken by managers. Non-compliance and challenges are reported to various corporate governance structures. To further enforce compliance, a declaration highlighting management’s responsibility in this regard has been introduced. These initiatives will be sustained and enhanced as may be required. The reduction of the department’s leave liability will also continue to be monitored closely.

The department also launched an Attendance and Incapacity Management Committee (AIM), which met twice during the financial year. The committee serves as a platform to analyse functional transactions, looking at trends, both positive and adverse, and to develop and monitor the implementation of agreed plans of action. The department also led the PILIR tender selection process for Cluster 4 National Departments, with resounding success.

2.10 EMPLOYEE ENGAGEMENT AND WELLNESS PROGRAMMES

The Employee Wellness Programme seeks to promote healthy lifestyles for DHA employees in line with the policies such as HIV/Aids, TB, and chronic diseases, Wellness Management, Health and Productivity, and Occupational Health and Safety Act, thereby enhancing the employees’ quality of life to improve productivity and reduce absenteeism.

This objective is achieved through four programmes that are in the Employee Health and Wellness Strategic Framework of 2009. The framework was established to achieve a healthy, dedicated, responsive and productive public service.

The DHA Employee Wellness Programme is a hybrid model of an internal programme and an external programme that was incorporated to enable its visibility and accessibility to all the employees nationally. Internally Quality of Work Life focuses on conduct counselling and a referral service, implementation of the Employee Wellness calendar events, the management and implementation of the HIV/STI/TB strategy and the implementation of chronic illnesses and performance-enhancing programmes. Externally, we have appointed ICAS to provide a 24hr/365 days toll-free call centre service to employees together with telephonic and/or face-to-face counselling. Trauma debriefing, life management services and e-care for individual interaction through the email system will be introduced in the next financial year. To ensure compliance with the management, monitoring and implementation of OHS programmes we implement the following:

- Identification and mitigation of OHS risks
- Training and monitoring of SHE reps, First Aiders and OHS committees

- Vaccination of IMS officials at all Ports of Entry to prevent infections against communicable diseases
- Monitoring the DHA compliance to the OHS Act as outlined by the Department of Labour

Employee Wellness submits strategic reporting in relation to some of the above areas to the Presidency.

The department has increased its compliance levels with regards to the manner in which it practises labour relations. Better awareness and responsiveness have been created, especially among the middle management levels. This resulted in less grievances and complaints in the department, enabling managers to respond to complaints and grievances received from their employees.

The department is still maintaining a high success rate in arbitration cases brought against it by employees. For the 2013/14 performance year the number of arbitration awards

rendered in favour of the department represented an 80% success rate. Focus should however be directed at the areas of recruitment, acting in vacant positions, payment of overtime and the performance management system, as the majority of disputes are derived from these HR practices. More education and training should be invested in this to ensure that less disputes are received from employees. The high success rate attributed to the department in arbitration may be an indication that there is a lack of understanding among employees.

The department has invested more time and energy in growing its relationship with its recognised trade unions. To this effect, interactions at a top management level between trade unions have taken place. The positive spin of these engagements has seen the implementation or amendment of policies and strategic interventions by the department experiencing a smoother passage of acceptance by trade unions in the departmental Bargaining Chamber. This initiative should be built-on to ensure the continued existence of labour peace in the department.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

HR OVERSIGHT - APRIL 2013 to MARCH 2014 - Home Affairs

Table 1: Personnel expenditure by programme for the period 1 April 2013 to 31 March 2014

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Professional and Special Services Expenditure	Personnel Expenditure as a % of total expenditure	Average Personnel Cost per Employee
	(R'000)	(R'000)	(R'000)	(R'000)		(R'000)
Programme 1: Administration	1 823 278	339 013	12 491	20 253	0,19	371
Programme 2: Citizen affairs	4 347 636	1 798 743	145	25	0,41	230
Programme 3: Immigration affairs	821 637	295 923	53	12 543	0,36	318
Z=Total as on Financial Systems (BAS)	6 992 551	2 433 679	12 689	32 821	0,35	252

Table 2: Personnel costs by salary band for the period 1 April 2013 to 31 March 2014

Salary Band	Personnel Expenditure)	% of Total Personnel Cost	Number of Employees	Average Personnel Cost per Employee
	(R'000)			(R'000)
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	113 808	4.7	671	170
Highly skilled production (Levels 6-8)	1 776 165	72.9	8 054	221
Highly skilled supervision (Levels 9-12)	394 136	16.2	762	517
Senior and top management (Levels 13-16)	134 496	5.5	164	820
Contract (Levels 1-2)	0	0	0	0
Contract (Levels 3-5)	729	0,03	2	365
Contract (Levels 6-8)	517	0.02	0	0
Contract (Levels 9-12)	3 660	0.15	5	732
Contract (Levels 13-16)	7 638	0.31	6	1 273
Periodical appointments	2 530	0	0	0
TOTAL	2 433 679	100	9 664	4 098

Table 3: Salaries, overtime, home owners allowance and medical aid by programme for the period 1 April 2013 to 31 March 2014

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as % of Personnel Cost	Amount (R'000)	Overtime as % of Personnel Cost	Amount (R'000)	HOA as % of Personnel Cost	Amount (R'000)	Medical Aid as % of Personnel Cost
Programme 1: Administration, Permanent	230 516	68	8 833	2.61	9 064	2.67	12 376	3.65
Programme 2: Citizen affairs, Permanent	1 274 044	70.83	30 356	1.69	73 399	4.08	114 632	6.37
Programme 3: Immigration affairs, Permanent	176 595	59.68	2 916	1	8 283	2.80	13 066	4.42
TOTAL	1 681 155	69.08	42 105	1.73	90 746	3.73	140 074	5.76

Note: The total personnel cost per programme does not include all items reported under Compensation of Employees costs, e.g. employer contribution to pension

Table 4: Salaries, overtime, home owners allowance and medical aid by salary band for the period 1 April 2013 to 31 March 2014

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as % of Personnel Cost	Amount (R'000)	Overtime as % of Personnel Cost	Amount (R'000)	HOA as % of Personnel Cost	Amount (R'000)	Medical Aid as % of Personnel Cost
Skilled (Levels 1-2)	0	0,0	0	0,0	0	0,0	0	0,0
Skilled (Levels 3-5)	77 685	3.19	1 166	1.02	7 176	6.31	9 679	8.5
Highly skilled production (Levels 6-8)	1 261 403	71.02	36 934	2.08	75 025	4.22	118 341	6.66
Highly skilled supervision (Levels 9-12)	247 149	62.71	3 998	1.01	5 859	1.49	10 496	2.66
Senior management (Levels 13-16)	82 950	61.67	0	0,0	2 658	1.98	1 552	1.15
Contract (Levels 1-2)	0	0,0	0	0,0	0	0,0	0	0,0
Contract (Levels 3-5)	656	89.99	4	0.55	0	0,0	0	0,0
Contract (Levels 6-8)	241	46.62	3	0.58	3	0.58	0	0,0
Contract (Levels 9-12)	3 297	90.08	0	0,0	25	0.68	0	0,0
Contract (Levels 13-16)	5 244	68.66	0	0,0	0	0,0	6	0.08
Periodical appointments	2 530	100	0	0,0	0	0,0	0	0,0
TOTAL	1 681 155	86	42 105	1.73	90 746	3.73	140 074	5.76

Table 5: Employment and vacancies by programme as on 31 March 2014

Programme	Number of Posts on approved establishment	Number of Posts Filled	Vacancy Rate	Number of employees additional to the Establishment
Programme 1: Administration	1 008	913	9,4	1
Programme 2: Citizen affairs	8 335	7 821	6,2	1
Programme 3: Immigration affairs	1 001	930	7,1	0
TOTAL	10 344	9 664	6,6	2

Table 6: Employment and vacancies by Salary Band as on 31 March 2014

Salary Band	Number of Posts on approved establishment	Number of Posts Filled	Vacancy Rate	Number of employees additional to the Establishment
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	744	671	9,8	0
Highly skilled production (Levels 6-8)	8 553	8 054	5,8	0
Highly skilled supervision (Levels 9-12)	852	762	10,6	0
Senior management (Levels 13-16)	195	164	15,9	0
Contract (Levels 1-2)	0	0	0	0
Contract (Levels 3-5)	0	2	0	0
Contract (Levels 9-12)	0	5	0	0
Contract (Levels 13-16)	0	6	0	2
TOTAL	10 344	9 664	6,6	2

Table 7: Employment and vacancies by critical occupation as on 31 March 2014

Critical Occupations	Number of Posts on approved establishment	Number of Posts Filled	Vacancy Rate	Number of employees additional to the Establishment
Identification experts	289	282	2,4	0
Information technology related	30	28	6,7	0
Legal related	19	15	21,1	0
Other information technology personnel	68	66	2,9	0
Regulatory inspectors	2 070	1 894	8,5	0
TOTAL	2 476	2 285	7,7	0

Table 8: SMS post information as on 31 March 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	2	2	100	0	0
Salary Level 15	11	10	90,91	1	9,09
Salary Level 14	43	36	83,72	7	16,28
Salary Level 13	138	121	87,68	17	12,32
TOTAL	195	170	87,18	25	12,82

Table 9: SMS post information as on 30 September 2013

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	2	2	100	0	0
Salary Level 15	10	7	70	3	30
Salary Level 14	43	33	76,74	10	23,26
Salary Level 13	138	115	83,33	23	16,67
TOTAL	194	158	81,44	36	18,56

Table 10: Advertising and filling of SMS posts for the period 1 April 2013 to 31 March 2014

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not advertised in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	2	0	1
Salary Level 14	6	1	3
Salary Level 13	27	4	5
TOTAL	35	5	9

Table 11: Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months

Reasons for vacancies not filled within 12 months

Structural review and possible reprioritisation, mainly in the Civic Services environment.

Dependency on the filling of higher level posts.

Difficulty in identifying suitable candidates, particularly in scarce skill environments (e.g. Information Services), and the need to promote representivity.

Facilitating the appeals process post dismissal.

Table 12: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2013 to 31 March 2014

Reasons for vacancies not filled within twelve months

No disciplinary steps taken.

Reasons for vacancies not filled within 12 months

No disciplinary steps taken.

Table 13: Job Evaluation by Salary band for the period 1 April 2013 to 31 March 2014

Salary Band	Number of Posts on approved establishment	Number of Jobs Evaluated	% of Posts Evaluated by salary band	Posts Upgraded		Posts Downgraded	
				Number	% of Posts Evaluated	Number	% of Posts Evaluated
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	744	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	8 553	1	0,01	0	0	0	0
Highly skilled supervision (Levels 9-12)	852	31	3,6	0	0	0	0
Senior Management Service Band A	138	3	2,2	0	0	0	0
Senior Management Service Band B	43	0	0	0	0	0	0
Senior Management Service Band C	9	0	0	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
Contract (Levels 1-2)	0	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0	0
Contract (Band A)	0	0	0	0	0	0	0
Contract (Band C)	2	0	0	0	0	0	0
Contract (Band D)	0	0	0	0	0	0	0
TOTAL	10 344	35	0,34	0	0	0	0

Table 14: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2013 to 31 March 2014

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

Table 15: Employees with salary level higher than those determined by job evaluation by occupation for the period 1 April 2013 to 31 March 2014

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
Administrative related	0	0	0	0
Building and other (property caretakers)	0	0	0	0
Bus and heavy vehicle drivers	0	0	0	0
Cashiers, tellers and related clerks	41	5	6	Grade progression
Cashiers, tellers and related clerks	3	5	7	Structural change
Cleaners in offices, workshops, hospitals etc.	1	5	6	Grade progression
Client information clerks (switchboard operators and receptionist)	1	5	6	Grade progression
Communication and information related	0	0	0	0
Finance and economics related	0	0	0	0
Financial and related professionals	0	0	0	0
Financial clerks and credit controllers	1	6	7	Grade progression
Food services aids and waiters	0	0	0	0

General legal administration & rel. professionals	0	0	0	0
Head of department/ chief executive officer	0	0	0	0
Health sciences related	0	0	0	0
Human resources & organisational development & related professionals	0	0	0	0
Human resources clerks	1	6	7	Grade progression
Human resources clerks	1	7	8	Grade progression
Human resources related	0	0	0	0
Identification experts	0	0	0	0
Information technology related	0	0	0	0
Language practitioners, interpreters & other communication personnel	0	0	0	0
Legal related	0	0	0	0
Library mail and related clerks	1	6	7	Grade progression
Light vehicle drivers	0	0	0	0
Logistical support personnel	1	7	8	Grade progression
Material-recording and transport clerks	0	0	0	0
Messengers, porters and deliverers	0	0	0	0
Other administrative & related clerks and organisers	252	6	7	Grade progression
Other administrative & related clerks and organisers	62	7	8	Grade progression

Other administrative policy and related officers	1	6	7	Grade progression
Other administrative policy and related officers	6	7	8	Grade progression
Other administrative policy and related officers	1	8	9	Out of adjustment
Other information technology personnel	0	0	0	0
Other occupations	0	0	0	0
Regulatory inspectors	42	6	7	Grade progression
Secretaries & other keyboard operating clerks	4	6	7	Grade progression
Security guards	0	0	0	0
Security officers	0	0	0	0
Senior managers	1	13	14	Retention
Trade labourers	0	0	0	0
Total	420			
Percentage of total employment	4,35%			

Table 16: Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2013 to 31 March 2014

Gender	African	Asian	Coloured	White	Total
Female	169	0	6	111	286
Male	112	3	0	19	134
Total	281	3	6	130	420
Employees with a Disability	2	0	1	1	4

Table 17: Annual Turnover Rates by Salary Band for the period 1 April 2013 to 31 March 2014

Salary Band	Number of employees at beginning of period 1 April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5), Permanent	598	100	40	5,7
Highly skilled production (Levels 6-8), Permanent	7 754	656	270	3.2
Highly skilled supervision (Levels 9-12), Permanent	672	74	32	4.3
Senior Management Service Band A	104	20	6	4.8
Senior Management Service Band B	31	1	1	3.1
Senior Management Service Band C	6	1	0	0
Senior Management Service Band D	3	0	0	0
Contract (All Levels)	30	27	15	26.3
TOTAL	9 198	879	364	4

Table 18: Annual Turnover Rates by Critical Occupation for the period 1 April 2013 to 31 March 2014

Critical Occupation	Number of employees at beginning of period 1 April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Identification experts	285	4	5	1,8
Information technology related	28	5	3	9.1
Legal related	17	2	3	15.79
Other information technology personnel	60	10	3	4.29
Regulatory Inspectors	1 575	353	69	3.58
TOTAL	1 965	374	83	3.6

Table 19: Reasons why staff are leaving the department for the period 1 April 2013 to 31 March 2014

Termination Type	Number	% of Total Resignations
Death	58	15,93
Resignation	105	28,85
Expiry of contract	14	3,85
Dismissal - operational changes	0	0,00
Dismissal - misconduct	68	18,68
Dismissal - inefficiency	0	0,00
Transfers to other Public Service Departments	51	14,01
Retirement, Permanent	61	16,76
Discharged due to ill health, Permanent	7	1,92
Other	0	0,00
TOTAL	364	100
Total number of employees who left as a % of total Employment		3,77%

Table 20: Promotions by Critical Occupation for the period 1 April 2013 to 31 March 2014

Occupation	Employees 1 April 2013	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Identification experts	285	1	0,40	270	94,7
Information technology related	28	2	7,10	17	60,7
Legal related	17	0	0,00	8	47,1
Other information technology personnel	60	1	1,70	37	61,7
Regulatory Inspectors	1 575	110	7,00	1 366	86,7
TOTAL	1 965	114	5,80	1 698	86,4

Table 21: Promotions by Salary Band for the period 1 April 2013 to 31 March 2014

Salary Band	Employees 1 April 2013	Promotions to another Salary Level	Salary bands Promotions as a % of Employees by salary level	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by salary bands
Lower skilled (Levels 1-2)	0	0	0,00	0	0
Skilled (Levels 3-5)	598	0	0,00	590	98,7
Highly skilled production (Levels 6-8)	7 754	307	4,00	6 345	81,8
Highly skilled supervision (Levels 9-12)	672	98	14,60	421	62,6
Senior management (Levels 13-16)	144	20	13,90	86	59,7
Contract (All levels)	30	1	3,30	0	0
TOTAL	9 198	426	4.6	7 442	80.9

Table 22: Total number of Employees (incl. Employees with disabilities) in each of the following Occupational Categories as on 31 March 2014

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	75	9	2	8	57	5	5	9	170
Professionals	148	11	1	10	151	6	2	20	349
Technicians and associate professionals	463	24	13	32	531	29	14	81	1 187
Clerks	1 534	92	9	48	2 990	224	21	359	5 277
Service and sales workers	1 069	77	7	67	840	46	5	27	2 138
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	119	11	0	1	8	0	0	0	139
Labourers and related workers	106	7	0	0	276	15	0	0	404
Elementary occupations	0	0	0	0	0	0	0	0	0
TOTAL	3 514	231	32	166	4 853	325	47	496	9 664
Employees with disabilities	54	4	0	7	49	7	1	9	131

Table 23: Total number of Employees (incl. Employees with disabilities) in each of the following Occupational Bands as on 31 March 2014

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	6	1	0	1	1	0	1	0	10
Senior management	67	7	2	5	56	4	4	9	154
Professionally qualified and experienced specialists and mid-management	287	17	12	33	213	14	7	35	618
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2 884	178	17	115	4 149	267	34	427	8 071
Semi-skilled and discretionary decision making	267	26	0	10	430	39	1	25	798
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (top management)	1	1	0	0	0	1	0	0	3
Contract (senior management)	1	0	0	2	0	0	0	0	3
Contract (professionally qualified)	1	0	1	0	3	0	0	0	5
Contract (semi-skilled)	0	1	0	0	1	0	0	0	2
Contract (unskilled)	0	0	0	0	0	0	0	0	0
TOTAL	3 514	231	32	166	4 853	325	47	496	9 664

Table 24: Recruitment for the period 1 April 2013 to 31 March 2014

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	0	0	0	0	0	1
Senior management	9	1	0	2	9	0	0	0	21
Professionally qualified and experienced specialists and mid-management	19	1	0	2	11	3	1	3	40
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	305	20	2	2	338	14	7	5	693
Semi-skilled and discretionary decision making	38	0	0	0	54	4	1	0	97
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (top management)	1	1	0	1	0	0	0	1	4
Contract (senior management)	2	0	0	0	0	0	0	0	2
Contract (professionally qualified)	3	0	1	2	4	1	0	0	11
Contract (semi-skilled)	3	0	0	0	7	0	0	0	10
TOTAL	381	23	3	9	423	22	9	9	879
Employees with disabilities	11	0	0	0	9	0	0	0	20

Table 25: Promotions for the period 1 April 2013 to 31 March 2014

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	11	1	1	1	5	0	1	0	20
Professionally qualified and experienced specialists and mid-management	24	2	1	6	23	2	0	3	61
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	127	11	3	6	158	16	4	17	342
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (senior management)	0	0	0	0	0	0	0	0	0
Contract (professionally qualified)	1	0	0	0	0	0	0	0	1
TOTAL	164	14	5	13	187	18	5	20	426
Employees with disabilities	5	0	0	0	4	0	0	0	9

Table 26: Terminations for the period 1 April 2013 to 31 March 2014

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	1	0	0	0	1
Senior management	3	0	0	0	2	0	1	0	6
Professionally qualified and experienced specialists and mid-management	13	1	0	0	6	0	1	2	23
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	129	7	1	5	99	10	1	19	271
Semi-skilled and discretionary decision making	26	1	0	2	15	1	1	2	48
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (top management)	0	0	0	1	1	0	0	0	2
Contract (senior management)	1	0	0	0	1	0	0	0	2
Contract (skilled qualified)	0	0	0	0	1	0	0	0	1
Contract (semi-skilled)	3	0	0	0	7	0	0	0	10
TOTAL	175	9	1	8	133	11	4	23	364
Employees with disabilities	2	0	0	0	0	0	0	0	2

Table 27: Disciplinary Action for the period 1 April 2013 to 31 March 2014

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Guilty	80	6	0	1	33	0	0	4	124
Not guilty	10	2	0	0	11	0	0	2	25
Not required	5	1	0	0	3	0	0	1	10
Resigned	1	1	0	0	0	0	0	0	2
Withdrawn	2	0	0	0	1	0	0	0	3
TOTAL	98	10	0	1	48	0	0	7	164

Table 28: Skills Development for the period 1 April 2013 to 31 March 2014

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	38	1	0	4	47	2	8	0	104
Professionals	46	10	0	0	74	4	6	3	143
Technicians and associate professionals	210	15	0	5	263	23	10	37	568
Clerks	408	26	6	6	905	55	2	18	1 432
Service and sales workers	292	68	3	10	230	52	8	3	676
Plant and machine operators and assemblers	25	4	0	0	2	0	0	0	31
Elementary occupations	16	0	0	0	37	0	0	0	53
TOTAL	1 035	124	9	25	1 558	136	34	61	3 007
Employees with disabilities	15	1	0	2	0	1	0	2	21

Table 29: Signing of Performance Agreements by SMS members as on 31 May 2013

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed Performance Agreements	Signed Performance Agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100,00
Salary Level 16	2	2	0	0,00
Salary Level 15	9	8	7	87,50
Salary Level 14	44	33	30	90,91
Salary Level 13	130	104	102	98,08
TOTAL	186	148	140	94,59

Table 30: Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2013

Reasons

Salary level 16 - Minister and Deputy Minister - Do not complete annual Performance Agreements.

Salary level 15 - 1 Non-submission due to unfinalised placement (Contract SMS member).

Salary level 14 - 1 Suspended; 1 termination before 31 May 2013 and 1 Secondment to Department of Public Works.

Salary level 13 - 1 Non-compliance; 1 Suspension.

Table 31: Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 May 2013

Reasons

No disciplinary steps taken in respect of the one case of non-compliance at salary level 13, as the SMS member resigned before action could be taken.

Table 32: Performance Rewards by Race, Gender and Disability for the period 1 April 2013 to 31 March 2014

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost	Average Cost per employee
African					
Male	399	3 514	11,35	3 982 045	9 980
Female	618	4 853	12,73	5 568 048	9 010
Asian					
Male	1	32	3,13	6 489	6 489
Female	5	47	10,64	39 595	7 919
Coloured					
Male	42	231	18,18	420 942	10 022
Female	78	325	24,00	628 019	8 052
White					
Male	30	166	18,07	400 332	13 344
Female	150	496	30,24	1 617 169	10 781
TOTAL	1 323	9 664	13,69	12 662 639	9 571

Table 33: Performance Rewards by Salary Band for Personnel below Senior Management Service for the period 1 April 2013 to 31 March 2014

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average Cost per employee	
Lower skilled (Levels 1-2)	0	0	0,00	0	0	0.00
Skilled (Levels 3-5)	95	671	14,16	464 132	4 886	0.00
Highly skilled production (Levels 6-8)	1 064	8 054	13,21	8 751 101	8 225	0.00
Highly skilled supervision (Levels 9-12)	150	762	19,69	2 907 313	19 382	0.01
Contract (Levels 1-2)	0	0	0,00	0	0	0.00
Contract (Levels 3-5)	0	0	0,00	0	0	0.00
Contract (Levels 6-8)	0	2	0,00	0	0	0.00
Contract (Levels 9-12)	0	5	0,00	0	0	0.00
TOTAL	1 309	9 494	13,79	12 122 546	9 261	0.00

Table 34: Performance Rewards by Critical Occupation for the period 1 April 2013 to 31 March 2014

Critical occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of employees	% of total within occupation	Total Cost	Average Cost per employee
Identification experts	56	282	19,86	449 377	8 025
Information technology related	1	28	3,57	14 761	14 761
Legal related	2	15	13,33	48 391	24 196
Other information technology personnel	12	66	18,18	199 924	16 660
Regulatory inspectors	167	1 894	8,82	1 479 862	8 861
TOTAL	238	2 285	10,42	2 192 315	9 211

Table 35: Performance related rewards (cash bonus), by salary band for senior management service for the period 1 April 2013 to 31 March 2014

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of Beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average Cost per employee	
Band A	11	121	9,09	406 280	36 935	0.30
Band B	3	36	8,33	133 813	44 604	0.10
Band C	0	9	0,00	0	0	0,00
Band D	0	4	0,00	0	0	0,00
TOTAL	14	170	8,24	540 093	38 578	0.40

Table 36: Foreign Workers by Salary Band for the period 1 April 2013 to 31 March 2014

Salary Band	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	1	50	1	100	0	0
Senior management (Levels 13-16)	1	50	0	0	1	50
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
TOTAL	2	100	1	100	1	50

Table 37: Foreign Workers by Major Occupation for the period 1 April 2013 to 31 March 2014

Major Occupation	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	1	50	1	100	0	0
Professionals and managers	1	50	0	0	1	50
TOTAL	2	100	1	100	1	50

Table 38: Sick leave for the period 1 January 2013 to December 2013

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee
Lower skilled (Level 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	6 703	97	633	7,3	11
Highly skilled production (Levels 6-8)	67 543	80,4	7 213	83,7	9
Highly skilled supervision (Levels 9-12)	4 223	87,3	649	7,5	7
Top and senior management (Levels 13-16)	885	97,3	114	1,3	8
Contract (Levels 1-2)	0	0	0	0	0
Contract (Levels 3-5)	2	100	1	0,01	2
Contract (Levels 6-8)	0	0	0	0	0
Contract (Levels 9-12)	31	22,6	4	0,06	8
Contract (Levels 13-16)	2	50	2	0,02	1
TOTAL	79 389	82,4	8 616	100	9

Table 39: Disability leave (temporary and permanent) for the period 1 January 2013 to 31 December 2013

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee
Lower skilled (Levels 1- 2)	0	0	0	0	0
Skilled (Levels 3-5)	829	100	10	23,3	83
Highly skilled production (Levels 6-8)	1 286	100	28	65,1	46
Highly skilled supervision (Levels 9-12)	30	100	3	7	10
Senior management (Levels 13-16)	57	100	2	4,7	29
TOTAL	2 202	100	43	100	51

Table 40: Annual leave for the period 1 January 2013 to December 2013

Salary Band	Total Days Taken	Number of Employees using annual leave	Average Days per Employee
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	18 862	662	28
Highly skilled production (Levels 6-8)	186 788	7 747	24
Highly skilled supervision (Levels 9-12)	19 225	745	26
Senior management (Levels 13-16)	3 957	163	24
Contract (Levels 1-2)	0	0	0
Contract (Levels 3-5)	5	1	5
Contract (Levels 6-8)	0	0	0
Contract (Levels 9-12)	58	4	15
Contract (Levels 13-16)	57	4	14
TOTAL	228 952	9 326	25

Table 41: Capped leave for the period 1 January 2013 to December 2013

Salary Band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2014
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	17	7	2	32
Highly skilled production (Levels 6-8)	150	28	5	57
Highly skilled supervision (Levels 9-12)	28	2	14	60
Senior management (Levels 13-16)	0	0	0	0
TOTAL	195	37	5	53

Table 42: Leave Payouts for the period 1 April 2013 to 31 March 2014

Reason	Total Amount	Number of Employees	Average per Employee
Leave payout for 2013/14 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2013/14	5 296 330	83	63 811
Current leave payout on termination of service for 2013/2014	88 564	2	44 282
TOTAL	5 384 894	85	63 352

Table 43: Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk

Table 44: Details of Health Promotion and HIV/AIDS Programmes			
Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Director: FB Macrery
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		Deputy Director: Quality of Work life: LV Moshoeite and two Assistant Directors The annual budget for the programme is all encompassing and amounts to approximately R2,4 million.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	√		Hybrid Model: External service provider ICAS: counselling, trauma de-briefing, performance enhancement programmes, HIV and chronic disease management marketing Internal services : Work place based interventions: Quality of work-life Management Sub directorate: Health calendar events & Health and Productivity Pillar: ongoing awareness/education sessions are conducted and promotional materials distributed throughout the year: (Feb) STI & condom week awareness, (March) TB & promotion of healthy lifestyles, (April) Healthy lifestyle awareness, health screening and HIV (May) Know your status campaign and candle-light memorial day Blood screening and blood donation clinic, (June-July) Men's health day: Prostate cancer and medical male circumcision (MMC), (October) Women's health day: Breast and cervical cancer, (November) Red ribbon month and (December) World AIDS Day. HIV/ STI/ TB Management: HIV/AIDS peer education programme implemented, HIV/ STI/ TB & healthy lifestyle brochures distributed, condom distribution. Wellness Management: Quarterly health screening and HIV counselling and testing, blood pressure, blood sugar, cholesterol, BMI, HIV counseling and testing, Blood screening and blood donation clinic every eight weeks. Performance enhancement programmes: Choir, sports, athletics and life skills offered to employees (stress management, trauma debriefing, financial management, interpersonal relations, marital, parenting, etc). SHERQ Management: health risk assessments, vaccinations, office inspections and audits done regularly.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		50 DHA employees representing all the provinces were appointed as Employee Wellness Committee members and trained as HIV/ AIDS peer educators. Five employees per province, including National Office. Their names are as follows: National office: J Methane, N Hartley, S Mdluli, S Mkolokoto, S Ramokoka, F Matlou. North West Province: A Perekamoyo, M Mangope, M Lefenya, L Gaolae, S Rrabana. Free State Province: G Mofokeng, P Mangoejane, S Moloji, T Sebueng, K Maphabole. Gauteng Province: E Motsiri, T Ramokoka, L Mahupela, S Sambo, SJ Miya, L Kobue. Limpopo Province: M Nkanyane, L Mashilo, M Lebisi, N Setoaba, M Lebisi. Western Cape Province: L Hlophe, N Mati, S Mathiso, C Samaai, J Du Plessis. Eastern Cape Province: B Wisani, N Mbilini, S Manyefane, Y Gubayo, P Mduba, G Sinuka. Mpumalanga Province: S Mashaba, JB Mphuting, H Maphanga, T Monareng, M Malukeke. Northern Cape Province: Z Mongwe, L Hlophe, S Jacobs, M Makay, D Arendse. Kwa Zulu Natal Province: B Xulu, M Mabena, P Mkholwa, M Mngadi, N Mtshali, P Radebe.

5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√	<p>a) Employee Wellness Integrated Strategy: 2012-14 (to be reviewed).</p> <p>b) DHA HIV/ STI/ TB and Chronic Disease Management Plan 2012-2016 (DHA Annual Plan signed by DG submitted to DPSA & Office of the Presidency).</p> <p>c) National Strategic Plan on HIV, STI, TB 2012-2016 (DHA GRSB Plan 2012/2016 developed).</p> <p>d) HIV AIDS Peer Education Programme.</p> <p>e) DHA HIV/ STI/ TB Draft Pillar / Policy 2014.</p>
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√	<p>a) DHA HIV/ STI/ TB and Chronic Disease Management Plan 2012-2016.</p> <p>b) Annual Operational Plan with HIV/ STI/ TB targets as compliance issues.</p> <p>c) HIV / AIDS Peer Education Programme (Two meetings held per quarter and information sharing sessions conducted).</p>
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	√	<p>a) Quarterly health screenings, blood pressure, blood sugar, body mass index.</p> <p>b) Quarterly HIV counselling and testing: 415 employees tested, 413 tested negative, 2 tested positive, 2 enrolled to ARV, 1 disclosed her status to the public and she is also an HIV Peer Educator. 10 000 male condoms and 5 000 female condoms, 2 000 HIV/ STI/ TB brochures distributed.</p> <p>c) Blood Screening & Blood Donation Clinics every 8 weeks: 100 regular blood donors.</p>
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	√	<p>a) Costed Operational plan with monthly, quarterly and annual targets.</p> <p>b) Monthly, quarterly and annual reports (3 118 employees attended calendar events awareness sessions, 415 tested for HIV, 413 tested negative and 2 tested positive, 500 employees tested for health screening (blood sugar, blood pressure, cholesterol, and BMI).</p>

Table 45: Collective agreements for the period 1 April 2013 to 31 March 2014

Subject Matter	Date	
Total number of collective agreements	None	

Table 46: Misconduct and Discipline Hearings Finalised for the period 1 April 2013 to 31 March 2014

Outcomes of disciplinary hearings	Number	% of Total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	2	1,24
Final written warning	13	8,07
Suspended without pay	36	22,36
Fine	0	0,00
Demotion	0	0,00
Dismissal	70	43,48
Resignation	2	1,24
Not guilty	25	15,53
Case withdrawn	13	8,07
TOTAL	161	100

Table 47: Types of Misconduct Addressed and Disciplinary Hearings for the period 1 April 2013 to 31 March 2014

Type of misconduct	Number	% of Total
Absenteeism	12	7,32
Dereliction of duty	1	0,61
Financial misconduct	8	4,88
Fraud and corruption	102	62,20
Gross negligence	12	7,32
Improper conduct	19	11,59
Insubordination	4	2,44
Misrepresentation	3	1,83
Sexual harassment	1	0,61
Theft	1	0,61
Citizens matter	1	0,61
TOTAL	164	100

Table 48: Grievances Lodged for the period 1 April 2013 to 31 March 2014

Grievances	Number	% of Total
Number of grievances resolved	81	100
Number of grievances not resolved	0	0
Total number of grievances lodged	81	100

Table 49: Disputes Lodged with Councils for the period 1 April 2013 to 31 March 2014

Disputes	Number	% of total
Number of disputes upheld	58	80,6
Number of disputes dismissed	14	19,4
Total number of disputes lodged	72	100

Table 50: Strike Actions for the period 1 April 2013 to 31 March 2014

Total number of person working days lost	0
Total cost working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 51: Precautionary Suspensions for the period 1 April 2013 to 31 March 2014

Number of people suspended	64
Number of people whose suspension exceeded 30 days	64
Average number of days suspended	163
Cost of suspensions	R 5 252 729,67

Table 52: Training needs identified for the period 1 April 2013 to 31 March 2014

Occupational Categories	Gender	Number of employees as at 1 April 2013	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	70	0	18	0	18
	Male	79	0	34	0	34
Professionals	Female	157	0	23	0	23
	Male	149	0	20	0	20
Technicians and associate professionals	Female	604	0	16	0	16
	Male	520	0	15	0	15
Clerks	Female	3 573	0	768	0	768
	Male	1 700	0	743	0	743
Service and sales workers	Female	770	0	303	0	303
	Male	1 058	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Labourers and related workers	Female	272	0	0	0	0
	Male	106	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	8	0	0	0	0
	Male	132	0	0	0	0
Elementary occupations	Female	0	0	53	0	53
	Male	0	0	8	0	8
Total		9 198	0	2 001	0	2 001

Table 53: Training Provided for the period 1 April 2013 to 31 March 2014

Occupational Categories	Gender	Number of employees as at 1 April 2013	Training needs identified at start of the reporting period			
			Leaverships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	70	0	61	0	61
	Male	79	0	43	0	43
Professionals	Female	157	0	87	0	87
	Male	149	0	56	0	56
Technicians and associate professionals	Female	604	15	323	0	338
	Male	520	4	226	0	230
Clerks	Female	3 573	148	838	0	986
	Male	1 700	71	375	0	446
Service and sales workers	Female	770	132	171	0	303
	Male	1 058	134	239	0	373
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Labourers and related workers	Female	272	0	0	0	0
	Male	106	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	8	0	2	0	2
	Male	132	0	29	0	29
Elementary occupations	Female	0	3	34	0	37
	Male	0	0	16	0	16
Total		9 198	507	2 500	0	3 007

Table 54: Injury on Duty for the period 1 April 2013 to 31 March 2014

Nature of injury on duty	Number	% of total
Required basic medical attention only	30	100
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	30	100

Table 55: Report on consultant appointments using appropriated funds for the period 1 April 2013 to 31 March 2014

Project Title	Total number of consultants that worked on the project	Duration (work days)	Contract value in Rand
AJ VISSER SHERIFF PRETORIA NORTH	1	WHEN REQUIRED	1 158 536,41
ALLAN TAYLOR CONSULTING	1	95	487 300,00
AUDITOR-GENERAL			1 986 646,13
BIZ AFRICA 645			66 250,00
BOWMAN GILFILLAN	2	WHEN REQUIRED	170 230,32
CAREER HUNTERS	1		225 994,96
COZENS MANAMELA & ASSOCIATES		WHEN REQUIRED	162 486,68
CSIR	2	60	64 980,00
D RAMKLASS	1	WHEN REQUIRED	54 362,52
DAJO ASSOCIATES	1	49	499 890,00
DELOITTE CONSULTING	1	WHEN REQUIRED	35 603,62
DEPARTMENT OF JUSTICE		WHEN REQUIRED	37 847 332,53
DIRCO	1	1	6 111,59
DLAMINI PS	1	1	180,00
EDWARD NATHAN SONNEBERGS INC	3	730	2 866 994,03
EMZANSI CONSULTING	1	365	2 833 482,99
FRESH THINKING CAPITAL	50	365	1 656 880,74
GIJIMA HOLDINGS	1	WHEN REQUIRED	133 487,91
HUMAN SCIENCES RESEARCH COUNCIL	4	150	4 999 883,00
HURTER & COETZEE LEGAL COST CONSULTANTS	1	WHEN REQUIRED	96 684,35
KPMG	4		2 330 279,13
L SEAKAMELA	1	1	817,00

LANDELAHNI ASSESSMENT SERVICES	1	WHEN REQUIRED	69 232,00
LEADTRAIN ASSESSMENTS	1	WHEN REQUIRED	171 941,89
LIFE MASTER	1	1	68 975,00
LITHA LETHU CONSULTING	1	WHEN REQUIRED	58 301,00
LUCKYVEST CONSULTING SERVICES	1	365	1 264 551,16
LV MOSHOETTE	1	1	1 634,00
MAKHUBELA COMMERCIAL ATTORNEYS	1	WHEN REQUIRED	1 409 092,68
MANAGEMENT DIMENSIONS		1	93 500,00
MORUO BATHONG	1	WHEN REQUIRED	62 480,00
MTARINI P	1	1	3 152,00
MURDOCK AND ASSOCIATES			220 000,00
MZABALAZO ADVISORY SERVICES	1	49	469 110,00
N RUSSOUW	1	WHEN REQUIRED	70 212,95
NGOEPE ATTORNEYS	1	WHEN REQUIRED	1 659 146,72
NIA CONSULT			68 000,00
P RAVIVHETSHELE	1	1	1 010,24
PRICEWATERHOUSE COOPERS	15	365	169 384,62
R KENOSI	1	WHEN REQUIRED	86 944,08
REAL GLOBAL BUSINESS SOLUTIONS			230 911,56
ROUTLEDGE MODISE INC	1	WHEN REQUIRED	209 850,69
S GOUDEN	1	WHEN REQUIRED	156 186,32
SAQA	1	WHEN REQUIRED	82 394,00
SATHIE	1	WHEN REQUIRED	4 433,40
SOMA INITIATIVE		WHEN REQUIRED	420 891,31
SURITEC	4	270	50 000,00
TF SEBOKA	1	1	32 571,36
TATE & MOGOTSI STAFF HIRE / T&M STAFF HIRE	1	WHEN REQUIRED	112 997,48
TEEQUE TRADING SERVICES T/A TIME QUANTUM	1	365	864 244,26
THE ASSESSMENT TOOLBOX	1	WHEN REQUIRED	147 302,00
THE RESOLVE GROUP	1	WHEN REQUIRED	13 798,00
TLHOGI'S CONSULTING & PROJECTS	1	365	1 192 503,84
TNS RESEARCH SURVEY		60	2 683 218,00

TRIPLE M CONSULTING	1	WHEN REQUIRED	79 709,60
UKUTHULA OFFICE			871,21
UNIVERSITY OF CAPE TOWN	1	1	275 539,55
WORK DYNAMICS	1	1	134 756,00
Y SAMBO	1	365	468,48
ZAKHENI ICT	20	365	1 061 893,41
ZRGB INTERPRETATION, TRANSLATION AND SOCIAL SERVICES			6 808 073,00
MONEY CREDITED TO DHA			-6 933,63
TOTAL	144		78 186 762,09

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
62	144		78 186 762,09

Table 56: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 to 31 March 2014

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project

Table 57: Report on consultant appointments using Donor funds for the period 1 April 2013 to 31 March 2014

Project Title	Total number of consultants that worked on the project	Duration (Work days)	Donor and Contract value in Rand
None			

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
None			

Table 58: Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 to 31 March 2014

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None			

Table 59: Granting of Employee Initiated Severance Packages for the period 1 April 2013 to 31 March 2014

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of Packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

PART E: FINANCIAL INFORMATION

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Report of the Auditor-General to Parliament on Vote No.4: Department of Home Affairs

Report on the financial statements

Introduction

1. I was engaged to audit the financial statements of the Department of Home Affairs set out on pages 154 to 190 which comprise the appropriation statement, the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets, the cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Inability to obtain sufficient appropriate audit evidence

4. I was unable to obtain sufficient appropriate audit evidence for the financial statement items as described below, due to the status of the accounting records. The department did not have adequate systems of internal control in place for the recording of all transactions and events and further could not reconcile the transactions and events to the financial statements. I could not confirm the financial statement items below by alternative means and I was unable to determine whether any adjustment to these financial statement items was necessary.
 - a. **Departmental revenue** – stated at R741.6 million (2013: R682.1 million)
 - b. **Payables** – arising from unallocated cash receipts transactions stated at R646.8 million (2013: R537.6 million)
 - c. **Accrued departmental revenue** – stated at R275.4 million (2013: R796.4 million).
 - d. **Contingent asset disclosure note** – stated at R817.3 million (2013: R554.4 million)
 - e. **Accruals** – stated at R200.9 million (2013: R199.95 million)
 - f. **Contingent liabilities** – arising from unconfirmed claims payable balances, stated at R98.6 million (2013: R105.2 million)

Capital Assets

Movable tangible capital assets

5. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for movable tangible capital assets and minor assets, due to the status of the accounting records and non-submission of information in support of the accounting records of these assets. I was unable to confirm the balances by alternative means. Consequently, I was unable to determine whether any adjustments to movable tangible assets stated at R1 194 million (2013: R1 042.9 million) and minor assets stated at R197 million (2013: R179.7 million) in note 28 to the financial statements were necessary.

Intangible assets

6. The department did not maintain complete and proper records of intangible assets. I was unable to obtain sufficient appropriate audit evidence that the amounts disclosed in note 29 to the financial statements were all recorded at the correct values. I was unable to confirm the balances by alternative means. Consequently, I was unable to determine whether any adjustment to intangible assets stated at R897.1 million in the financial statements was necessary.

Immovable assets

7. The department did not maintain complete records of refurbishments on leased property. I was unable to obtain sufficient appropriate audit evidence on the amounts disclosed in note 30 to the financial statements as the refurbishments that were completed in the years 2009 to 2014 were not capitalised to immovable assets. I was unable to confirm the balances by alternative means. Consequently, I was unable to determine whether any adjustment to immovable assets stated at R4.6 million (2013: R0.0 million) in the financial statements was necessary.

Commitments

8. I was unable to obtain sufficient appropriate audit evidence for commitments as the department did not maintain accurate and complete records of the contractual information used to calculate the commitments balance. I could not confirm the amounts by alternative means. Consequently I was unable to determine whether any adjustment to commitments stated at R2 685.7 million was necessary.

Disclaimer of opinion

9. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

Emphasis of matter

I draw attention to the matters below. My opinion is not modified in respect of these matters.

Financial reporting framework

10. As disclosed in the accounting policy notes 7.2 and 16.2 to the financial statements, the National Treasury has exempted the department from applying the applicable accounting framework in respect of foreign revenue transactions and certain assets for the reasons indicated.

Restatement of corresponding figures

11. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of an error discovered during 2014 in the financial statements of the Department of Home Affairs at, and for the year ended, 31 March 2013.

Significant uncertainties

12. With reference to note 18 to the financial statements, the department is the defendant in various claims against the department. The department is opposing these claims. The ultimate outcome of these claims cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Payables

13. Payables which exceed the payment term of 30 days as required in Treasury Regulation 8.2.3 amount to R28.8 million. This amount, in turn, exceeds the voted funds to be surrendered of R2.2 million as per the statement of financial performance by R26.6 million. The amount of R26.6 million would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.

ADDITIONAL MATTER PARAGRAPHS

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

14. The supplementary information set out on pages 191 to 197 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

15. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

16. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2014:
- Programme 2: Citizen Affairs on pages 57 to 66
 - Programme 3: Immigration Affairs on pages 67 to 82
17. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
18. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. The material findings in respect of the selected programmes are as follows:

Programme 2 – Citizen Affairs

Usefulness of reported performance information

Presentation of performance information

21. No reasons for variances between planned and actual achievements reported in the annual performance report were given for 50% of the targets that were overachieved, as required by the National Treasury's Guide for the preparation of the Annual Report. This was due to management not analysing and reporting on the reasons for overachieved targets.

Consistency of objectives

22. Treasury Regulation 5.2.4 requires the Strategic and Annual Performance Plan to form the basis for the Annual Report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 20% of the objectives reported were not consistent with those in the approved strategic and annual performance plans. This was due to a limited review and reconciliation of the strategic planning objectives to the objectives per the annual performance report.

Reliability of reported performance information

23. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not valid, accurate and complete, for significantly important targets, when compared to the source information or evidence provided. This was due to a lack of frequent review of the validity of reported achievements against source documentation.

Programme 3 - Immigration Affairs

Reliability of reported performance information

24. The FMPPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to limitations placed on the scope of my work due to the fact that the auditee did not maintain a proper record keeping system.

Additional matters

25. I draw attention to the following matters:

Achievement of planned targets

26. Refer to the annual performance report on pages 43 to 82 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programmes reported in paragraphs 23 and 24 of this report.

Unaudited supplementary schedules

27. The supplementary information set out on pages 191 to 197 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

Compliance with legislation

28. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements, performance and annual reports

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework or supported by full and proper records as required by section 40(1) (a) and (b) of the Public Finance Management Act.
30. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer of audit opinion.

Human resource management and compensation

31. Funded vacant posts were not advertised within six months after becoming vacant and were not filled within 12 months after becoming vacant as per the requirements of Public Service Regulation 1/VIIC.1A.2.
32. Management did not record all leave taken by employees accurately and in full as per the requirements of Public Service Regulation 1/V/F (b).

Asset management

33. Proper control systems to safeguard and maintain assets were not implemented, as required by section 38(1)(d) of the PFMA and Treasury Regulation 10.1.1(a).

Expenditure management

34. Not all contractual obligations and money owed by the department were settled within 30 days or an agreed period, as required by section 38(1)(f) of the Public Finance Management Act and Treasury Regulation 8.2.3.

Revenue management

35. The Accounting Officer did not ensure that appropriate processes were developed and implemented to provide for the identification, collection, recording, reconciliation, safeguarding of information about revenue, as required by Treasury Regulation 7.2.1.
36. The accounting officer did not take effective and appropriate steps to collect all money due, as required by section 38(1) (c) (i) of the Public Finance Management Act and Treasury Regulations 11.2.1, 15.10.1.2(a) and 15.10.1.2(e).

Consequence management

37. Effective and appropriate disciplinary steps were not taken against officials who made irregular expenditure and fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the Public Finance Management Act and Treasury Regulation 9.1.3. Instances of irregular expenditure and fruitless and wasteful expenditure were not investigated.

Internal control

38. I considered internal control relevant to my audit of the financial statements, of the annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for disclaimer opinion, the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Leadership

39. With reference to paragraph 10 above, the department has been granted certain departures from the MCS. However, leadership of the department was unable to gain adequate leverage from these departures. The following key matters were noted in this regard:
- Instability in key leadership positions in the area of financial management - the Chief Financial Officer resigned during the financial year and the temporary replacement also resigned before the end of the financial year.
 - A lack of effective leadership oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls. Policies and procedures were not developed and communicated to enable and support the understanding and execution of internal control objectives, processes and responsibilities. The Annual Financial Statements that were submitted for audit on 31 May 2014 and then again on 15 August 2014 contained numerous errors.
 - Sustainable solutions were not sought to address the internal control deficiencies.
40. The findings and recommendations regarding financial management in the department that were raised in both internal and external audit reports were not adequately addressed by management.

Financial and performance management

41. The Accounting Officer did not prepare regular, accurate and complete financial reports that were supported and evidenced by reliable information as:
- Proper record keeping that ensures that complete, relevant and accurate information is accessible and available to support financial and performance reporting was lacking.
 - Daily and monthly processing and the reconciling of transactions and performance on planned targets are not being adequately performed.
 - The reviewing and monitoring of compliance with applicable laws and regulations were ineffective.

42. Information and documentation requested for audit and management comments on matters raised during the audit were not provided in a timely manner.

OTHER REPORTS

Investigations in progress

43. An investigation regarding subsistence and travel fraud is underway nationally. Thus far two employees have been dismissed and one has resigned. The department is also conducting several other internal investigations on the basis of allegations of fraud and corruption that have been reported.
44. Further, two investigations are being conducted by the Public Protector and another matter was being investigated by the Hawks, as mentioned in paragraph 5.12 of the Accounting Officer's report.

Auditor General

Pretoria
8 September 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

APPROPRIATION STATEMENT for the year ended 31 March 2014

Appropriation per programme									
Appropriation Statement	2013/14						2012/13		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	1 749 393	(431 608)	247 541	1 565 326	1 563 624	1 702	99.9%	1 477 953	1 369 428
Transfers and subsidies	1 853	9 210	(1 419)	9 644	9 570	74	99.2%	2 217	2 217
Payment for capital assets	140 841	422 398	(313 225)	250 014	249 984	30	100.0%	136 195	104 588
Payment for financial assets	-	-	100	100	100	-	100.0%	358	358
	1 892 087	-	(67 003)	1 825 084	1 823 278	1 806	99.9%	1 616 723	1 476 591
2. Citizen Affairs									
Current payment	2 657 303	(3 234)	(115 691)	2 538 378	2 538 190	188	100.0%	1 968 701	2 197 812
Transfers and subsidies	1 797 839	642	7 033	1 805 514	1 805 481	33	100.0%	977 255	977 254
Payment for capital assets	-	2 592	1 500	4 092	3 965	127	96.9%	5 313	2 426
	4 455 142	-	(107 158)	4 347 984	4 347 636	348	100.0%	2 951 269	3 177 492
3. Immigration Affairs									
Current payment	647 173	(1 027)	174 401	820 547	820 544	3	100.0%	674 426	749 024
Transfers and subsidies	315	4	463	782	782	-	100.0%	990	708
Payment for capital assets	-	1 023	(703)	320	312	8	97.5%	480	467
	647 488	-	174 161	821 649	821 638	11	100.0%	675 896	750 199
TOTAL	6 994 717	-	-	6 994 717	6 992 552	2 165	100.0%	5 243 888	5 404 282

APPROPRIATION STATEMENT for the year ended 31 March 2014

	2013/14				2012/13	
	Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
TOTAL (brought forward)						
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	741 605				682 071	
Actual amounts per statement of financial performance (total revenue)	7 736 322				5 925 959	
Actual amounts per statement of financial performance (total expenditure)		6 992 552				5 404 282

APPROPRIATION STATEMENT for the year ended 31 March 2014

Appropriation per economic classification									
	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	2 538 205	-	(103 917)	2 434 288	2 433 679	609	100.0%	2 224 235	2 179 593
Goods and services	2 515 664	(435 869)	410 168	2 489 963	2 488 679	1 284	99.9%	1 896 845	2 136 670
Transfers and subsidies									
Provinces and municipalities	1 393	262	(777)	878	871	7	99.2%	857	856
Departmental agencies and accounts	1 795 925	8 707	(904)	1 803 728	1 803 709	19	100.0%	967 219	967 219
Households	2 689	887	7 758	11 334	11 253	81	99.3%	12 386	12 104
Payments for capital assets									
Buildings & other fixed structures	130 000	185 493	(310 856)	4 637	4 633	4	99.9%	-	-
Machinery and equipment	10 841	180 101	(5 567)	185 375	185 246	129	99.9%	119 999	98 345
Software and other Intangible assets	-	60 419	3 995	64 414	64 382	32	100.0%	21 989	9 137
Payments for financial assets	-	-	100	100	100	-	100.0%	358	358
Total	6 994 717	-	-	6 994 717	6 992 552	2 165	100.0%	5 243 888	5 404 282

APPROPRIATION STATEMENT for the year ended 31 March 2014

Detail per programme 1 – Administration For the year ended 31 March 2014									
Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Ministry									
Current payment	43 172	(855)	(15 380)	26 937	26 876	61	99.8%	23 803	23 803
Transfers and Subsidies	4	40	50	94	94	-	100.0%	1 472	1 472
Payment for capital assets	-	97	84	181	181	-	100.0%	1 358	1 358
Management Support Services									
Current payment	102 303	1 864	(1 772)	102 395	103 990	(1 595)	101.6%	107 548	107 548
Transfers and Subsidies	630	470	(433)	667	619	48	92.8%	30	30
Payment for capital assets	-	183	(15)	168	168	-	100.0%	103	103
Corporate Services									
Current payment	565 284	(35 351)	52 403	582 336	581 994	342	99.9%	615 032	617 804
Transfers and Subsidies	1 121	8 700	(1 103)	8 718	8 692	26	99.7%	643	643
Payment for capital assets	10 841	47 495	(21 439)	36 897	36 897	-	100.0%	65 501	62 729
Payment for financial assets	-	-	100	100	100	-	100.0%	358	358
Transversal Information Technology Management									
Current payment	694 807	(184 746)	(39 604)	470 457	467 578	2 879	99.4%	404 055	292 758
Transfers and Subsidies	98	-	67	165	165	-	100.0%	72	72
Payment for capital assets	-	189 130	18 990	208 120	208 105	15	100.0%	69 233	40 398
Office Accommodation									
Current payment	343 827	(212 520)	251 894	383 201	383 186	15	100.0%	327 515	327 515
Payment for capital assets	130 000	185 493	(310 845)	4 648	4 633	15	99.7%	-	-
Total	1 892 087	-	(67 003)	1 825 084	1 823 278	1 806	99.9%	1 616 723	1 476 591

APPROPRIATION STATEMENT for the year ended 31 March 2014

Statutory Appropriation per economic classification									
Programme 1 Per Economic classification	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	366 716	-	(27 285)	339 431	339 013	418	99.9%	347 344	347 344
Goods and services	1 382 677	(431 608)	274 826	1 225 895	1 224 611	1 284	99.9%	1 130 609	1 022 084
Transfers and subsidies									
Provinces and municipalities	476	-	(403)	73	69	4	94.5%	46	46
Departmental agencies and accounts	63	8 702	(904)	7 861	7 842	19	99.8%	-	-
Households	1 314	508	(112)	1 710	1 659	51	97.0%	2 171	2 171
Payments for capital assets									
Buildings & other fixed structures	130 000	185 493	(310 856)	4 637	4 633	4	99.9%	-	-
Machinery and equipment	10 841	176 486	(6 337)	180 990	180 969	21	100.0%	114 233	95 451
Software and other Intangible assets	-	60 419	3 968	64 387	64 382	5	100.0%	21 962	9 137
Payments for financial assets	-	-	100	100	100		100.0%	358	358
Total	1 892 087	-	(67 003)	1 825 084	1 823 278	1 806	99.9%	1 616 723	1 476 591

APPROPRIATION STATEMENT for the year ended 31 March 2014**Detail per programme 2 – CITIZEN AFFAIRS
For the year ended 31 March 2014**

Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Citizens Affairs Management									
Current payment	23 953	(20 956)	20 929	23 926	23 894	32	99.9%	30 844	28 347
Transfers and subsidies	-	-	-	-	-	-		48	48
Payment for capital assets	-	96	41	137	106	31	77.4%	493	78
Status Services									
Current payment	495 866	(3 649)	(52 861)	439 356	439 318	38	100.0%	66 641	302 024
Transfers and subsidies	-	-	39	39	39	-	100.0%	216	216
Payment for capital assets	-	810	-	810	809	1	99.9%	318	42
Identification Services									
Current payment	256 843	(1 183)	(45 648)	210 012	209 976	36	100.0%	242 059	242 059
Transfers and subsidies	-	-	461	461	461	-	100.0%	257	256
Payment for capital assets	-	284	204	488	447	41	91.6%	501	234
Access to Services									
Current payment	98 500	1 907	(32 364)	68 043	68 019	24	100.0%	66 064	62 294
Transfers and subsidies	96	5	(44)	57	46	11	80.7%	116	116
Payment for capital assets	-	229	(50)	179	153	26	85.5%	776	456

APPROPRIATION STATEMENT for the year ended 31 March 2014

Detail per programme 2 – CITIZEN AFFAIRS For the year ended 31 March 2014									
Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Service Delivery to provinces									
Current payment	1 782 141	20 647	(5 747)	1 797 041	1 796 983	58	100.0%	1 563 093	1 563 088
Transfers and subsidies	1 884	637	6 577	9 098	9 076	22	99.8%	9 408	9 408
Payment for capital assets	-	1 173	1 305	2 478	2 450	28	98.9%	3 225	1 616
Film and Publication Board									
Transfers and subsidies	82 675	-	-	82 675	82 675	-	100.0%	69 835	69 835
Government Printing Works									
Transfers and subsidies	134 005	-	-	134 005	134 005	-	100.0%	135 219	135 219
Electoral Commission									
Transfers and subsidies	1 579 179	-	-	1 579 179	1 579 179	-	100.0%	762 156	762 156
Total	4 455 142	-	(107 158)	4 347 984	4 347 636	348	100.0%	2 951 269	3 177 492

APPROPRIATION STATEMENT for the year ended 31 March 2014

Programme 2 per Economic classification	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1 869 877	-	(70 946)	1 798 931	1 798 743	188	100.0%	1 609 169	1 573 705
Goods and services	787 426	(3 234)	(44 745)	739 447	739 447	-	100.0%	359 532	624 106
Transfers and subsidies									
Provinces and municipalities	917	262	(374)	805	802	3	99.6%	811	810
Departmental agencies and accounts	1 795 859	1	7	1 795 867	1 795 867	-	100.0%	967 218	967 218
Households	1 063	379	7 400	8 842	8 812	30	99.7%	9 226	9 226
Payments for capital assets									
Machinery and equipment	-	2 592	1 473	4 065	3 965	100	97.5%	5 286	2 427
Software and other Intangible assets	-	-	27	27	-	27	-	27	27
Total	4 455 142	-	(107 158)	4 347 984	4 347 636	348	100.0%	2 951 269	3 177 492

Detail per programme 3 – IMMIGRATION AFFAIRS
For the year ended 31 March 2014

Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Immigration Affairs Management									
Current payment	29 677	(4 583)	35 016	60 110	60 109	1	100.0%	42 185	99 685
Transfers and subsidies	312	-	(312)	-	-	-	-	222	-
Payment for capital assets	-	284	(120)	164	156	8	95.1%	217	217
Admission Services									
Current payment	249 077	(323)	145 160	393 914	393 914	-	100.0%	292 756	319 108
Transfers and subsidies	2	4	181	187	187	-	100.0%	693	634
Payment for capital assets	-	256	(246)	10	10	-	100.0%	38	38
Immigration Services									
Current payment	306 449	5 302	(2 624)	309 127	309 127	-	100.0%	271 771	271 771
Transfers and subsidies	-	-	561	561	561	-	100.0%	74	74
Payment for capital assets	-	400	(350)	50	50	-	100.0%	22	21
Asylum Seekers									
Current payment	61 970	(1 423)	(3 151)	57 396	57 394	2	100.0%	67 714	58 460
Transfers and subsidies	1	-	33	34	34	-	100.0%	1	-
Payment for capital assets	-	83	13	96	96	-	100.0%	203	191
TOTAL	647 488	-	174 161	821 649	821 638	11	100.0%	675 896	750 199

Programme 3 per Economic classification	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	301 612	-	(5 686)	295 926	295 923	3	100.0%	267 722	258 544
Goods and services	345 561	(1 027)	180 087	524 621	524 621	-	100.0%	406 704	490 480
Transfers and subsidies									
Departmental agencies and accounts	3	4	(7)	-	-	-	-	1	1
Higher education institutions	-	-	-	-	-	-	-	989	707
Households	312	-	470	782	782	-	100.0%	-	-
Payments for capital assets									
Machinery and equipment	-	1 023	(703)	320	312	8	97.5%	480	467
TOTAL	647 488	-	174 161	821 649	821 638	11	100.0%	675 896	750 199

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2014

- 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-C) to the Annual Financial Statements.

- 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

- 3. Detail on payments for financial assets**
Detail of these transactions per programme can be viewed in the note 5 on Payments for financial assets to the Annual Financial Statements.

- 4. Explanations of material variances from Amounts Voted (after Virement):**
4.1 Per programme

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 1 Administration	1 825 084	1 823 278	1 806	0.1%

The saving under Programme 1: Administration is due to WAIO.

Programme 2 Citizen Affairs	4 347 984	4 347 636	348	0.0%
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100% spending for Programme 2: Citizen Affairs.

Programme 3 Immigration Affairs	821 649	821 638	11	0.0%
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100% spending for Programme 3: Immigration Affairs

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	2 434 288	2 433 679	609	0.0%
Goods and services	2 489 963	2 488 679	1 284	0.1%
Transfers and subsidies				
Provinces and municipalities	878	871	7	0.8%
Departmental agencies and accounts	1 803 728	1 803 709	19	0.0%
Households	11 334	11 253	81	0.7%
Payments for capital assets				
Building and other fixed structures	4 637	4 633	4	0.1%
Machinery and equipment	185 375	185 246	129	0.1%
Software and other Intangible assets	64 414	64 382	32	0.0%
Payments for financial assets	100	100	-	0.0%

The saving under Programme 1: Administration for Goods and Services is due to WAIO.

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2014

	Note	2013/14	2012/13		Note	2013/14	2012/13
		R'000	R'000			R'000	R'000
REVENUE				Reconciliation of Net Surplus/(Deficit) for the year			
Annual appropriation	1	6 994 717	5 243 888	Voted funds		2 165	(160 394)
Departmental revenue	2	741 605	682 071	Annual appropriation		2 165	(160 394)
TOTAL REVENUE		7 736 322	5 925 959	Departmental revenue and NRF Receipts	13	741 605	682 071
EXPENDITURE				SURPLUS/(DEFICIT) FOR THE YEAR			
Current expenditure							
Compensation of employees	3	2 433 679	2 179 692			743 770	521 677
Goods and services	4	2 488 679	2 136 571				
Total current expenditure		4 922 358	4 316 263				
Transfers and subsidies							
Transfers and subsidies	6	1 815 833	980 179				
Total transfers and subsidies		1 815 833	980 179				
Expenditure for capital assets							
Tangible assets	7	189 879	98 345				
Intangible assets	7	64 382	9 137				
Total expenditure for capital assets		254 261	107 482				
Payments for financial assets	5	100	358				
TOTAL EXPENDITURE		6 992 552	5 404 282				
SURPLUS/(DEFICIT) FOR THE YEAR		743 770	521 677				

STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2014

	Note	2013/14	2012/13
		R'000	R'000
ASSETS			
Current assets		1 123 545	1 400 238
Unauthorised expenditure	8	1 088 221	1 088 221
Cash and cash equivalents	9	4 064	284 344
Prepayments and advances	10	104	68
Receivables	11	31 156	27 605
		<hr/>	<hr/>
TOTAL ASSETS		1 123 545	1 400 238
		<hr/>	<hr/>
Current liabilities			
		1 121 802	1 398 580
Voted funds to be surrendered to the Revenue Fund	12	2 165	140 640
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	104 126	720 373
Bank overdraft	14	368 733	-
Payables	15	646 778	537 567
		<hr/>	<hr/>
TOTAL LIABILITIES		1 121 802	1 398 580
		<hr/>	<hr/>
NET ASSETS		1 743	1 658
		<hr/>	<hr/>
Represented by:			
Recoverable revenue		1 743	1 658
		<hr/>	<hr/>
TOTAL		1 743	1 658
		<hr/>	<hr/>

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2014

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Recoverable revenue			
Opening balance		1 658	1 093
Transfers:		85	565
Debts recovered (included in departmental receipts)		85	565
Closing balance		1 743	1 658
TOTAL		1 743	1 658

CASH FLOW STATEMENT for the year ended 31 March 2014

	Note	2013/14	2012/13
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		7 736 276	5 923 539
Annual appropriated funds received	1.1	6 994 717	5 243 888
Departmental revenue received	2	741 050	679 266
Interest received	2.3	509	385
Net (increase)/decrease in working capital		105 624	(228 244)
Surrendered to Revenue Fund		(1 498 492)	(236 038)
Current payments		(4 922 358)	(4 015 229)
Payments for financial assets		(100)	(358)
Transfers and subsidies paid		(1 815 833)	(980 179)
Net cash flow available from operating activities	16	(394 883)	463 491
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(254 261)	(107 482)
Proceeds from sale of capital assets	2.4	46	2 420
Net cash flows from investing activities		(254 215)	(105 062)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		85	565
Net cash flows from financing activities		85	565
Net increase/(decrease) in cash and cash equivalents		(649 013)	358 994
Cash and cash equivalents at beginning of period		284 344	(74 650)
Cash and cash equivalents at end of period	17	(364 669)	284 344

ACCOUNTING POLICIES for the year ended 31 March 2014**Summary of significant accounting policies**

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the Annual Financial Statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.
6	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position. Foreign revenue Foreign revenue is collected by the Department of International Relations and Cooperation (DIRCO) on behalf of the department. This revenue is only recognised in the statement of financial performance when the following conditions are met: <ul style="list-style-type: none"> • Complete, accurate and valid supporting documents for the transactions are obtained from DIRCO, and • Cash relating to the verified supporting documents is received by the department. <p>A payable is recognised in instances where cash is received from DIRCO without the corresponding supporting documents; documents have not been validated for accuracy and completeness; or where cash received has not been allocated to the respective accounts. The payable is disclosed in Note 15.</p> <p>A receivable is recognised to the extent that it relates to amounts due to the department from DIRCO, evidenced by complete, accurate and valid supporting documents, but for which no cash has been received. The receivable is disclosed as Claims Recoverable in Annexure 3.</p> <p>The above accounting treatment is in line with the deviation obtained from National Treasury.</p>
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>The Department obtained approval from National Treasury to write off the receivable related the Section 50 (1) fines imposed as part of the Immigration Regulation Act of 2011.</p>

ACCOUNTING POLICIES for the year ended 31 March 2014

8	Expenditure	9	Aid Assistance
8.1	Compensation of employees	9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.	9.2	Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.	10	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.	11	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.
8.3	Accrued expenditure payable Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.	12	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
8.4	Leases	13	Investments Investments are recognised in the statement of financial position at cost.
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.	14	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest. 	15	Payables Loans and payables are recognised in the statement of financial position at cost.

ACCOUNTING POLICIES for the year ended 31 March 2014

16	Capital Assets	16.3	Intangible assets
16.1	<p>Immovable capital assets Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>		<p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
16.2	<p>Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p> <p>In the absence of supporting documents to verify cost, the Department obtained approval from National Treasury to retain the values of 67% of its asset base in number and 15% of the total asset value based on the 2012/2013 financial year Asset Register.</p> <p>These items are ring fenced and separately identifiable through a unique asset number. The approval is once off.</p>	17	Provisions and Contingents
		17.1	<p>Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
		17.2	<p>Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably</p>

ACCOUNTING POLICIES for the year ended 31 March 2014

17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p> <p>Revenue collected by DIRCO but for which the corresponding supporting documentation and cash has not been received by DHA, is disclosed as a Contingent Asset in disclosure note 18 to the Annual Financial Statements.</p>	20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine, in which case reasons therefore are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
17.4	<p>Commitments</p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash</p>	21	<p>Prior period errors</p> <ul style="list-style-type: none"> • The opening balance relating to foreign revenue was restated based on the work undertaken by the Department in addressing the audit findings based on the 2012/13 financial year audit. These figures were adjusted retrospectively and the impact of the error is as follows: Decrease in Departmental Revenue to be surrendered amounting to R30, 019 ('000). Increase in Payables amounting to R30, 019 ('000). • Prior year's accruals balances have been restated in addressing the audit opinion and audit findings raised by the Auditor General. Increase in accruals for Goods and Services amounting to R31, 081 ('000). Decrease in accruals for Capital Assets amounting to R30, 109 ('000). • Prior year's leave liability balances have been restated in addressing the audit opinion and audit findings raised by the Auditor General. Decrease in Leave liability amounting to R945 ('000)
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>	22	<p>Non-adjusting events after the reporting date</p> <p>The department engaged in a process of reviewing the Immigration Act, which resulted in the promulgation of the amended Immigration Act, 13 of 2011 and it was assented to on 26 August 2011 and the Act and the Regulations came into operation by means of a proclamation as at 26 May 2014. In terms of the Act, the levying of administrative fines (section 50) and the payment of repatriation deposits are no longer a requirement.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**1. Annual Appropriation****1.1 Annual Appropriation**

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds).

	2013/14		2012/13	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
ADMINISTRATION	1 825 084	1 825 084	-	1 616 723
CITIZEN AFFAIRS	4 347 984	4 347 984	-	2 951 269
IMMIGRATION AFFAIRS	821 649	821 649	-	675 896
Total	6 994 717	6 994 717	-	5 243 888

A total of R6, 568 billion was originally allocated to the Department. During the budgetary process an additional amount of R427 million was received which resulted in the Department's final budget to be R6,995 billion.

2. Departmental revenue

	Note	2013/14	2012/13
		R'000	R'000
Sales of goods and services other than capital assets	2.1	673 780	628 114
Fines, penalties and forfeits	2.2	61 201	43 380
Interest, dividends and rent on land	2.3	509	385
Sales of capital assets	2.4	46	2 420
Transactions in financial assets and liabilities	2.5	6 069	7 772
Departmental revenue collected		741 605	682 071

Prior year's departmental revenue figures have been restated in addressing the audit findings raised by the Auditor General. The restatement affects foreign revenue and fines and penalties

2.1 Sales of goods and services other than capital assets

	Note	2013/14	2012/13
	2	R'000	R'000
Sales of goods and services produced by the department		673 773	628 088
Sales by market establishment		2 405	2 123
Administrative fees		671 276	625 889
Other sales		92	76
Sales of scrap, waste and other used current goods		7	26
Total		673 780	628 114

2.2 Fines, penalties and forfeits

	Note	2013/14	2012/13
	2	R'000	R'000
Fines		54 634	38 482
Penalties		6 506	4 780
Forfeits		61	118
Total		61 201	43 380

2.3 Interest, dividends and rent on land

	Note	2013/14	2012/13
	2	R'000	R'000
Interest		509	385
Total		509	385

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**2.4 Sale of capital assets**

	Note	2013/14	2012/13
	2	R'000	R'000
Tangible assets			
Machinery and equipment	28	46	2 420
Total		46	2 420

2.5 Transactions in financial assets and liabilities

	Note	2013/14	2012/13
	2	R'000	R'000
Loans and advances			
Receivables		2 646	7 772
Other Receipts including Recoverable Revenue		3 423	-
Total		6 069	7 772

3. Compensation of employees**3.1 Salaries and Wages**

	2013/14	2012/13
	R'000	R'000
Basic salary	1 681 154	1 482 359
Performance award	12 655	9 010
Service Based	3 502	4 859
Compensative/circumstantial	53 454	73 547
Periodic payments	2 530	1 774
Other non-pensionable allowances	322 351	280 563
Total	2 075 646	1 852 112

The total Salaries and Wages for 2012/2013 financial year was re-stated due to the fact that Learnerships are re-classified as Compensative/circumstantial remuneration according to the Standard Chart of Accounts.

The increase in Basic Salary is due to the appointment of staff as well as the general cost of living increase of approximately 6%.

3.2 Social contributions

	Note	2013/14	2012/13
		R'000	R'000
Employer contributions			
Pension		217 388	191 400
Medical		140 074	135 692
Bargaining council		571	488
Total		358 033	327 580
Total compensation of employees		2 433 679	2 179 692
Average number of employees		9 496	9 108

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**4. Goods and services**

	Note	2013/14 R'000	2012/13 R'000
Administrative fees		17 739	18 492
Advertising		14 808	14 846
Capital assets less than R5 000	4.1	18 926	7 413
Bursaries (employees)		2 376	2 302
Catering		5 295	4 522
Communication		119 246	82 949
Computer services	4.2	527 588	435 332
Consultants, contractors and agency/outsourced services	4.3	351 386	313 349
Entertainment		532	593
Audit cost – external	4.4	26 905	23 646
Fleet services		89 669	93 462
Inventory	4.5	4 776	3 892
Consumables	4.6	398 191	319 738
Operating leases		288 820	225 055
Property payments	4.7	234 638	189 917
Rental and hiring		492	500
Transport provided as part of the departmental activities		104 030	95 792
Travel and subsistence	4.8	224 110	254 111
Venues and facilities		10 325	18 268
Training and development		12 700	8 580
Other operating expenditure	4.9	36 127	23 812
Total		2 488 679	2 136 571

The expenditure for inventory for the 2012/2013 financial year was restated due to a change in the Standard Chart of Accounts and most items are classified as consumables, which are reported as consumables under Note 4.6.

4.1 Capital assets less than R5 000

	Note	2013/14 R'000	2012/13 R'000
Tangible assets	4	18 926	7 413
Machinery and equipment		18 924	7 413
Transport assets		2	
Total		18 926	7 413

Increase in machinery and equipment is due to the IT modernisation project.

4.2 Computer services

	Note	2013/14 R'000	2012/13 R'000
SITA computer services	4	88 180	121 305
External computer service providers		439 408	314 027
Total		527 588	435 332

Increase in external computer services is due to the IT modernisation project.

4.3 Consultants, contractors and agency/outsourced services

	Note	2013/14 R'000	2012/13 R'000
Business and advisory services	4	35 060	25 243
Infrastructure and planning		-	4 184
Legal costs		45 447	50 952
Contractors		171 804	93 204
Agency and support/outsourced services		99 075	139 766
Total		351 386	313 349

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**4.4 Audit cost – External**

Note	2013/14	2012/13
4	R'000	R'000
Regularity audits	26 905	23 646
Total	26 905	23 646

4.5 Inventory

	2013/14	2012/13
	R'000	R'000
Clothing material and accessories	4 776	3 891
Other supplies	4.5.1 -	1
Total	4 776	3 892

4.5.1 Other supplies

	2013/14	2012/13
	R'000	R'000
Ammunition and security supplies	4.5 -	1
Total	-	1

4.6 Consumables

	2013/14	2012/13
	R'000	R'000
Consumable supplies	4 15 023	7 750
Uniform and clothing	38	-
Household supplies	5 612	6 230
Building material and supplies	3 482	298
Communication accessories	3	-
IT consumables	2 754	-
Other consumables	3 134	1 222
Stationery, printing and office supplies	383 168	311 988
Total	398 191	319 738

Increase in printing cost is due to the printing of smart cards.

4.7 Property payments

Note	2013/14	2012/13
4	R'000	R'000
Municipal services	-	60 527
Property management fees	48 491	-
Property maintenance and repairs	101 153	48 865
Other	84 994	80 525
Total	234 638	189 917

Increase in property maintenance and repairs is due to the refurbishment and upgrading of office for the use of issuing smart cards.

4.8 Travel and subsistence

Note	2013/14	2012/13
4	R'000	R'000
Local	206 549	241 683
Foreign	17 561	12 428
Total	224 110	254 111

4.9 Other operating expenditure

Note	2013/14	2012/13
4	R'000	R'000
Professional bodies, membership and subscription fees	81	116
Resettlement costs	4 677	3 631
Other	31 369	20 065
Total	36 127	23 812

The total other operating expenditure for 2012/2013 financial year was restated due to the fact that Learnerships are re-classified as Compensation of employees according to the Standard Chart of Accounts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

5. Payments for financial assets

	Note	2013/14 R'000	2012/13 R'000
Debts written off	5.1	100	358
Total		100	358

5.1 Debts written off

		2013/14 R'000	2012/13 R'000
Nature of debts written off	5		
Ex-employees		68	358
Revenue		32	-
Total		100	358
Total debt written off		100	358

6. Transfers and subsidies

	Note	2013/14 R'000	2012/13 R'000
Provinces and municipalities	Annex 1A	871	856
Departmental agencies and accounts	Annex 1B	1 803 709	967 219
Households	Annex 1C	11 253	12 104
Total		1 815 833	980 179

The increase in transfers to Departmental Agencies is a result of the increase of funds for the Independent Electoral Commission for the election preparation as well as the transfers to the Represented Political Parties Fund.

7. Expenditure for capital assets

	Note	2013/14 R'000	2012/13 R'000
Tangible assets		189 879	98 345
Buildings and other fixed structures	26	4 633	-
Machinery and equipment	28	185 246	98 345
Intangible assets		64 382	9 137
Software	28	64 382	9 137
Total		254 261	107 482

7.1 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	189 879		189 879
Buildings and other fixed structures	4 633	-	4 633
Machinery and equipment	185 246	-	185 246
Intangible assets	64 382		64 382
Software	64 382	-	64 382
Total	254 261	-	254 261

7.2 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	98 345		98 345
Buildings and other fixed structures	-	-	-
Machinery and equipment	98 345	-	98 345
Intangible assets	9 137		9 137
Software	9 137	-	9 137
Total	107 482	-	107 482

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**8. Unauthorised expenditure****8.1 Reconciliation of unauthorised expenditure**

<i>Note</i>	2013/14	2012/13
	R'000	R'000
Opening balance	1 088 221	787 187
Unauthorised expenditure – discovered in current year (as restated)	-	301 034
Unauthorised expenditure awaiting authorisation / written off	1 088 221	1 088 221

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2013/14	2012/13
	R'000	R'000
Current	1 088 221	1 088 221
Total	1 088 221	1 088 221

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2013/14	2012/13
	R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	1 088 221	1 088 221
Total	1 088 221	1 088 221

9. Cash and cash equivalents

<i>Note</i>	2013/14	2012/13
	R'000	R'000
Consolidated Paymaster General Account	1 558	281 410
Cash receipts	16	478
Cash on hand	2 490	2 456
Total	4 064	284 344

10. Prepayments and advances

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Travel and subsistence		104	68
Total		104	68

11. Receivables

		2013/14				2012/13	
	<i>Note</i>	R'000	R'000	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total	Total
Claims recoverable	11.1 Annex 4	497	81	41	619	619	482
Recoverable expenditure	11.2	13 181	7 372	-	20 553	20 553	20 489
Staff debt	11.3	3 907	3 028	2 807	9 742	9 742	6 411
Other debtors	11.4	(59)	22	279	242	242	223
Total		17 526	10 503	3 127	31 156	31 156	27 605

11.1. Claims recoverable

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
National departments	11	384	324
Provincial departments		235	158
Total		619	482

11.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Disallowance Damages and Losses	11	20 539	20 259
Sal: Reversal Account		-	212
Sal: Pension Fund		13	18
Sal: Insurance Deductions		1	-
Total		20 553	20 489

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**11.3 Staff debt**

	Note	2013/14	2012/13
	11	R'000	R'000
Salary: Tax Debt		-	17
Debt Account		9 742	6 394
Total		9 742	6 411

11.4 Other debtors

	Note	2013/14	2012/13
	11	R'000	R'000
Financial Assistance		242	223
Total		242	223

12. Voted funds to be surrendered to the Revenue Fund

	Note	2013/14	2012/13
		R'000	R'000
Opening balance		140 640	202 323
Transfer from statement of financial performance (as restated)		2 165	(160 394)
Add: Unauthorised expenditure for current year	8	-	301 034
Paid during the year		(140 640)	(202 323)
Closing balance		2 165	140 640

13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2013/14	2012/13
		R'000	R'000
Opening balance		720 373	72 017
Transfer from Statement of Financial Performance (as restated)		741 605	682 071
Paid during the year		(1 357 852)	(33 715)
Closing balance		104 126	720 373

13.1 Prior period error (affecting departmental revenue to be surrendered)

	Note	2012/13
	13	R'000
Nature of prior period error		
Relating to 2012/2013		(30 019)
Transfer from Statement of Financial Performance		(30 019)
Total		(30 019)

Prior year's departmental revenue figures have been restated in addressing the audit findings raised by the Auditor-General. The restatement affects foreign revenue and fines and penalties.

14. Bank Overdraft

	Note	2013/14	2012/13
		R'000	R'000
Consolidated Paymaster General Account		368 733	-
Total		368 733	-

15. Payables – current

	Note	2013/14	2012/13
		R'000	R'000
Clearing accounts	15.1	645 722	536 794
Other payables	15.2	1 056	773
Total		646 778	537 567

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**15.1 Clearing accounts**

	Note	2013/14	2012/13
	15	R'000	R'000
Boat/Plane Stowaway Deposits		871	881
Sal: Income Tax		120	931
DIRCO		533 456	485 713
Immigration Control		110 885	49 215
Salary: Medical, Garnishee Order, ACB recall		58	54
Sal: Reversal Control		331	-
Sal: Tax Debt		1	-
Total		645 722	536 794

Prior year's balances for DIRCO and Immigration Control have been restated in addressing the audit opinion and audit findings raised by the Auditor-General.

15.2 Other payables

	Note	2013/14	2012/13
	15	R'000	R'000
Debt Receivable Interest		1 056	773
Total		1 056	773

16. Net cash flow available from operating activities

	Note	2013/14	2012/13
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		743 770	551 696
Add back non cash/cash movements not deemed operating activities		(1 138 653)	(88 205)
(Increase)/decrease in receivables – current		(3 551)	5 544
(Increase)/decrease in prepayments and advances		(36)	630
Increase/(decrease) in payables – current		109 211	36 597
Proceeds from sale of capital assets		(46)	(2 420)
Expenditure on capital assets		254 261	107 482
Surrenders to Revenue Fund		(1 498 492)	(236 038)
Net cash flow generated by operating activities		(394 883)	463 491

17. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2013/14	2012/13
		R'000	R'000
Consolidated Paymaster General account		(367 175)	281 410
Cash receipts		16	478
Cash on hand		2 490	2 456
Total		(364 669)	284 344

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

18. Contingent liabilities and contingent assets

Contingent liabilities		Note	2013/14 R'000	2012/13 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 2A	135	293
Housing loan guarantees	Employees	Annex 2A	257	250
Claims against the department		Annex 2B	1 434 573	1 340 577
Intergovernmental payables (unconfirmed balances)		Annex 4	98 648	105 159
Other		Annex 2B	7 613	-
Total			1 541 226	1 446 279

Age analysis of Claims against the Department

	Note	Less than one year	One to Three years	Older than 3 years	Total
Claim	18	15 634	10 877	554 709	581 220
Civics		8 027	2 280	1 545	11 852
Tenders		-	-	630 632	630 632
Contracts		2 201	7 215	196 473	205 889
Other		2 958	414	1 608	4 980
Total		28 820	20 786	1 384 967	1 434 573

Contingent assets

Nature of contingent asset	Note	2013/14 R'000	2012/13 R'000
Department of International Relations and Cooperation	Annex 3	814 555	554 380
The implementation of the Policy and Procedure on Incapacity Leave and Ill-health Retirement (PILIR) was suspended from 01 January 2013 to 31 October 2013. PILIR provides for the appointment of a Panel of Accredited Health Risk Managers, facilitated by the Department of Public Service and Administration (DPSA), as service providers available to Departments, to investigate, assess and advise on the Incapacity and Ill-health Retirement applications made by employees. The appointment of these service providers was delayed due to litigation brought to the High Court against the tender process. Therefore, for the stated period, no decisions could be made on the validity of the Incapacity and/or Ill-health Retirement applications received from employees. Although the Panel was formally established on 01 November 2013, there is a possibility that the special leave which had been conditionally granted to employees, in terms of their "stockpiled" applications (applications received during the stated period), may need to be reversed and captured as either vacation or unpaid leave. The DPSA, as custodians of this Policy have issued a letter to all Departments in this regard, in which it is indicated that the AG has been appraised of the matter, and has been requested to understand its implications, when conducting its Audits.			
Possible recovery of theft of state funds-Wynberg District		1 430	-
		1 300	-
Total		817 285	554 380

Prior year's balances for Department of International Relations and Cooperation contingent asset have been restated in addressing the audit opinion and audit findings raised by the Auditor-General.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**19. Commitments**

	Note	2013/14 R'000	2012/13 R'000	Note	2013/14 R'000	2012/13 R'000
Current expenditure						
Approved and contracted		2 373 182	1 132 322			
Approved but not yet contracted		312 472	59 021			
		2 685 654	1 191 343			
Capital expenditure						
Approved and contracted		-	1 082 819			
Approved but not yet contracted		-	-			
		-	1 082 819			
Total Commitments		2 685 654	2 274 162			

20. Accruals

		2013/14 R'000	2012/13 R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services	207 413	31 802	239 215
Capital assets	19 437	2 015	21 452
Total	226 850	33 817	260 667

	Note	2013/14 R'000	2012/13 R'000
Listed by programme level			
Programme 1: Administration		142 486	197 596
Programme 2: Citizen Affairs		90 880	48 997
Programme 3: Immigration Affairs		27 301	27 840
Total		260 667	274 433

Prior year's accruals balances have been restated in addressing the audit opinion and audit findings raised by the Auditor-General.

21. Employee benefits

	Note	2013/14 R'000	2012/13 R'000
Confirmed balances with other departments	Annex 4	200 943	199 953
Confirmed balances with other government entities	Annex 4	-	-
Total		200 943	199 953

	Note	2013/14 R'000	2012/13 R'000
Leave entitlement		69 214	81 204
Service bonus (Thirteenth cheque)		75 017	66 046
Performance awards		617	35 899
Capped leave commitments		124 109	119 834
Total		268 957	302 983

Prior year's leave liability balances have been restated in addressing the audit opinion and audit findings raised by the Auditor-General, the department has stepped up controls, processes and has further put concerted efforts in place to address the shortcomings.

Included in Leave entitlement is a total of R5 715 (R'000) which comprise of leave days taken in advance at the reporting date (negative leave credits).

22. Lease commitments**Operating leases expenditure**

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	281 739	87	281 826
Later than 1 year and not later than 5 years	-	-	579 526	289	579 815
Later than five years	-	-	55 855		55 855
Total lease commitments	-	-	917 120	376	917 496

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	263 148	21	263 169
Later than 1 year and not later than 5 years	-	-	377 417	-	377 417
Later than five years	-	-	71 043	-	71 043
Total lease commitments	-	-	711 608	21	711 629

Finance leases expenditure**

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	7 059	7 059
Later than 1 year and not later than 5 years	-	-	-	6 770	6 770
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	13 829	13 829

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	2 938	2 938
Later than 1 year and not later than 5 years	-	-	-	2 389	2 389
Later than five years	-	-	-	18	18
Total lease commitments	-	-	-	5 345	5 345

Increase in Finance lease expenditure are due to procurement of printers for smart ID cards.

23. Accrued departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Sales of goods and services other than capital assets		233 361	287 239
Fines, penalties and forfeits		42 083	509 141
Total		275 444	796 380

Prior year's departmental revenue figures have been restated in addressing the audit findings raised by the Auditor-General. The restatement affects foreign revenue and fines and penalties.

Analysis of accrued departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Opening balance		796 380	647 409
Less: amounts received		(314 659)	(647 409)
Add: amounts recognised		275 444	796 380
Less: amounts written-off/reversed as irrecoverable		(481 721)	-
Closing balance		275 444	796 380

Accrued departmental revenue written off

The Department wrote off the receivable relating to the Section 50 (1) fines imposed as part of the Immigration Regulation Act of 2011, based on the approval obtained from National Treasury.

Total	481 721	-
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**24. Irregular expenditure**
Reconciliation of irregular expenditure

	Note	2013/14 R'000	2012/13 R'000
Opening balance		468 145	463 241
Add: Irregular expenditure – relating to prior year		-	654
Add: Irregular expenditure – relating to current year		770	4 250
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		-	-
Less: Amounts not recoverable (not condoned)		-	-
Irregular expenditure awaiting condonation		468 915	468 145
Analysis of awaiting condonation per age classification			
Current year		770	4 250
Prior years		468 145	463 895
Total		468 915	468 145

Details of irregular expenditure – current year

Incident	Disciplinary steps taken/ criminal proceedings	2013/14 R'000
Non-Compliance with SCM Policies	Matters still under investigation	483
Contact utilised beyond contract period	Matters still under investigation	26
Services rendered beyond original order value	Matters still under investigation	46
Emergency services with deviation approval later than 5 days	Matters still under investigation	12
Purchase made without obtaining three quotations	Matters still under investigation	203
Total		770

During the financial year, certain procurement transactions were deemed as possible irregular expenditure. These items are currently under investigation.

25. Fruitless and wasteful expenditure**25.1. Reconciliation of fruitless and wasteful expenditure**

	Note	2013/14 R'000	2012/13 R'000
Opening balance		335 714	335 340
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		141	374
Less: Amounts resolved		-	-
Less: Amounts transferred to receivables for recovery	15.6	-	-
Fruitless and wasteful expenditure awaiting resolution		335 855	335 714

25.2. Analysis of awaiting resolution per economic classification

	2013/14 R'000	2012/13 R'000
Current	335 855	335 714
Capital	-	-
Total	335 855	335 714

25.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2013/14 R'000
Interest and penalties paid on late payments to supplier	Matters still under investigation	75
No shows for accommodation booked for official purposes	Matters still under investigation	8
Official checked out of accommodation without notification	Matters still under investigation	57
Cancellation fee of flight	Matters still under investigation	1
Total		141

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**26. Related party transactions**

1. Government Printing Works: *For the provision of security printing services to the Department including the stationery and printing on the goods and services.*
 - *Compiling, editing, printing and distribution of government gazettes*
 - *Stocking and procuring of departmental face value forms*
 - *Provision of a printing service pertaining to high security documents and other general printing matters*
2. Film and Publication Board: *To ensure efficient and effective consumer protection through regulation of media content.*
3. Electoral Commission: *It is a Chapter 9 constitutional institution reporting directly to Parliament and manages the national, provincial and municipal elections*

27. Key management personnel

	No. of Individuals	2013/14 R'000	2012/13 R'000
Political office bearers	2	3 841	5 175
Officials:			
Level 15 to 16	14	14 949	11 061
Level 14 (incl. CFO if at a lower level)	44	38 675	32 089
Total		57 465	48 325

28. Movable Tangible Capital Assets**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014**

	Opening balance R'000	Curr Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	1 042 937	10 918	169 096	(28 971)	1 193 980
Transport assets	212 463	1 505	253	(2 791)	211 430
Computer equipment	694 250	2 416	130 384	(20 150)	806 900
Furniture and office equipment	90 966	312	13 947	(3 067)	102 158
Other machinery and equipment	45 258	6 685	24 512	(2 963)	73 492
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	1 042 937	10 918	169 096	(28 971)	1 193 980

In the absence of supporting documents to verify cost, the department obtained approval from National Treasury to retain the values of 67% of its asset base in number and 15% of the total asset value based on the 2012/2013 financial year Asset Register.

These items are ring fenced and separately identifiable through a unique asset number. The approval is once off.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	185 246	96		(16 246)	169 096
Transport assets	824	-	-	(571)	253
Computer equipment	135 270	96	-	(4 982)	130 384
Furniture and office equipment	27 255	-	-	(13 308)	13 947
Other machinery and equipment	21 897	-	-	2 615	24 512
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	185 246	96	-	(16 246)	169 096

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	23 927	5 044	28 971	
Transport assets	1 635	1 156	2 791	-
Computer equipment	18 167	1 983	20 150	-
Furniture and office equipment	2 117	950	3 067	46
Other machinery and equipment	2 008	955	2 963	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	23 927	5 044	28 971	46

28.3 Movement for 2012/13

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	968 059	(6 740)	124 793	(43 175)	1 042 937
Transport assets	171 528	(3 104)	54 574	(10 535)	212 463
Computer equipment	685 280	(10 564)	41 301	(21 767)	694 250
Furniture and office equipment	59 229	17 995	20 559	(6 817)	90 966
Other machinery and equipment	52 022	(11 067)	8 359	(4 056)	45 258
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	968 059	(6 740)	124 793	(43 175)	1 042 937

28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	179 669	-	179 669
Curr YR Adjustments to Prior YR Balances	-	-	-	3 463	-	(3 463)
Additions	-	-	-	20 282	-	20 282
Disposals	-	-	-	(6 375)	-	(6 375)
TOTAL MINOR ASSETS	-	-	-	197 039	-	197 039

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	151 411	-	151 411
TOTAL NUMBER OF MINOR ASSETS	-	-	-	151 411	-	151 411

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	166 346	-	166 346
Curr Year Adjustments to Prior Year balances	-	-	-	21 422	-	21 422
Additions	-	-	-	7 930	-	7 930
Disposals	-	-	-	(16 029)	-	(16 029)
TOTAL NUMBER OF MINOR ASSETS	-	-	-	179 669	-	179 669

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	145 024	-	145 024
TOTAL NUMBER OF MINOR ASSETS	-	-	-	145 024	-	145 024

28.6 Movable assets written off**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2014**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	28 755	-	28 755
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	28 755	-	28 755

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2013

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	7 047	-	7 047
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	7 047	-	7 047

29 Intangible Capital Assets**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014**

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	1 023 062	(9 613)	71 618	(187 968)	897 099
TOTAL INTANGIBLE CAPITAL ASSETS	1 023 062	(9 613)	71 618	(187 968)	897 099

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**29.1 Additions****ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014**

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	64 382	-	-	7 236	71 618
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	64 382	-	-	7 236	71 618

29.2 Disposals**DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
SOFTWARE	-	187 968	187 968	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	187 968	187 968	-

29.3 Movement for 2012/13**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 013 925	-	9 137	-	1 023 062
TOTAL INTANGIBLE CAPITAL ASSETS	1 013 925	-	9 137	-	1 023 062

30. Immovable Tangible Capital Assets**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014**

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	4 633	-	4 633
Non-residential buildings	-	-	4 633	-	4 633
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	4 633	-	4 633

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

30.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	4 633	-	-	-	4 633
Dwellings	4 633	-	-	-	4 633
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	4 633	-	-	-	4 633

31 Prior period errors

31.1 Correction of prior period error for primary information

	2012/13 R'000
The comparative amounts in Note 2 were restated as follows:	
Sales of goods and services other than capital assets	(27 757)
Fines, penalties and forfeits	(2 262)
Net effect on the note	(30 019)
	2012/13 R'000
The comparative amounts in Note 3.1 were restated as follows:	
Compensative/circumstantial	99
Net effect on the note	99

2012/13

R'000

The comparative amounts in **Note 4** were restated as follows:

Inventory	(319 738)
Consumables	319 738
Other operation expenditure	(99)
Net effect on the note	(99)

2012/13

R'000

The comparative amounts in **Note 13** were restated as follows:

Transfer from Statement of Financial Performance	(30 019)
Net effect on the note	(30 019)

31.2 Correction of prior period error for secondary information

2012/13

R'000

The comparative amounts in **Note 18** were restated as follows:

Contingent Liability	
Intergovernmental payables (unconfirmed balances)	11 669
Contingent Asset	
Department of International Relations and Cooperation	538 260
Net effect on the note	549 929

2012/13

R'000

The comparative amounts in **Note 20** were restated as follows:

Goods and Services Capital Assets	31 081
Net effect on the note	(30 109)
	972

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**2012/13****R'000**The comparative amounts in **Note 21** were restated as follows:

Leave entitlement	(945)
Net effect on the note	<u>(945)</u>

2012/13**R'000**The comparative amounts in **Note 23** were restated as follows:

Sales of goods and services other than capital assets	(5 152)
Fines, penalties and forfeits	116 979
Net effect on the note	<u>111 827</u>

2012/13**R'000**The comparative amounts in **Annexure 4** were restated as follows:

Department of International Relations and Cooperation	
Confirmed balance	(11 669)
Unconfirmed	11 669
Net effect on the note	<u>-</u>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

ANNEXURE 1A
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Tshwane Municipality	GRANT ALLOCATION				TRANSFER		SPENT			2012/13
	Amount	Roll-Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Vehicle Licences	1 393	-	(455)	938	871	93%	-	-	-	856
	1 393	-	(455)	938	871	-	-	-	-	856

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2012/13
	Adjusted Appropriation	Roll-Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Film and Publication Board	82 675	-	-	82 675	82 675	100%	69 835
Government Printing Works	134 005	-	-	134 005	134 005	100%	135 219
Independent Electoral Commission	1 579 179	-	-	1 579 179	1 579 179	100%	762 156
Communication Licences (Radio and TV)	66	-	170	236	235	100%	9
Skills Development Levy	-	-	7 637	7 637	7 615	100%	-
	1 795 925	-	7 807	1 803 732	1 803 709		967 219

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation Act	Roll-Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Emp: Social Ben: Injury on Duty	-	-	30	30	30	100%	-
Emp: Social Ben: Leave Gratuity	2 689	-	7663	10 352	10 333	100%	12 063
Claims Against State: Cash	-	-	891	891	890	100%	41
	2 689	-	8 584	11 273	11 253	-	12 104
Total	2 689	-	8 584	11 273	11 253	-	12 104

**ANNEXURE 1D
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
	R'000	R'000
Made in kind		
Gifts to 30 mothers as part of NPR campaign to encourage mothers to register babies.	5	-
Subtotal	5	-
TOTAL	5	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2013	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2014	Guaranteed interest for year ended 31 March 2014	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
STANNIC	Motor vehicles	135	293	-	158	-	135	-	-
	Subtotal	135	293	-	158	-	135	-	-
ABSA BANK	Housing	107	42	82	17	-	107	-	-
FNB	Housing	30	-	30	-	-	30	-	-
NEDCOR	Housing	43	89	18	64	-	43	-	-
OLD MUTUAL BANK	Housing	19	40	-	21	-	19	-	-
PEOPLES BANK	Housing	17	17	-	-	-	17	-	-
SAAMBOU BANK	Housing	-	8	-	8	-	-	-	-
STANDARD BANK	Housing	41	41	-	-	-	41	-	-
TNBS MUTUAL BANK	Housing	-	13	-	13	-	-	-	-
	Subtotal	257	250	130	123	-	257	-	-
	TOTAL	392	543	130	281	-	392	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

Nature of Liability	Opening Balance 1 April 2013	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2014
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Litigation and Legal enquiries	1 340 577	93 996	-	-	1 434 573
Subtotal	1 340 577	93 996	-	-	1 434 573
Other					
Penalty Interest claimed by Wesbank	-	21	-	-	21
Billing dispute: G-Fleet	-	7 416	-	-	7 416
Billing Dispute: Duma Travel	-	172	-	-	172
Penalty Interest claimed by Atlantis	-	4	-	-	4
Subtotal	-	7 613	-	-	7 613
TOTAL	1 340 577	101 609	-	-	1 442 186

An amount of R442,131 (R'000) will shortly be deducted from claims once the withdrawals or dismissals have been obtained. The total claims will then be adjusted from R1,434 573 (R'000) to R992,442 (R'000).

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
National Departments: Salary Recoverable	-	324	384	-	384	324
Provincial Departments: Salary Recoverable	-	158	235	-	235	158
Department of International Relations and cooperation	425 207	384 157	814 555	554 380	1 239 762	938 538
	425 207	384 639	815 174	554 380	1 240 381	939 020
Other Government Entities						
Various service providers	-	595	-	-	-	595
TOTAL	425 207	385 234	815 174	554 380	1 240 381	939 615

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department: International Relations and Cooperation	175 936	153 438	36 301	33 328	212 237	186 766
Department of Justice and Constitutional Development	5 461	2 144	1 419	383	6 880	2 527
National Department: Tourism	13	-	-	-	13	-
National Department: Water Affairs	7	-	-	-	7	-
National Department: Public Works	19 339	42 871	60 928	71 360	80 267	114 231
National Department: SAPS	10	-	-	-	10	-
National Department: Trade and Industry	-	-	-	13	-	13
National Department: Transport	22	1 500	-	-	22	1 500
National Department: Correctional Services	30	-	-	-	30	-
Department Agric and Rural Development	28	-	-	-	28	-
Government Pension Administration Agency	45	-	-	-	45	-
Department Roads and Transport: Limpopo	20	-	-	-	20	-
Department: Education: Northern Cape	6	-	-	-	6	-
Department: Health: ECape	24	-	-	73	24	73
Department: Public works: Free State	-	-	-	2	-	2
Department of Premier: Western Cape	2	-	-	-	2	-
Total	200 943	199 953	98 648	105 159	299 591	305 112

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014**ANNEXURE 5
INVENTORY**

Inventory	Note	Quantity	2013/14	Quantity	2012/13
			R'000		R'000
Opening balance		810 599	753 293	19 645	370 742
Add/(Less): Adjustments to prior year balance		(250)	(173)	3 587 075	(359 644)
Add: Additions/Purchases - Cash		1 214 623	80 985	-	-
Add: Additions - Non-cash		172 158	-	2 659 595	3 100
(Less): Disposals		(99)	(42)	-	-
(Less): Issues		(1 191 777)	(112 142)	(3 018 053)	(1 804)
Add/(Less): Adjustments		(1 587)	(718 120)	9 050	12
Closing balance		1 003 667	3 801	3 257 312	12 406