



THE DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION

**Annual Report
2003 - 2004**



'Together beating the drum for service delivery.'



DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION

ANNUAL REPORT 2003/04

Report by the Accounting Officer to the Executive Authority
and Parliament of the Republic of South Africa.

DPSA

Vision

To establish a responsive Public Service that delivers on the Government's commitment to a better life for all the people of South Africa

Mission

To render professional support to the Minister in:

- leading the transformation process by developing appropriate policies and facilitating their implementation through strategic interventions and partnerships, and
- maintaining a functioning Public Service

DPSA

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FOREWORD

BY THE DIRECTOR - GENERAL

1.1 Introduction and overview

This year South Africa celebrates ten years of freedom. Ten years ago we set out to transform the Public Service and we have in a great measure done so. Service delivery has improved and has been extended to formerly marginalised communities; representivity in the Public Service is greatly improved; human resource management practices have been modernised and decentralised; and information technology is being harnessed to strengthen service delivery. While we have achieved all this, we still have some way to go before we can say we have truly transformed the Public Service.

The Department of Public Service and Administration (DPSA) was established in 1996 to lead the transformation of the Public Service. Initially its work focused on revamping the human resource, information and service delivery policies and regulations of the Public Service. Since 1999 DPSA has shifted emphasis from policy-making to pro-active support to departments, beginning with the Integrated Provincial Support Programme (IPSP) in 1998. In addition new policy areas emerged after 1999, and strategies on human resource development, anti-corruption, HIV and AIDS and e-government were developed.

DPSA's efforts in the second decade of democracy will therefore continue to focus on sustained engagement with Public Service departments to improve the accountability and performance of the Public Service. Improved monitoring and evaluation of the performance of Public Service departments, as well as the implementation of an early warning system will ensure that DPSA anticipates and responds timeously to the service delivery challenges.

Major projects during the year under review include the intervention in the Eastern Cape and the Restructuring of the Public Service. The two projects started in the previous financial year and were reported on in the 2002/03 annual report. These were very challenging

projects that put a lot of pressure on our human resource, especially the Eastern Cape intervention that involved almost 30% of our employees on a full time basis. The funding model for the project was also very sophisticated and it required a lot of innovation from the financial team.

Despite all these challenges, the Department is proud to say that almost all the objectives we have set for ourselves have been achieved and we believe that our small contributions have touched millions of our people and as we continue with the journey of the transformation of the public service into the second decade of our freedom together with our partner departments, we shall continue to beat the drum for service delivery

"We belong, we serve, we care"

ALVIN PHUMUDZO RAPEA
ACTING DIRECTOR-GENERAL





GENERAL INFORMATION

Brief report on the achievements of the department on the priority projects

Intervention in the Eastern Cape

Late in 2002 the President and the Premier of the Eastern Cape decided to implement an intervention to improve governance and service delivery. The Premier's Office, the Provincial Treasury, DPSA and the PSC managed the intervention, which started in December 2002. An Interim Management Team (IMT) was established and turnaround strategies for the Departments of Education, Health, Roads and Public Works, and Social Development were developed and implemented. A multi-skilled and multi-departmental team was deployed and with the cooperation of the Eastern Cape, turnaround plans were developed. A report was recently submitted and approved by the Eastern Cape EXCO and the national Cabinet on the intervention.

Arrangements that will ensure ownership and sustainability to complete implementation of these turnaround plans have been established. A monitoring mechanism has also been established in the Office of the Premier, with participation by representatives of the relevant national sector departments.

Back-office support centres have been established and are functioning well to ensure solid corporate support to the departments' various service delivery institutions such as schools, hospitals and clinics. Internal audit functions are now functioning in the four departments, assisting with managing risks and ensuring integrity of financial and human resource management processes. The competency levels of all senior managers have been thoroughly assessed and where gaps exist, mechanisms to address them are being explored and implemented. Resolution 7 of 2002 (on the Restructuring and Transformation of the Public Service) was successfully fast-tracked and completed in all departments except Education.

Significant advances were made in terms of dealing with disciplinary cases backlogs. Of a backlog of 1324 disciplinary cases only 60 were outstanding at the end of this financial year. Outstanding cases are being handled by the respective departments within a new framework established by the IMT and monitored by the Office of the Premier. On criminal matters, a Joint Anti-Corruption Task Team was established and is a very good example of how integration and cooperation lead to better results. The combination of skills, legal powers and investigative methodologies of the National Prosecuting Authority, in South African Police Service, the National Intelligence Agency and the Special Investigating Unit proved very effective in combating corruption and serves as a model of how to approach specific crime patterns. The desired outcomes were not achieved in all of the support initiatives. In particular the Department of Education was not able to implement most of its turnaround plans. As a result Cabinet has approved the Premier's request for a further dedicated support initiative to this Department. The Premier has requested that institutional support be extended to her office, the Provincial Treasury and the Department of Local Government, Housing and Traditional Affairs. The terms of the further support have been agreed to and a process to constitute the multi-departmental teams has commenced.

Turnaround plans have now been integrated as key components of the departments' strategic plans and the transversal aspects of turnaround have similarly been integrated with the Eastern Cape's Provincial Growth and Development Plan.

Significant lessons have emerged for Government as a whole, the clearest being that integrated and cooperative governance is possible, desirable and can achieve huge successes, provided adequate care is taken about how it is managed and implemented. The experience from the Eastern Cape has helped to define an operating model for integrated institutional support that is being refined for use elsewhere. As part of this the DPSA is preparing to implement an early warning system and a structured system for providing institutional support.





Restructuring of the Public Service

The major part of the financial year was spent in assisting Provincial Administrations and National Departments in the implementation of the Public Service Coordinating Bargaining Council (PSCBC), Resolution No. 7 of 2002 governing the transformation and restructuring of the Public Service. Regular visits to provinces/national departments and ongoing workshops/information sessions were held with all role-players, including organised Labour.

Regular reports, including a closure report on the restructuring and transformation process, were compiled and submitted to the Minister for approval. The approved closure report was tabled in the PSCBC.

In the implementation of the agreement, a large number of disputes were declared, both collectively by unions as well as from individual employees. A trade union that is not part of the PSCBC also approached the High Court to set aside the agreement. During the latter part of 2003, the department was engaged in trying to settle these disputes and legal challenges. All of them were successfully settled, except for the High Court application, which was postponed by the applicant. Subsequent to the lapsing of the agreement, on 12 September 2003, further visits were undertaken to assist and advise provinces and departments on the management of excess employees and to encourage efforts to absorb excess employees. All departments were also advised that first preference must be given to excess employees in the recruitment process, prior to considering other employees or from outside the public service. This exercise is proving to be successful as the total number of excess employees has reduced from approximately 13 900 to approximately 10 500. In order to further assist in the process of redeployment and to allow employees to exit the public service voluntarily, a mandate was developed and approved for the reintroduction of the employee initiated severance package and the redeployment costs package. The matter is currently before the PSCBC.

1.2 Ministry for the Public Service and Administration

The Minister performs an important role in the field of international public administration. In view of the growing realisation that public administration and management holds the key to unlocking the doors of service delivery and poverty alleviation, this role has taken on an added significance. South Africa's role on the African continent has expanded and is aimed at improving capacity in public administration and management. The Minister's international experience allows this process to be driven in a coherent and purposeful manner that reflects trends that are at the cutting edge of the public sector arena.

In this regard some of the Minister's more noteworthy responsibilities in the year under review include:

- In April the Minister attended the Second United Nations Committee of Experts on Public Administration meeting, of which she is one of twenty-four internationally selected experts. This discussion, held in New York, focused on enhancing the capacity of public administration to implement the United Nations Millennium Declaration. The Committee identified the need to revitalize and revalidate public administration to enable the State to perform its changing role so as to better serve citizens.
- This was followed by a trip in July to Yaounde, Cameroon to attend the International Institute of Administrative Sciences conference on Governance and Administration, in her capacity as Vice-President for Africa. The theme for the conference was "Shared Governance: combating poverty and exclusion". The conference was aimed at building strategies for efficient governance in order to assist governments, international organisations, civil society, communities and citizens to fulfil their respective roles and responsibilities.





- In October the Minister joined forty-one delegates from around the world to attend the Commonwealth Association of Public Administration and Management's High Level Meeting in Malaysia. The seminar discussed the three main challenges facing the evolution of the public sector, those of the new trade regimes, new technologies and the changing nature of citizen expectations. The Minister emphasised the importance of ensuring that service delivery responds to the challenges of poverty alleviation and providing a better life for all South Africans.
- The Minister partook in the Fifth Global Forum on Reinventing Government in Mexico City, Mexico, in November. The theme of the conference was "Innovation and Quality in the 21st Century Government". The meeting which was hosted by the UN Department of Economic and Social Affairs and the Government of Mexico, addressed issues such as management innovation and public sector capacity for good government, access to services for all, e-government; decentralization and local governance, as well as government accountability and transparency.
- In December the Minister signed the UN Convention Against Corruption in Merida, Mexico, on behalf of the Government of South Africa. South Africa is compliant with all the mandatory provisions of the Convention and was an active participant in the negotiation and finalisation of the terms of the Convention.
- January saw the Minister in Kampala, Uganda to attend the Workshop on "Public Sector Leadership Capacity Development for Good Governance in Africa". CAFRAD, NEPAD, the Government of Uganda and UNDESA jointly hosted this Workshop. The seminar acknowledged the need for the preparation and implementation of a Plan of Action aimed at developing and nurturing visionary leadership capacities in the African public service to meet the challenges confronting the continent.
- The Minister attended the annual meeting of the United Nations Committee of Experts on Public Administration in New York in March. The theme for the conference was "Revitalizing Public Administration as a Strategic Action for Sustainable Human Development". This in-depth look at global trends in the field of public administration and management allows the Minister to be on top of the challenges confronting our country as we move into our second decade of democracy.

1.3 Public entities reporting to the Department

The Minister for Public Service and Administration is the sole shareholder and has oversight responsibility over the State Information Technology Agency (SITA), which was established on 1 April 1999 through the amalgamation of the Central Computer Service (CCS), Info plan and the Information Systems section of the South African Police Service (ISSAPS). SITA was established to provide IT, information systems and related services to, or on behalf of, participating organs of State, and to act as an agent of the South African Government in the development and maintenance of government IT systems.

In April 2001 Cabinet approved the restructuring of SITA and this was concluded during 2002. The SITA Act (Act 88 of 1998) was amended (by Act 38 of 2002) to allow SITA to render services according to the IT House of Values. The Information Technology Acquisition Centre has been established as agreed with National Treasury and as prescribed in the Amendment Act. SITA will be responsible for all IT procurement on behalf of National Departments and Provincial Governments.





This will be the second year in a row that SITA will show a profit. The audited results show a net surplus of R35 086 m for the year ending 31 March 2004. Indications are also that SITA will once again have an unqualified audit report for the year 2003/04. Under the leadership of the new Chief Executive Officer SITA has put together a turnaround strategy for the period 2004-2006 that was approved by the SITA Board of Directors and which primarily focuses on improved service delivery to its client base.

2. Programme performance

Voted funds

To be appropriated by Vote	R174 667 0000
Statutory appropriations	–
Responsible Minister	Minister for Public Service and Administration
Administering Department	Public Service and Administration
Accounting Officer	Director-General Public Service and Administration

The aim of the Department is to lead the modernisation of the public service by assisting government departments to implement their management policies, systems and structural solutions, within a generally applicable framework of norms and standards, in order to improve service delivery.

2.1 KEY OBJECTIVES AND PROGRAMMES

During the reporting period the Department consisted of six programmes:

PROGRAMME 1: ADMINISTRATION

Purpose: Administration is responsible for providing policy and strategic leadership to the public service to enhance the public service's ability to deliver on Government's priorities and objectives.

This programme comprises the Ministry of Communications, the Office of the Director-General,

International and African Affairs, Legal Services, Corporate Management and the Internal Audit Unit.

PROGRAMME 2: INTEGRATED HUMAN RESOURCES

Purpose: Develop and establish human resource management, and facilitate capacity building in the public service through negotiations and related interventions.

Measurable Objective: Ensure effective and appropriate utilisation of human resources through targeted interventions that improve management and overall capacity.

This programme consists of five sub-programmes:

- Remuneration and Conditions of Service
- Negotiations and Labour Relations
- Employment Practice and Career Management
- Human Resource Development
- Public Service Education and Training Authority (PSETA)

PROGRAMME 3: INFORMATION AND TECHNOLOGY MANAGEMENT

Purpose: Ensure the effective utilisation of information and information technology in Government, and facilitate the use of information technology for the modernisation of Government and the establishment of e-government practices, within an acceptable information security environment.

Measurable objective: Improve access to Government services by providing a single, 24-hour information technology access window in a smoother and efficient manner.

This programme comprises the Office of the Government Chief Information Officer and the following units: e-government policy and regulations, the Government IT Projects Office, SITA oversight and GITO Council Administration.





corruption in the public service by establishing and implementing strategies and partnerships that improve ethical conduct and practices. The Public Service Anti-Corruption Unit implements this programme.

PROGRAMME 6: AUXILIARY AND ASSOCIATED SERVICES

Purpose: Facilitate transfers to the State Information Technology Agency, a public entity charged with establishing, maintaining, and enhancing Government's information technology infrastructure.

Measurable Objective: Strengthen the security and reliability of information and communications technology within the public service by facilitating the transfer of funds to SITA to deliver a virtual private network.

PROGRAMME 4: SERVICE DELIVERY IMPROVEMENT

Purpose: Engage in supportive interventions and partnerships that enhance efficiency and effectiveness in the Public Service and innovative learning and knowledge based modes and practices of service delivery.

Measurable Objective: Improve delivery through targeted interventions to selected departments and provision of supportive frameworks and learning products.

This programme comprises the Government Internal Consulting Services component, the Programme Management and Development Cooperation component and the Learning and Knowledge Management Unit.

PROGRAMME 5: ANTI-CORRUPTION

Purpose: Establish partnerships and devise strategies to fight corruption, and enhance ethical conduct and practices in the public service.

Measurable Objective: Ensure prevention and combat

2.2 PROGRAMME ACHIEVEMENTS

PROGRAMME 1: ADMINISTRATION

International and African Affairs

The Department's role internationally and within Africa gained added momentum after the establishment of the New Partnership for Africa's Development (NEPAD). The most significant activities of the department, in this area of engagement, were directed at the establishment and implementation of the NEPAD programme in Governance and Public Administration.

In addition to hosting the 4th Pan-African Ministers of Public Service Conference in May 2003, DPSA succeeded in mobilizing regional and continental institutions to support the Ministers' NEPAD programme. The development and establishment of the Ministers programme culminated in the presentation and adoption of the Ministers of Public Service programme at the NEPAD Heads of State and Government Implementation Committee in Maputo, Mozambique.





A number of research projects were completed during the period under review. The outputs from these projects were reflected in the documentation distributed at the 4th Pan-African Conference of Ministers. Many of these projects were done in partnership with and under the leadership of the Centre for Public Service Innovation (CPSI).

To ensure wider dissemination of the information on the Ministers' Conference and to secure further active participation in the implementation of the Ministers programme, DPSA established a website for this programme in French, Arabic and English (www.publicserviceafrica.org).

DPSA played a leadership role in the establishment of the African Management Development Institutes Network (AMDIN) in Ethiopia. DPSA also participated in the holding of a Public Sector Leadership meeting in Uganda in January 2004. The Department also established active implementation and technical support partnerships with, amongst others, the Organisation for Economic Cooperation and Development (OECD) during the review period.

The component took on the responsibility for the South African section of the African Governance Inventory (AGI), a useful tool in sharing African public administration data. Initial work has been completed and the inventory will be presented to government departments and other stakeholders in 2004. During the review period, DPSA participated in the Democratic Republic of Congo (DRC) as part of the Presidential prioritised initiative to support DRC in its reform efforts. In the 2004/05 financial year, the work on International and African Affairs will become a separate programme.

Governance and Administration Cluster

The Minister and Director-General provide leadership in the Governance and Administration (G&A) Cabinet Committee and the G&A Directors-General Cluster.

The Ministry and Office of the Director-General therefore provide support to the Minister and Director-General in carrying out this work.

The Cluster reports to the G&A Cabinet Committee on a quarterly basis including twice-yearly reports to the Cabinet Makgotla in January and July. At the January Lekgotla the Cabinet considers the Cluster's priorities for the year. These priorities are not an amalgamation of departmental priorities, but a distinct set of interventions aimed at strengthening the back-office systems and procedures of government to improve service delivery in the Public Service and Local Government.

The focus of the G&A Cluster is mainly on supporting the efficient and effective functioning of government and therefore is primarily concerned with matters internal to government operations. The G&A priorities for 2003/04 were: strengthening intergovernmental relations; strengthening partnerships for service delivery (the Batho Pele e-government Gateway, Multi-Purpose Community Centres and Community Development Workers and Batho Pele); anti-corruption and support to NEPAD. Good progress has been registered in these programmes and is detailed elsewhere in this report.





PROGRAMME 2: INTEGRATED HUMAN RESOURCES

The key outputs for 2003/04 were as follows:

Measurable Objectives:	To maintain and improve human resource management and build capacity to ensure effective and appropriate utilisation of human resources in the public service through targeted intervention.		
Sub-programme	Output	Measure/Indicators	Target
Remuneration and Conditions of Service (RCS)	Restructured medical assistance, pensions and housing benefits.	Implementation of medical assistance dispensation, resolution 12 of 2002, and cost-effective housing benefits for all public servants.	November 2003
	Review of remuneration dispensations for public servants on salary level 11 and 12.	Negotiation on the revised scheme followed by implementation	November 2003
	Development and implementation of a new pay incentive system linked to Performance Management and Development System (PMDS).	Cost effective and sustainable policy on incentive pay.	July 2003
Negotiations and Labour Relations (NLR)	Review and maintenance of labour relation policy.	Communication of amended policy.	All departments
Employment Practice and Career Management (EPCM)	Review of SMS systems.	Consultation with departments, in order to report on the impact on recruitment and retention of SMS managers.	All departments
	Enhanced capacity of public service to mitigate the impact of HIV Aids.	Establishment of a technical assistance facility and promotion of a strategy to utilise people living with HIV/AIDS	November 2003
	Improved recruitment and selection practices.	Consultation to increase level of employment of women, middle management and people with disabilities.	All departments consulted by September 2003
Human Resource Development	Continuing implementation of the Human Resource Development Strategy	Hosting of workshops and distribution of material to communicate contents of the policy	All departments
Public Service Education and Training Authority (PSETA)	Development of skills development levy guideline	Skills levy guidelines implemented by all government departments.	June 2003

Related to the above the following achievements are reported on:





Remuneration and Conditions of Service (RCS)

A new incentive policy framework was developed and implemented. An inclusive flexible package system for middle managers at levels 11 and 12 as well as an implementation framework for the scarce skills strategy were developed.

The component also provided support in the implementation of the Integrated Financial Management System project, focusing on human resource (HR) matters. HR online information was updated on a quarterly basis. The development of an HR portal for the Public Service commenced.

Benchmark job descriptions and grading levels were developed and approved for three levels of jobs of social worker and for community development workers. A process to develop benchmark job descriptions and grading levels for jobs in the offices of executing authorities (11 jobs) commenced. The benchmark job descriptions and grading levels for CEO's of hospitals were finalized and approved.

The Research Report on the Development of a Restricted Membership Medical Scheme for Public Service employees was finalised in July 2003. The rules of the Government Employees' Pension Fund have been amended and published. A new Board of Trustees was appointed. To remove past discriminatory practices, PSCBC Resolution 7 of 2003 regarding basis for recognition of service for former general assistants was concluded.

The Management Policy and Procedure on Incapacity Leave and Ill-Health Retirements for Public Service Employees was designed to stop the abuse of the Incapacity Leave and Ill-Health Retirements in the Public Service. The Policy and Procedure have been piloted in SAPS, Correctional Services and the Free State Province. The pilot phase will continue for another year.

Negotiations and Labour Relations (NLR)

The past year saw a number of agreements concluded in both the Public Service Co-ordinating Bargaining Council (PSCBC) and the General Public Service Sector Bargaining Council. The most important of these are the following:

- Implementation of the last leg of the multi-term salary agreement entered into in 2001. In terms of the agreement, employees on salary levels 1 to 12 were granted a salary improvement of 8,5%.
- A new levy agreement for the PSCBC. The agreement entailed that sector bargaining councils would no longer receive funding from the PSCBC but would be able to implement their own levies. At the same time all the human resource functions and the dispute resolution functions that had been wholly or partly fulfilled by the PSCBC were devolved to the sectors.
- The long service awards were amended to provide for a cash award.
- An agreement was concluded that provides for the recognition of service of former non-statutory forces personnel for pension purposes.
- An agreement was reached on the implementation, with effect from 1 December 2003, of a new Foreign Service Dispensation.
- Disestablishment of departmental and provincial bargaining councils and the establishment of provincial co-ordinating bargaining chambers.
- The GPSSBC adopted a new constitution that allows for the establishment of sectoral chambers. The constitution has been registered with the Registrar of Labour. The Council is currently in the process of establishing chambers in all departments and provinces.





- Agreements were concluded to allow for an expedited dispute resolution procedure emanating from the restructuring process or expedited resolution procedure for disputes.

Employment Practices and Career Management

Following a study on representivity in the Public Service, Cabinet endorsed revised affirmative action targets for the Public Service during June 2003. In order to assist departments in generating and acquiring the necessary skills at middle management level in the Public Service, a generic competency framework including a competency dictionary for staff at salary levels 11 and 12 was developed. In addition, proposals on the establishment of sustainable pools of middle managers and the extension of the aforementioned competency framework to lower levels in the Public Service were developed.

A competency profiling and assessment programme was developed and piloted in Gauteng and Land Affairs. Competency assessments were conducted for all managers in the Eastern Cape as part of the intervention in that province. A successful Senior Management Service (SMS) Conference was held in September 2003. The updated version of the SMS Handbook, designed as a guide for senior managers in the Public Service, was finalised. Preparatory work is being done for the establishment of a professional association for the SMS. A database on the SMS was established.

HIV and AIDS

The financial year 2003/04 has seen the Impact and Action Project commencing with the third phase of the project. The focus of the third phase is on facilitating the implementation of policies/systems developed in

the second phase and supporting departments as they develop and implement their workplace policies and programmes.

In the period under review a comprehensive communication strategy was developed. The strategy focuses on supporting initiatives aimed at mitigating the impact of HIV and AIDS on the Public Service. Brochures, posters and the electronic Health Channel accessible as a link through the DPSA website were developed as part of the strategy.

A capacity audit was commissioned to assess the HIV and AIDS capacity needs of the public service at various levels with regard to the implementation of HIV and AIDS programmes, and to inform a plan for building the necessary capacity required to fast track the implementation of the programme. The third HIV and AIDS learning session called the Public Service AIDS Indaba III was held in October 2003.

On-going support is being provided to both national and provincial government departments to facilitate the implementation of the Minimum Standards. Provincial departments were supported through facilitating





provincial strategic planning sessions for the development of 2004/05 project plans.

The Public Service HIV and AIDS workplace programme is seen as a good practice model by international agencies. The project team has been requested to assist in supporting other countries. This included a study tour by a CIDA-sponsored delegation from Malawi in January 2004 as well as requests for presentations at international workshops and conferences.

Human Resource Development (HRD)

Workshops have been held to communicate the Human Resource Development Strategy for the Public Service and help departments to develop their own strategies. The HRD Strategy has four Objectives each with targets and success indicators.

In March 2003 Cabinet approved proposals to institutionalise and strengthen internship and learnerships in the public service as vehicles to fight unemployment and to develop skills targeting the youth - school-leavers and unemployed graduates. The internship has now been aligned with the learnership. Workshops have been held in departments to provide baseline training on the Internship Programme. Most departments have subsequently developed an internship strategy.

The total number of interns and learners received in the year under review is 7 234 for both national and provincial departments.

Social Plan guidelines to assist the employees that have been affected by the Restructuring and Transformation of the Public Service were developed. A Memorandum of Agreement on the working relationship to assist in the implementation of the Social Plan was signed with the Department of Labour. Workshops on awareness on the guide have been held in some provinces.

Public Service Sector Education and Training Authority (PSETA)

During the financial year 2003/04, the PSETA has embarked on preparations to enrol 4 197 unemployed learners into Learnership Programmes for a period of one year. This would be the first phase towards achieving the indenturing of 10 000 learners in Learnerships as per the targets set at the Growth and Development Summit held in June 2003. Funding of this project (R106 million) has been approved from the National Skills Fund of the Department of Labour.

The PSETA has registered five (5) learnerships, which have been approved by the Department of Labour. The Public Administration Learnership, one of the five learnerships, is currently being piloted in Mpumalanga for the 18 (1) learners.

Consultants were appointed to train Skill Development Committee members on the implementation of learnerships. Training took place in all nine provinces plus all National Departments in the Gauteng province. Through sponsorship of GTZ, PSETA has commissioned and developed the Induction and Reorientation Programme for the Public Service. This project will be handed over to the South African Management and Development Institute (SAMDI). For a roll out to the entire Public Service a set of 35 SMS Unit Standards were developed and handed over to Standards Generating Body (SGB) for registration of qualification.





PROGRAMME 3: INFORMATION AND TECHNOLOGY MANAGEMENT

The key outputs for 2003/04 were as follows:

Measurable Objectives:	To provide a single information technology window to access government services in a smoother and more efficient manner on a 24-hour basis.		
Sub-programme	Output	Measure/Indicators	Target
Information and Technology Management (ITM)	Achievement of economies of scale and avoidance of duplication in procurement.	Information technology acquisition committee operating according to the prescribed policy and procedures.	30 September 2003
	Development of electronic transaction capability.	Gateway Phase II delivered.	30 September 2003

Related to the above the following achievements are reported on:

A two-day consultative workshop for national departments on the e-government Gateway (www.gov.za) was held at Gallagher Estate on the 18th and 19th June 2003. Presentations and workshops were made to various provinces and local governments.

Comprehensive information on services of government has also been integrated into the Gateway portal. Significant time was also spent to structure the indexes of the portal according to life events of citizens and business.

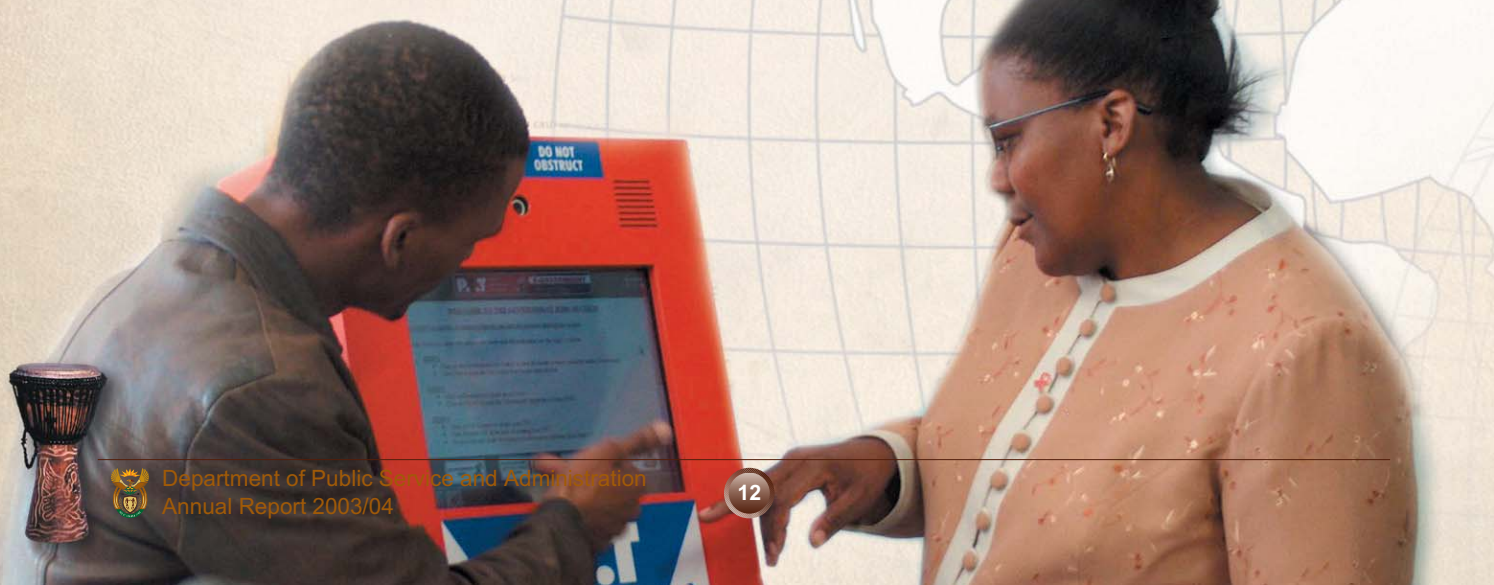
Final draft regulations for the SITA Act were produced and distributed on 31 March 2004 to all executive authorities, provincial governments and SITA.

The Government Information Technology Officers' (GITO) Council has progressively taken on a more important role on matters relating to government. Initiatives are underway to formalise the Africa-wide Chief Information Officer (CIO) Council, which will assist in the realisation of NEPAD ICT objectives. The profile of the Council has shifted significantly to one which

looks more at strategic issues rather than operational. A number of institutions including the WITS LINK centre and the META Group have been approached to develop key courses for development of CIOs in government.

An exchange programme for CIO's in government with the private sector is also in the pipeline emanating from the presentation by the Minister for the Public Service and Administration to the Presidential International Advisory Council on Information Society and Development (PIAC on ISAD).

Information Technology planning has improved significantly owing to the publication of the IT Planning guidelines by the department.





PROGRAMME 4: SERVICE DELIVERY IMPROVEMENT

The key outputs for 2003/04 were as follows:

Measurable Objectives:	To provide support, frameworks and innovations to selected departments in order to improve the efficiency and effectiveness of service delivery systems.		
Sub-programme	Output	Measure/Indicators	Target
Service Delivery Improvement (SDI)	Batho Pele initiatives revitalised.	Extensive communications campaign on Batho Pele in place.	3 August 2003
	Sharing of knowledge and promotion of learning.	Production of service delivery review, learning academy and public management conversation	December 2003
	Guidance of prioritisation of SDI efforts and enhancement of interface between DPSA and its partners in SDI.	Development of strategies and early warning system	November 2003
	Research on Black Economic Empowerment (BEE)	Research report on BEE with recommendations on strategy.	August 2003

Related to the above the following achievements are reported on:

Government Internal Consulting Services (GICS)

A Review of Public Entities, entailing a review of the corporate status, corporate governance arrangements, HR and procurement practices of public entities listed in schedule 3 of the Public Finance Management Act, was conducted. All of the workstreams in this project have submitted reports. A Guide on Appointing Persons to Boards has been completed. The component has provided support to the establishment of the Social Security Agency.

The DPSA together with CPSI and SITA have produced a report, *From Red Tape to Smart Tape – Easing the Administrative Burden*, as part of addressing red tape in government. A Red Tape Challenge was also launched. Public servants and the public have been invited to submit proposals on practical ways on how to reduce red tape in the Public Service.

As part of developing a comprehensive access strategy for government, *Citizens Access to e-government Services* has been produced by DPSA, SITA and CPSI to provide an overview all the platforms for accessing services in the country – with the view of assisting government to determine what platforms can be leveraged to improve access and therefore accelerate and improve service delivery.

The Black Economic Empowerment report was completed in July 2003. Discussions between DPSA and the National Treasury on the implementation of the recommendations are ongoing.

The Batho Pele Change Management Engagement Programme is an outreach programme designed to communicate and instil the Batho Pele values “we belong, we serve, we care”. Roll-out is currently underway, initially in the Eastern Cape and the Department of Home Affairs.





A comprehensive, practical, easy-to-use, step-by-step guide on service delivery, the Batho Pele Handbook, was completed. The Guide has been distributed to all national and provincial departments and MPCC's. The handbook has also been posted on the DPSA website and is also available on CD-Roms.

The Directory of Public Services (Johannesburg region) has been completed and distributed through a variety of channels – Post Offices, Public Information Terminals, MPCC's, People Centres, libraries, councillors, government buildings where there are generally high levels of interface with the public.

Africa Public Service Day (APSD) and Public Service Week were successfully hosted.

Programme Management and Development Cooperation (PMDC)

The Department established the Integrated Provincial Support Programme (IPSP) in 1998, and from a programme management perspective focused on the validation of projects and the monitoring and evaluation of projects. A number of projects received support during this period, including:

- Turn around of two hospitals in Limpopo;
- Restructuring of the Zebediela citrus facility in Limpopo; and
- Reorganisation of the system of social security beneficiary files in the Eastern Cape, leading to improved rate of response to enquiries (48 hours) and monthly savings of R8m in litigation.

The Public Service Transformation Programme (PSTSP), another donor-supported programme, provided funding for the development of a Competency Framework for middle managers, the implementation of the Public Service Anti-Corruption Strategy, NEPAD initiatives and the implementation of Resolution 7 of 2002, amongst others.

In terms of the Public Service Reform (PSR) Programme, a good governance strategy was developed and the design of the programme is underway. Funds have already been committed for the development of an Early Warning System on Service Delivery, the Study on Red Tape in the Public Service, programme management for the Interim Management Team, the development of a recruitment and retention strategy and the development of a Public Service Induction and Reorientation Programme.

The Early Warning System on Service Delivery was developed and piloted in two departments. Following the pilot, the system was refined and further shared with selected departments in which its initial phasing-in is likely to start. Comments received from these departments are also being incorporated, after which the phasing in process would start.

A draft Framework for the Management of Joint Programmes (such as the Expanded Public Works Programme) was developed and consulted on.

Learning and Knowledge Management (LKM)

The Department has established several learning networks, including the KwaZulu-Natal Learning Network, the Limpopo Learning Network and the Batho Pele Learning Network.

A two-day Excursion to Hospitals in KZN, (Grey and Albert Luthuli hospitals) was organised for provincial delegates in April 2003. The Anti-corruption Learning Session was organised in July 2003. The Red Tape Audit Workshop was run in collaboration with the CPSI in October 2003.

The Department collaborated with GCIS in launching the Development Communication Workshop in October 2003, and participated in the Eastern Cape Premier's Batho Pele Campaign in Umtata and Cradock in October and November 2003. Support was provided to DPLG in the launch of the Local Government Horizontal Learning Programme (HOLOGRAM) in Cape Town in December 2003.





The Service Delivery Learning Academy was held in Durban in July 2003 and presentations published in Volume 2 (2) of the *Service Delivery Review*. In February 2004 the Department ran a special Seminar on Building the Capability of the State for the Future: Achieving Integrated governance and the Developmental State.

In March 2004 the department organised and ran the 2-day Provincial Learning Champions' Workshop for 60 provincial delegates which was supported by the

Commonwealth through funding and sending a specialist from the UK Public Service Benchmarking Service. To ensure that lessons are disseminated beyond learning events the Department has put in place learning products where lessons and best practices are documented for maximum access. Three editions of the *Service Delivery Review* were published; 23 case studies on service delivery improvement were developed; a Manual on the Machinery of Government was published in May 2003; and a Manual on Learning Networks and Sessions was published in July 2003.

PROGRAMME 5: ANTI-CORRUPTION

The key outputs for 2003/04 were as follows:

Measurable Objectives:	To establish and implement strategies and partnerships to prevent and reduce levels of corruption in the public service.		
Sub-programme	Output	Measure/Indicators	Target
Anti-corruption Strategies	Increased institutional capacity to prevent and address corruption	Implementation of The Public Service Anti-corruption Strategy.	3 April 2005
	Active participation in regional and international opportunities.	Establishment of regional and international anti-corruption co-operation.	December 2005
	Establishment of Corruption Management Information System.	Country corruption assessment results accepted by National Anti-corruption Forum.	April 2006

Related to the above the following achievements are reported on:

Proposals on minimum anti-corruption for departments were developed. A national workshop was convened to clarify the roles of different departments and agencies regarding investigation of allegations of corruption. This workshop was aimed at informing departments on how and to whom to refer allegations for investigation. Proposals on a national Public Service Hotline System for citizens and public servants to report corruption were approved.

A project to provide support to the Department of Correctional Services was completed in September 2003. Ongoing advice and support was provided to the Minister on the National Anti-Corruption Forum

(NACF). A framework for support to the National Anti-corruption Programme by donors and international public organisations was developed and accepted by the NACF. This framework was presented to donors and is the basis of ongoing engagement with donors and organisations.

The UN Convention on Corruption was signed in December 2003 in Merida, Mexico. A comparative analysis of the level of compliance with this instrument (and other instruments) has been developed and made available at the NACF report-back workshop. DPSA led the negotiations, signing and report-back processes. The UN manual on strategic tools was completed at





the December 2003 signing conference.

Global Forum III was successfully hosted in Korea in 2003 and DPSA represented the country in the Organising Committee, convened the Africa group and chaired the meetings of the Africa group.

The development of the Corruption Management Information System commenced in 2003 and phase one was completed in 2004.

DPSA is assisting the Department of Provincial and Local Government in the expansion of the Public Service Anti-Corruption Strategy to Local Government.

PROGRAMME 6: AUXILIARY AND ASSOCIATED SERVICES

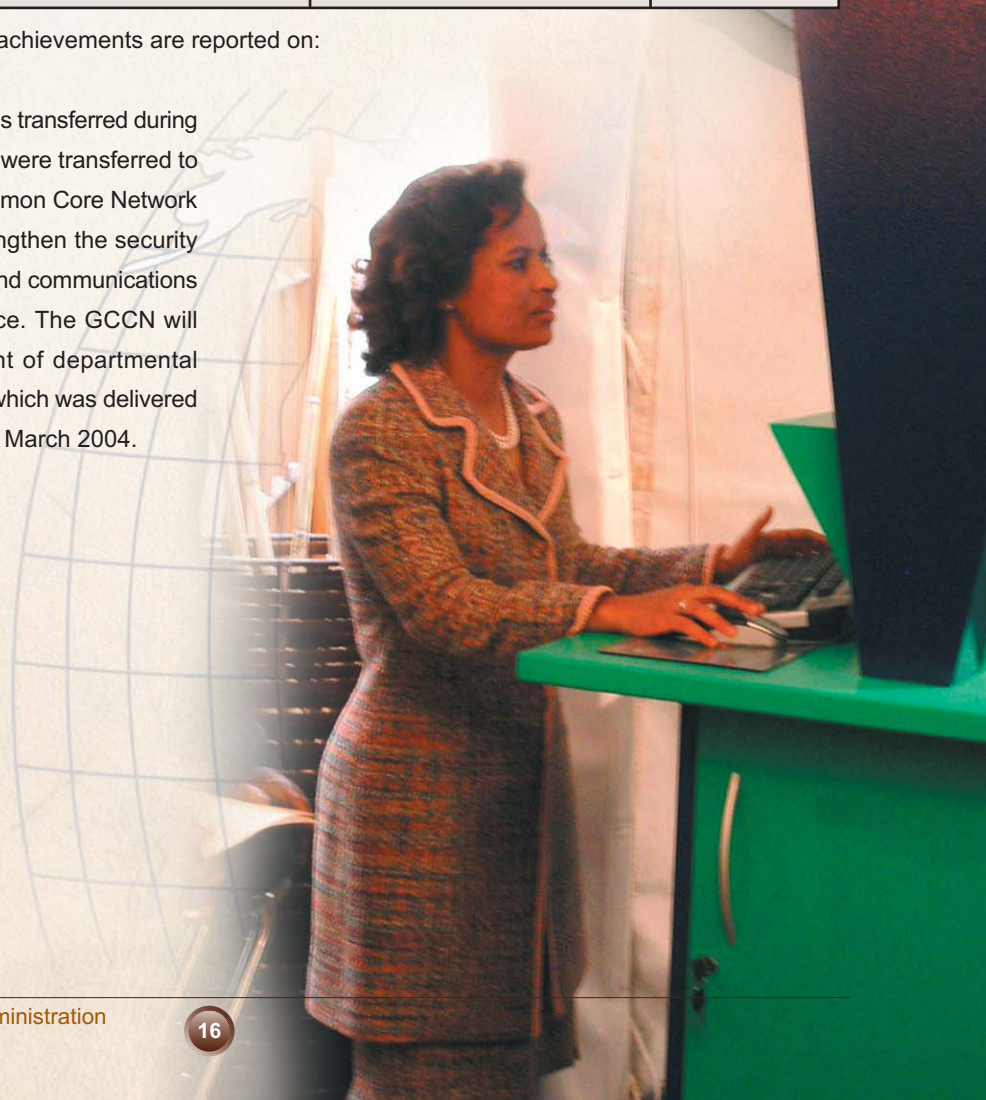
The key outputs for 2003/04 were as follows:

Auxiliary and Associated Services

Measurable Objectives:	To deliver a virtual private network that will provide economies of scale, while enhancing security, compatibility and inter-operability.		
Sub-programme	Output	Measure/Indicators	Target
State Information Technology Agency (SITA)	Enhanced security and reliability of communications.	Virtual Private Network established	March 2004

Related to the above the following achievements are reported on:

A final amount of R50,002 million was transferred during the period under review. The funds were transferred to SITA to deliver a Government Common Core Network (GCCN) that will improve and strengthen the security and reliability of government data and communications technology within the public service. The GCCN will also provide for the establishment of departmental virtual private networks, the first of which was delivered to the Department of Labour on 31 March 2004.





REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2004.

Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereunder and meets three times per annum as per its approved terms of reference. During the current year three meetings were held.

Name of the Member	Number of meetings Attended
Prof Danie Du Plessis Chairperson (resigned 31 March 2004)	3
Lazarus Nekhondela	2
Gugu Motepe (resigned 5 April 2004)	2

The department is in the process of filling the vacancies.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibility arising from Sec 38 (1) (a) of the PFMA and Treasury Regulation 3.1.13 and 27 (1) (10). The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with its charter and has discharged all its responsibilities as contained therein.

The effectiveness of Internal Control

The system of control is designed to provide cost effective assurance that assets are safeguarded, liabilities and working capital are efficiently managed. It is, however, noted by the Audit Committee that significant control weaknesses on risk management and corporate governance have been reported on as "emphasis of matter" as contained in the management letter.

Effectiveness of the Audit Committee to review internal audit function as well as discharging of its responsibilities will be enhanced to address the weaknesses as identified.

The quality of this year management annual reports submitted in terms of the PFMA.

The Audit Committee is satisfied with the content and quality of the annual report prepared and issued by the Acting Accounting Officer and the Department during the year under review.

However it noted that:

- Corporate governance issues need to be strengthened, viz internal audit unit and, Audit Committee.
- Risk Management strategy need to be enhanced.
- The status of PSETA within DPISA is still unclear and the uncertainty of the relationship between PSETA and DPISA is in its third year.
- A formal plan of action has not been established to implement the Supply Chain Management System in terms of Treasury Guidelines.
- In some instances, there was lack of oversight function over internal control.

Evaluation of Financial Statements

The Audit Committee has

- Reviewed and discussed with the Auditor-General, Acting Accounting Officer as well as the Chief Financial Officer the audited annual financial statement to be included in the annual report;
- Reviewed the Auditor-General's management letter and management's responses.

No significant adjustment arose from the audit. The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

**Acting Chairperson of the Audit Committee
LAZARUS NEKHONDELA**

Date: 27 July 2004





MANAGEMENT REPORT

for the year ended 31 MARCH 2004

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The Department of Public Service and Administration's key focus areas shall remain the improvement of service delivery through targeted support and interventions, as well as the promotion of good governance throughout the Public Service.

It is therefore imperative against this background, that the department's spending priorities should be aligned to key policy priorities as spelt out by the President, Cabinet and the Minister of Public Service and Administration. Of particular relevance and importance to the spending priorities of the Department are the outputs and priority areas emanating from the Governance and Administration (G&A) Cabinet cluster.

The overall focus has been, and will continue to be in the medium-term, the development of the overall capability of the "Public Administration System" through building an integrated system of governance at the three spheres of government.

The following key priorities were identified for the medium-term:

- Building institutional capacity and strengthening the inter-governmental systems
- Monitoring and evaluation of initiated support to institutions for sustainability purposes
- Modernising government operations and development of human resources
- Development of risk management strategies for the public service, including an HIV/AIDS policy
- Good governance

During the year under review, the Department was intensively engaged with the Eastern Cape Interim Management Team (IMT) intervention project which was initiated in November 2002 following a request by

the Eastern Cape Premier to the President. It is also important to note that at the finalization of the departmental MTEF for 2003/04, it had not been anticipated that the department would be involved from a funding perspective in the Eastern Cape Intervention as the request came through in October 2002.

The IMT was tasked with assisting the Eastern Cape Provincial Administration in tackling and resolving service delivery challenges in the Provincial Departments of Health, Education, Social Development and Roads & Public Works. A considerable number of officials were deployed into the four departments by the IMT, comprising mostly of key personnel from both the Department of Public Service and Administration (DPSA) and the Office of the Public Service Commission (OPSC).

One of the major challenges during the project scoping and conceptualization stage was the realization of a "lack of proper financial and procurement delegations" by the four departments, which could have delayed the project further and could have seriously threatened and hampered the success of the project in view of the timelines that were set. A decision was then taken by DPSA, OPSC and the IMT that the department would commit financial resources (on a recovery basis from the Eastern Cape departments) to fund the deployment as well as key implementation processes of the project in order to expedite and fulfill the mandates of bringing about efficient and improved service delivery processes in the affected departments.

The last quarter of the financial year has been characterized by the scaling down of the Eastern Cape activities, with a view to complete the initial process by 31 March 2004. During the last quarter of the year, employees to provincial departments continued to provide support to departments with the implementation of turnaround plans, as well as support on operational issues.

In order to ensure sustainability of the processes initiated and the full implementation of the turn around strategies, the IMT programme office commenced with a major





MANAGEMENT REPORT for the year ended 31 MARCH 2004

challenge of developing proposals for ongoing monitoring and evaluation of the initiated processes post March 2004.

Expenditure Trends

The departmental total final budget allocation for the financial year 2003/04 was R174, 667m. The total expenditure to March 2004 was R154, 979m which represents 88.7% of the total budget. The unspent funds of R19, 688m represents 11.3%.

The total department spend on Eastern Cape as at 31 March 2004 was R23,4m total payments received were R12,4m whilst the balance of R11m has been confirmed by the respective departments in the Eastern Cape as owing to DPSA, with the exception of the Department of Education who will confirm the balance once they have finalized their reconciliation process. The above saving was however, not represented by cash available as at year end. Cash on hand as at 31 March 2004 was R4, 1m which represents 2.4% of the total budget allocation.

This unspent portion of the R19, 7m is represented by the following:

- R3,5m self financing not received – includes the R3,0m for PSETA not requested from National Treasury
- R 1,7m for the development of a restricted medical aid benefits for the public service
- R4,2m for the completion of the Restructuring process Res.7 of 2002 –Implementation of the Social Plan
- R6m represents expenditure for Gateway Project – call centre management and other related costs on e-Government project
- R4,3m represents a true saving to be surrendered to National Treasury

The above situation resulted in DPSA being construed as having under spent in terms of the budget allocation for FY03/04, however, the reality is that funds or actual cash was disbursed by DPSA throughout the year for

the Eastern Cape project, with the recovery or part-payment only being received towards the end of March 2004. The management of the month to month cash flow of the department was not only difficult for the department, but it also meant that funds that were originally planned for other projects like Gateway and Restructuring had to be utilized for this project in order to achieve the broader mandates as required.

Average expenditure month on month was R7, 6m and reflected a constant pattern over the year. However, between May and June an amount equivalent to R26m was transferred to SITA as part of the capital transfer payment for the completion of the Government Communication Core Network Project, which distorted the expenditure patterns of the department in those months.

The Gateway/Batho Pele Communication contract continued to be paid in the year under review, but the amounts tendered have been fairly constant and did not affect the spending pattern of the department on a monthly basis. The distortion in September expenditure was as a result of an amount equivalent to R472k as fruitless emanating from the Booz- Allen tender which was written-off as it was probable that the amount could not be recovered.

The above situation created a number of challenges in terms of the cash flow on a month to month basis for the department, however, the situation has been well managed despite these challenges. Had DPSA not been able to recover the costs incurred for the Eastern Cape, the department would have been construed to have incurred unauthorized expenditure, and not be able to complete projects such as Restructuring and the Gateway.

A detailed Appropriation Statement is attached as part of the financial statements outlining the above scenario. As the above only reflects on the financial implications of the Eastern Cape project to DPSA, a more detailed report on this project has been included as part of the programme performance in the Annual Report.





MANAGEMENT REPORT for the year ended 31 MARCH 2004

Despite the unplanned deployment of significant key resources of the department to the IMT from a resource availability perspective, most departmental planned outputs for 2003/2004 were achieved. Amongst some of the outputs achieved during the year under review are these outlined below:

HIV/Aids in the Public Service

Following the approval of the minimum HIV/Aids implementation strategy standards, a communication strategy was developed and approved in March 2003. The strategy focused on supporting the initiatives aimed at mitigating the impact of HIV/Aids on the Public Service. Brochures, posters, The Health Channel (website) and scripts for the Ambush theatre were developed as part of the strategy.

Ongoing support is being provided to both national and provincial governments/departments to facilitate the implementation of the Minimum Standards. Provincial departments are being supported through facilitating provincial strategic planning sessions for the development of 2004/05 project plans.

Community Development Workers (CDWs)

The need for the recruitment of Community Development Workers (CDWs) to bring government services closer to the people was identified in both the President's state of the nation address and at the July 2003 Cabinet Lekgotla. A national task team has been established and is headed by the Ministry of Public Service and Administration with relevant stakeholders and provincial representatives that are involved in the initial phase. Their role is to ensure that effective co-ordination structures are established at provincial level. Provincial departments of Local Government in consultation with local government will take responsibility for the deployment and placement of CDWs.

Restructuring of the Public Service (Resolution 7 of 2002)

A closure report on the restructuring and transformation process was compiled and submitted to the Minister.

Departments were informed per circular that no excess employees would exit the system and that renewed efforts should be made to absorb such employees, inter alia by giving them preference in the filling of vacancies (at the same level).

As part of the collective agreement (PSCBC – Resolution 2 of 2002), the framework agreement mandates the employer to set the process, procedures and systems in place to begin the transformation and restructuring process in the public service, which is underpinned by the Social Plan.

Public Service Anti-Corruption (Anti- Corruption)

This programme's main function is to establish practices and partnerships to combat and fight corruption as well as enhance ethical conduct and practices in the public service.

Despite capacity challenges that were faced by this programme due to the technical and legal support they provided to the IMT in the Eastern Cape, considerable work and progress is reported on this programme in the year under review. Detailed outputs are reported as part of the programme performance in the Annual Report.

Social Security Agency Establishment

The department has been instrumental in assisting the National Department of Social Development (DSD) with investigating the implications of establishing the South African Social Security Agency that will manage and administer the payment of social grants. Following an investigation of various options and the implications thereof, the implementation plan was developed and finalised. Cabinet approval was obtained and the Social Assistance Bill and the South African Social Security Agency Bill have been passed by Parliament. The Minister of Social Development has started consultation on the formation of the Inspectorate that will monitor the Agency. He has also appointed an executive manager to work full-time on the establishment of the Agency.





MANAGEMENT REPORT

for the year ended 31 MARCH 2004

Public Entities Review

The Department of Public Service and Administration in conjunction with National Treasury was mandated to review the current status of schedule 3A and 3B public entities and develop new frameworks for their Legislation, Corporate Status, Corporate Governance, Human Resource & Performance Management and classification. The project commenced in August 2003 and will be completed in the 2004/05 financial year. This project seeks to align and redefine the activities of these institutions with the broader government priorities.

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 List of Services

In line with the strategic imperatives and priorities, the department went through an internal restructuring process and established four branches under the former Functional Assistance to the Minister's programme. From 2003/04 these branches became six (6) main programmes of the department and were established as follows:

- The first programme (**Administration**) focuses on providing policy and strategic leadership and includes the internal administrative support such as Internal Audit, Corporate Services, Ministerial and Communication Services as well as Legal Services.
- Direct functional support to the Minister is divided into the following programmes:
 - **Integrated Human Resources** – focuses on the management, capacity building and effective utilization of human resource capacity in the public service.
 - **Service Delivery Improvements** – engages in supportive interventions and partnerships to improve the efficiency and effectiveness of service delivery in the public service.
 - **Information and Technology**

Management – ensures the effective utilization of Information Technology and facilitates the modernization of government.

- **Public Service Anti-Corruption** – facilitates the strategies to fight and combat corruption as well as the enhancement of ethical conduct in the public service.
- **Auxiliary Services** – facilitates the transfer of funds to the State Information Technology Agency (SITA) which is the only Public Entity reporting to the department.

The aims and objectives of the above programmes and their related sub-programmes are discussed in detail in the annual report.

2.2 Tariff Policy

The department does not charge any tariff for services rendered.

2.3 Free Services

Services rendered by the department are mainly to National and Provincial departments in a form of support to improve key service delivery processes, improvement and implementation of processes, hence they cannot generate revenue for government as DPSA does not charge for its support services.

2.4 Inventories on hand at year end

	<u>R '000</u>
Toner Cartridges	306
Copying Paper	206
Printing Drums	142
Other Stores items (aggregated)	<u>206</u>
TOTAL	<u>860</u>

Inventories are valued on a FIFO basis.





MANAGEMENT REPORT for the year ended 31 MARCH 2004

3 CAPACITY CONSTRAINTS AND IMPROVEMENTS

As already indicated, the year under review started with the deployment of several senior officials of the Department to the Eastern Cape to assist the IMT. The deployment of the Director-General of the department as a lead member of the IMT meant that an acting Director-General had to be appointed for the better part of the period. Furthermore, a number of acting appointments were made as a result of these deployments. This project seriously exposed the department in terms of capacity requirements and has directly affected the normal operations and planned activities of the department in the year under review, where the employees would have ordinarily functioned and performed in line with their business plans had it not been for the deployment.

In view of the support to both provincial and national departments remaining one of the key priorities of the department, it is imperative that the current capacity status of the department will be reviewed. It is also important in view of the monitoring and evaluation role that the department will be embarking on in the short to medium term to deal proactively with the risk of near collapse of government institutions. As part of the 2004/05 strategic plan, the department will address the issue of both human and financial capacity in order to align the strategic imperatives of the department to the mandates.

Despite the above, the department has managed to achieve most of the planned outputs for 2003/2004.

4. DONOR FUNDS

The department continued to receive donor funds in kind mainly from GTZ and DFID in the financial year under review. These donations were made in kind as the department only receives the services procured by the donors on its behalf. Therefore, none of the donor funds were under the control of the DPSA. The following donor contributions were made to DPSA during the year, it is, however, difficult to break down the donor

funds per financial year as they cover a multiple year period.

- British Government (DFID): To fund mainly the Integrated Provincial Support Programme (IPSP) and the Public Service Transformation Support Programme (PSTSP)
- German Government (GTZ): To mainly support the Public Service Reform Programme

The IPSP is a multi donor programme sponsored by the British Government. Five provinces are currently engaged in the IPSP, i.e. Limpopo, Free State, Mpumalanga, Kwazulu-Natal and the Eastern Cape. An amount of R200m has been allocated over a period of four and half years. Key output areas for this donor funds are:

- Programme and Project Management
- Improved transparency and accountability
- Enhanced accessibility of basic services to the poor
- Strengthening the centre of government

Following successful negotiations with the donors, additional R65m was secured to fund the good governance programme. It should however, be noted that the availability of the donor funds over the past years has significantly assisted the department in delivering on its mandate taking into consideration the limited financial resources at its disposal to address service delivery improvement processes.

5. TRADING ENTITIES/PUBLIC ENTITIES

The Minister is the sole shareholder in the State Information Technology Agency (SITA) which was established in April 1999.

Since the administration of the value of the shares was complex and continuously changed due to assets being acquired and disposed of, an amendment to the provisions of the SITA act dealing with the Share Capital was proposed and agreed to, whereby the Agency will have a Share Capital of R1, represented by one ordinary





MANAGEMENT REPORT for the year ended 31 MARCH 2004

share with a nominal value of R1. The SITA memorandum of association has been altered in accordance with the amended section and lodged with the Registrar of Companies for registration. A transfer payment to SITA towards the completion of the Government Communication Core Network project equivalent to R50m was made in the year under review.

Annexure 1 and 2 of the financial statements reflects this scenario.

6. OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

The department's only transfer payment has been in relation to the virtual private network or GCCN to SITA which has been discussed above.

7. PUBLIC /PRIVATE PARTNERSHIPS (PPP)

DPSA did not enter into any Public/Private Partnerships during the period under review.

8. CORPORATE GOVERNANCE ARRANGEMENTS

DPSA continues to have appropriate governance structures which were set up to deal with ongoing strategic management challenges and key areas. However, a need still exists to strengthen the Risk Committee function of the department, which was established in 2002 in line with the PFMA, to specifically identify and update the risk profile of the department. The risk assessment will then be fed into the three-year strategic Audit plan as well as the Annual Internal Audit plan.

The key function of the committee will be to continually review and agree on the risk profile of the department, assess the effectiveness of the risk management and control processes and report appropriately to the Executive and the Audit Committee.

A draft Fraud Prevention Plan has been presented to management for consideration, however, it still needs to be refined to address and incorporate the current as well as the medium term departmental needs. Once the plan has been approved and finalized, sessions and workshops will be held with departmental personnel to familiarize them with the contents and the implications thereof.

The departmental governance structures are in existence, however they are not fully operational in all respects as defined by PFMA, i.e. the Internal Audit and the Audit Committee. The Chairperson of the Audit Committee resigned effective the 31 March 2004 and subsequently one audit member resigned effective 5 April 2004. A process is under way to appoint a new Chair of the Committee as well as an additional two members.

9. DISCONTINUED ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED

No activities were discontinued during the period under review.

10. NEW OR PROPOSED ACTIVITIES

The sustainability of the initiated support projects at both provincial and national departments will be of paramount importance in the medium term. The department is currently reviewing the organizational structure to align the requirements as outlined in the priority areas of the Governance and Administration cluster, and it is against this background that a need for a coordinated approach exists for monitoring and evaluation of projects.

As the department embarks on various projects such as the assistance with the implementation of the turnaround strategies at the Department of Home Affairs, the establishment of a fully functional Social Security Agency following approval by Cabinet in August 2003, a need exists to ensure that processes initiated in projects and institutions of this nature and magnitude are sustainable in the long term.





MANAGEMENT REPORT for the year ended 31 MARCH 2004

11. EVENTS AFTER ACCOUNTING DATE

There were no material events that occurred after 31 March 2004.

12. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

During the year under review the department continued with its programme of improving the various internal controls as well as the documentation of financial and procurement policies and procedures.

Internal training sessions will continue where latest information and updates in so far as regulations (finance or procurement) shall be shared with responsibility managers. Internal Audit is also playing an important role in identifying where controls need to be strengthened within the department.

It must be mentioned that the implementation of the PFMA has progressed well, however there are still some challenging areas that need special attention such as the continuous updating and reconciliation of the asset register.

Management is kept abreast of the expenditure trends on a monthly basis and this information is consolidated into the performance reviews of the components during the year.

13. PERFORMANCE INFORMATION

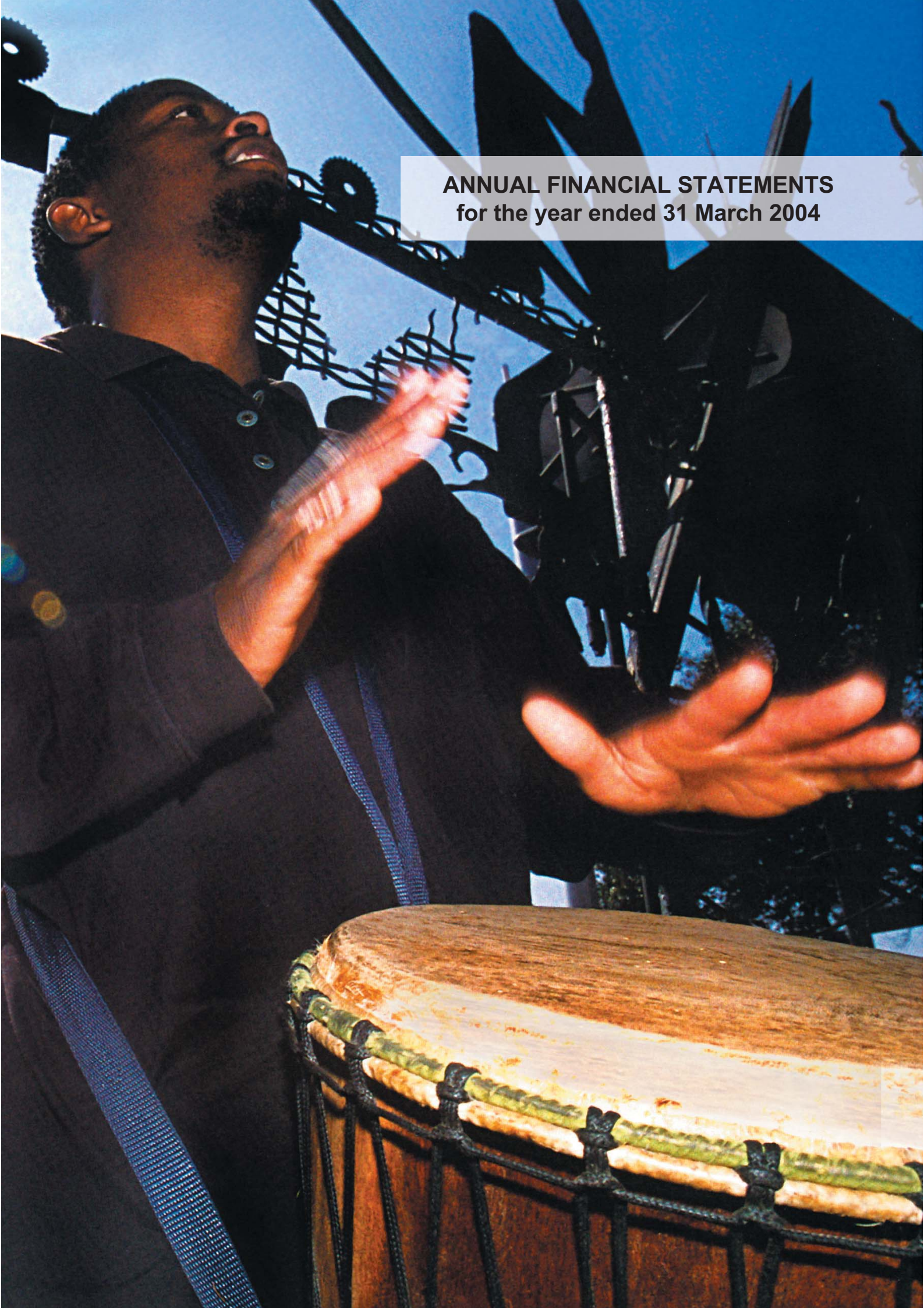
As stipulated in S27 (4) of the PFMA and Treasury Regulation 5.3.1, the performance of the department is monitored and evaluated on a quarterly basis and subsequently reported to the Executive Authority. Bi-monthly meetings are held between the Executive Authority and top management to constantly monitor the progress on the departmental objectives. The quarterly information required by National Treasury on the achievement on Estimate of National Expenditure (ENE) outputs were submitted timeously throughout the year under review.

APPROVAL

The annual financial statements set out on pages 26 to 64 have been approved by the Acting Accounting Officer.

AP RAPEA
ACTING DIRECTOR-GENERAL
DATE: 31 MAY 2004



A photograph of a man in a dark suit and tie playing a djembe drum. He is looking upwards and to the right. In the background, a large windmill is visible against a clear blue sky. The lighting is bright, suggesting daytime.

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT, ON THE FINANCIAL STATEMENTS OF VOTE 10 DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION FOR THE YEAR ENDED 31 MARCH 2004



1. AUDIT ASSIGNMENT

The financial statements as set out on pages 26 to 64, for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the National Department of Public Service and Administration at 31 March 2004 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act 1 of 1999) [PFMA].

4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

4.1 Internal Audit

Internal Audit was not fully functional as envisaged by section 38(1)(a) of the PFMA and section 3.2 of the Treasury Regulations due to 3 out of 4 positions being vacant during the financial year. For the year under review 10 out of the 25 audits planned, were executed.





REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT, ON THE FINANCIAL STATEMENTS OF VOTE 10 DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION FOR THE YEAR ENDED 31 MARCH 2004



4.2 Risk Management and Fraud Prevention Plan

A risk management strategy and fraud prevention plan has not been completed as required by section 3.2.1 of the Treasury Regulations.

4.3 Public Sector Education and Training Authority (PSETA)

As disclosed in note 30 to the financial statements, there are two bank accounts in the name of PSETA which have not been included as part of the department. The total expenditure in respect of PSETA amounting to R5 995 885 has been included in the expenditure of the department as it is being funded by allocations from the National Revenue Fund. The status of PSETA within the DPSA is currently under consideration.

5 APPRECIATION

The assistance rendered by the staff of the Department of Public Service and Administration during the audit is sincerely appreciated.

**SA Fakie
Auditor-General**

**PRETORIA
19 July 2004**





STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2004

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosures. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National Expenditure. Unexpended voted funds are annually surrendered to the National Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred annually to the National Revenue Fund.

Donor Aid

Donor Aid is recognised in the income statement in accordance with the cash basis of accounting.

Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

Unauthorised, irregular, fruitless, and wasteful expenditure

Unauthorised expenditure means:

- the overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act,
- the State Tender Board Act, or any regulations made in terms of this act, or
- Any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided





STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2004

had reasonable care been exercised. Fruitless and wasteful expenditure must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined. It is treated as a current asset in the balance sheet until such expenditure is recovered from the responsible official or funded from future voted funds.

Debts written off

Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of surplus funds available to the department. No provision is made for irrecoverable amounts.

Capital expenditure

Expenditure for physical items on hand on 31 March 2004 to be consumed in the following financial year is written off in full when they are paid and are accounted for as expenditure in the income statement.

Investments

Non-current investments are shown at cost and adjustments are made only where in the opinion of the accounting officer, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

Investments in controlled entities

Investments in controlled entities are those entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- To appoint or remove the entity's chief executive officer;
- To cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- To control all, or the majority of, the voting rights at a general meeting of that entity.

Investments in controlled entities are shown at cost.

Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to the National Revenue Fund or another party.

Provisions

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.





STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2004

Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as part of the disclosure note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

Accruals

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but remains unpaid at the reporting date. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed as part of the disclosure notes.

Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period when the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a disclosure note to the financial statements and are not recognised in the income statement.

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer

and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Medical benefits

The department provides medical benefits for (certain/all) its employees through defined benefit plans. These benefits are funded by employer and/ or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Retirement medical benefits for retired members are expensed when the payment is made to the fund.

Recoverable revenue

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

Comparative figures

Where necessary, comparative figures have been restated to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.





VOTE 10
APPROPRIATION STATEMENT
for the year ended 31 March 2004

Programme								
	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1. Administration	34,557	2,464	37,021	35,962	1,059	97.14	32,315	32,240
Current	33,513	1,932	35,445	34,808	637	98.20	30,447	30,374
Capital	1,044	532	1,576	1,154	422	73.22	1,868	1,866
2. Integrated Human Resources	44,948	(3,293)	41,655	31,699	9,956	76.10	35,281	24,399
Current	44,594	(3,616)	40,978	31,277	9,701	76.33	35,182	24,300
Capital	354	323	677	422	255	62.33	99	99
3. Information and Technology Management	19,930	(560)	19,370	15,202	4,168	78.48	18,073	18,071
Current	15,973	(1,422)	14,551	10,405	4,146	71.51	15,556	15,554
Capital	3,957	862	4,819	4,797	22	99.54	2,517	2,517
4. Service Delivery Improvement	23,374	1,057	24,431	20,151	4,280	82.48	16,707	16,703
Current	23,153	987	24,140	19,856	4,284	82.25	16,522	16,518
Capital	221	70	291	295	(4)	101.37	185	185
5. Anti-Corruption	1,856	(148)	1,708	1,482	226	86.77	1,322	1,321
Current	1,856	(148)	1,708	1,482	226	86.77	1,322	1,321
Capital	-	-	-	-	-	-	-	-
6. Auxiliary and Associated Services	50,002	-	50,002	50,002	-	100.00	45,002	45,002
Current	1	-	1	1	-	100.00	1	1
Capital	50,001	-	50,001	50,001	-	100.00	45,001	45,001
7. Authorised losses	-	480	480	481	(1)	100.21	-	31
Current	-	480	480	481	(1)	100.21	-	31
Total	174,667	-	174,667	154,979	19,688	88.73	148,700	137,767
Reconciliation with Income Statement								
Add:	Local and foreign aid assistance (including RDP funds)		1,664	1,226			1,739	1,739
Add:	Other Receipts		8,774	-			235	-
Less:	Unauthorised, Fruitless and wasteful expenditure		-	(1)			-	(1)
Actual amounts per Income Statement			185,105	156,204			150,673	139,505





VOTE 10
APPROPRIATION STATEMENT
for the year ended 31 March 2004

Direct charge against the National Revenue Fund	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Public Service and Administration	174,667	-	174,667	154,979	19,688	88.73	148,700	137,767
Total	174,667	-	174,667	154,979	19,688	88.73	148,700	137,767

Economic classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	119,090	(1,787)	117,303	98,310	18,993	83.81	99,030	88,099
Personnel	56,929	(6,420)	50,509	49,758	751	98.51	45,959	45,904
Transfer payments	1	-	1	1	-	100.00	1	1
Other	62,160	4,633	66,793	48,551	18,243	72.69	53,070	42,194
Capital	55,577	1,787	57,364	56,669	695	98.79	49,670	49,668
Transfer payments	50,001	-	50,001	50,001	-	100.00	45,001	45,001
Acquisition of capital assets	5,576	1,787	7,363	6,668	695	90.56	4,669	4,667
Total	174,667	-	174,667	154,979	19,688	88.73	148,700	137,767

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	56,929	(6,420)	50,509	49,758	751	98.51	45,959	45,904
Administrative	14,340	4,117	18,457	15,979	2,478	86.57	19,609	13,287
Inventories	5,301	(478)	4,823	4,614	209	95.67	4,174	3,667
Equipment	7,055	1,815	8,870	8,103	767	91.35	5,628	5,625
Professional and special services	41,040	470	41,510	26,029	15,481	62.71	28,316	24,240
Transfer payments	50,002	-	50,002	50,002	-	100.00	45,002	45,002
Miscellaneous	-	16	16	13	3	81.25	12	11
Special functions	-	480	480	481	(1)	100.21	-	31
Total	174,667	-	174,667	154,979	19,688	88.73	148,700	137,767





VOTE 10
DETAIL PER PROGRAMME 1
for the year ended 31 March 2004

Programme per sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1.1 Minister	876	(23)	853	851	2	99.77	692	692
Current	876	(23)	853	851	2	99.77	692	692
1.2 Management	9,217	(163)	9,054	8,973	81	99.11	7,300	7,279
Current	9,217	(165)	9,052	8,971	81	99.11	7,297	7,276
Capital	-	2	2	2	-	100.00	3	3
1.3 Corporate Management and Communications	24,464	2,650	27,114	26,138	976	96.40	24,323	24,269
Current	23,420	2,120	25,540	24,986	554	97.83	22,458	22,406
Capital	1,044	530	1,574	1,152	422	73.19	1,865	1,863
Total	34,557	2,464	37,021	35,962	1,059	97.14	32,315	32,240

Economic classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	33,513	1,932	35,445	34,808	637	98.20	30,447	30,374
Personnel	19,408	(1,976)	17,432	17,347	85	99.51	15,911	15,869
Other	14,105	3,908	18,013	17,461	552	96.94	14,536	14,505
Capital	1,044	532	1,576	1,154	422	73.22	1,868	1,866
Acquisition of capital assets	1,044	532	1,576	1,154	422	173	1,868	1,866
Total	34,557	2,464	37,021	35,962	1,059	97.14	32,315	32,240

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	19,408	(1,976)	17,432	17,347	85	99.51	15,911	15,869
Administration	7,024	1,892	8,916	8,551	365	95.91	7,404	7,387
Inventories	977	1,042	2,019	1,979	40	98.02	1,757	1,752
Equipment	1,665	637	2,302	1,862	440	80.89	2,508	2,505
Professional and special services	5,483	856	6,339	6,212	127	98.00	4,724	4,717
Miscellaneous	-	13	13	11	2	84.62	11	10
Total	34,557	2,464	37,021	35,962	1,059	97.14	32,315	32,240





VOTE 10
DETAIL PER PROGRAMME 2
for the year ended 31 March 2004

Programme per sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
2.1 Management	1,994	467	2,461	2,039	422	82.85	1,331	1,329
Current	1,680	221	1,901	1,722	179	90.58	1,331	1,329
Capital	314	246	560	317	243	-	-	-
2.2 Remuneration and Conditions of Services	6,925	2,022	8,947	7,217	1,730	80.66	6,408	5,903
Current	6,920	2,027	8,947	7,217	1,730	80.66	6,380	5,875
Capital	5	(5)	-	-	-	-	28	28
2.3 Negotiations and Labour Relations	15,206	(4,266)	10,940	6,253	4,687	57.16	10,414	3,411
Current	15,206	(4,286)	10,920	6,235	4,685	57.10	10,357	3,354
Capital	-	20	20	18	2	-	57	57
2.4 Employment Practice and Career Management	10,762	(2,464)	8,298	8,227	71	99.14	8,820	7,448
Current	10,754	(2,522)	8,232	8,162	70	99.15	8,820	7,448
Capital	8	58	66	65	1	-	-	-
2.5 Human Resource Development Strategy	1,849	141	1,990	1,966	24	98.79	1,290	1,290
Current	1,846	141	1,987	1,966	21	98.94	1,290	1,290
Capital	3	-	3	-	3	-	-	-
2.6 Public Service Education and Training	8,212	807	9,019	5,997	3,022	66.49	7,018	5,018
Current	8,188	803	8,991	5,975	3,016	66.46	7,004	5,004
Capital	24	4	28	22	6	-	14	14
Total	44,948	(3,293)	41,655	31,699	9,956	76.10	35,281	24,399
Economic classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	44,594	(3,616)	40,978	31,277	9,701	76.33	35,181	24,300
Personnel	20,105	(1,745)	18,360	18,290	70	99.62	16,470	16,464
Other	24,489	(1,871)	22,618	12,987	9,631	57.42	18,712	7,836
Capital	354	323	677	422	255	62.33	99	99
Acquisition of capital assets	354	323	677	422	255	62.33	99	99
Total	44,948	(3,293)	41,655	31,699	9,956	76.10	35,281	24,399





VOTE 10
DETAIL PER PROGRAMME 2
for the year ended 31 March 2004

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	20,105	(1,745)	18,360	18,290	70	99.62	16,470	16,464
Administration	4,700	545	5,245	5,008	237	95.48	9,485	3,181
Inventories	3,321	(2,048)	1,273	1,239	34	97.33	1,578	1,075
Equipment	696	413	1,109	838	271	75.56	275	275
Professional and special services	16,126	(458)	15,668	6,324	9,344	40.36	7,472	3,403
Miscellaneous	-	-	-	-	-	-	1	-
Total	44,948	(3,293)	41,655	31,699	9,956	76.10	35,281	24,398





VOTE 10
DETAIL PER PROGRAMME 3
for the year ended 31 March 2004

Programme per sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
3.1 Management	577	72	649	581	68	89.52	496	496
Current	338	(8)	330	284	46	86.06	496	496
Capital	239	80	319	297	22	93.10	-	-
3.2 Information and Technology Management	19,353	(632)	18,721	14,621	4,100	78.10	17,577	17,575
Current	15,635	(1,414)	14,221	10,121	4,100	71.17	15,060	15,058
Capital	3,718	782	4,500	4,500	-	100.00	2,517	2,517
Total	19,930	(560)	19,370	15,202	4,168	78.48	18,073	18,071

Economic classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	15,973	(1,422)	14,551	10,405	4,146	71.51	15,556	15,554
Personnel	3,527	(944)	2,583	2,576	7	99.73	3,036	3,034
Other	12,446	(478)	11,968	7,829	4,139	65.42	12,520	12,520
Capital	3,957	862	4,819	4,797	22	99.54	2,517	2,517
Acquisition of capital assets	3,957	862	4,819	4,797	22	193	2,517	2,517
Total	19,930	(560)	19,370	15,202	4,168	78.48	18,073	18,071

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	3,527	(944)	2,583	2,576	7	99.73	3,036	3,034
Administration	888	(188)	700	666	34	95.14	727	727
Inventories	73	(8)	65	55	10	84.62	212	212
Equipment	4,031	852	4,883	4,860	23	99.53	2,554	2,554
Professional and special services	11,411	(272)	11,139	7,045	4,094	63.25	11,544	11,544
Total	19,930	(560)	19,370	15,202	4,168	78.48	18,073	18,071





VOTE 10
DETAIL PER PROGRAMME 4
for the year ended 31 March 2004

Programme per sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
4.1 Management	2,589	(844)	1,745	1,653	92	94.73	1,427	1,427
Current	2,589	(1,034)	1,555	1,465	90	94.21	1,426	1,426
Capital	-	190	190	188	2	98.95	1	1
4.2 Service Delivery Improvement	20,785	1,901	22,686	18,498	4,188	81.54	15,280	15,276
Current	20,564	2,021	22,585	18,391	4,194	81.43	15,096	15,092
Capital	221	(120)	101	107	(6)	105.94	184	184
Total	23,374	1,057	24,431	20,151	4,280	82.48	16,707	16,703

Economic classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	23,153	987	24,140	19,856	4,284	82.25	16,522	16,518
Personnel	12,719	(1,565)	11,154	10,575	579	94.81	9,551	9,546
Other	10,434	2,552	12,986	9,281	3,705	71.47	6,971	6,972
Capital	221	70	291	295	(4)	101.37	185	185
Acquisition of capital assets	221	70	291	295	(4)	101.37	185	185
Total	23,374	1,057	24,431	20,151	4,280	82.48	16,707	16,703

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	12,719	(1,565)	11,154	10,575	579	94.81	9,551	9,546
Administration	1,370	1,723	3,093	1,314	1,779	42.48	1,739	1,738
Inventories	841	530	1,371	1,317	54	96.06	568	570
Equipment	641	(91)	550	517	33	94.00	280	280
Professional and special services	7,803	459	8,262	6,428	1,834	77.80	4,569	4,569
Miscellaneous	-	1	1	-	1	-	-	-
Total	23,374	1,057	24,431	20,151	4,280	82.48	16,707	16,703





VOTE 10
DETAIL PER PROGRAMME 5
for the year ended 31 March 2004

Programme per sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
5.1 Anti-Corruption	1,856	(148)	1,708	1,482	226	86.77	1,322	1,321
Current	1,856	(148)	1,708	1,482	226	86.77	1,322	1,321
Total	1,856	(148)	1,708	1,482	226	86.77	1,322	1,321

Economic classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	1,856	(148)	1,708	1,482	226	86.77	1,322	1,321
Personnel	1,170	(190)	980	970	10	98.98	991	991
Transfer payments	-	-	-	-	-	-	-	-
Other	686	42	728	512	216	70.33	331	330
Total	1,856	(148)	1,708	1,482	226	86.77	1,322	1,321

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	1,170	(190)	980	970	10	98.98	991	991
Administration	358	145	503	440	63	87.48	254	254
Inventories	89	6	95	24	71	25.26	59	58
Equipment	22	4	26	26	-	100.00	11	11
Professional and special services	217	(115)	102	20	82	19.61	7	7
Miscellaneous	-	2	2	2	-	-	-	-
Total	1,856	(148)	1,708	1,482	226	86.77	1,322	1,321





VOTE 10
DETAIL PER PROGRAMME 6
for the year ended 31 March 2004

Programme per sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
6.1 State Information Technology Agency	50,002	-	50,002	50,002	-	100.00	45,002	45,002
Current	1	-	1	1	-	100.00	1	1
Capital	50,001	-	50,001	50,001	-	100.00	45,001	45,001
Total	50,002	-	50,002	50,002	-	100.00	45,002	45,002
Economic classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	1	-	1	1	-	100.00	1	1
Transfer payments	1	-	1	1	-	100.00	1	1
Capital	50,001	-	50,001	50,001	-	100.00	45,001	45,001
Transfer payments	50,001	-	50,001	50,001	-	100.00	45,001	45,001
Total	50,002	-	50,002	50,002	-	100.00	45,002	45,002

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings/ Under spend (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Transfer payments	50,002	-	50,002	50,002	-	100.00	45,002	45,002
Total	50,002	-	50,002	50,002	-	100.00	45,002	45,002





VOTE 10

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2004

1. Detail of current and capital transfers as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 8 (Transfer payments) and Annexure 1 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 of special functions (theft and losses)

Detail of these transactions per programme can be viewed in note 10.3 (Details of special functions (theft and losses)) to the annual financial statements.

4. Explanations of material variances from Amounts Voted (after virement):

4.1 Per programme:

Programme 1: Administration

The underspending on capital expenditure (equipment and furniture) is due to the anticipated replacement of office furniture and equipment that has been deferred due to a possible relocation in the new financial year and the current expenditure underspending was due to less foreign trips being undertaken than anticipated in the year under review.

Programme 2: Integrated Human Resources

The underspending is due to the:

- appointment of consultants to provide technical support to the project to develop a restricted medical scheme for the Public Service. Payment on the medical aid restructuring is based purely on deliverables. Although work commenced in February 2003, the consultative process and the intensive research work that had to be done, resulted in the first payment made to the consultants being only in March 2004.
- Restructuring (PSCBC Resolution 7/2002). A decision was taken to further extend the window period to June 2004, so as to finalise the excess employees to be absorbed, reskilled and retrained in the Public Service, the unspent funds are earmarked for the reskilling and retraining of excess employees that could not be deployed when the process is completed in June 2004. R4 million has been earmarked for this purpose.
- Self-financing amounts equivalent to R3 million earmarked for PSETA were not requested (withdrawn) from National Treasury.

Programme 3: Information Technology and Management

The underspending was mainly due to the fact that the Gateway funds were temporarily utilised to fund the Intervention Team.

Programme 4: Service Delivery Improvement

The underspending is due to the operational funding for Eastern Cape Intervention being recovered or re-imbursed to DPSA at year end. The balance of the outstanding amount incurred by DPSA has been confirmed as owing by the participating departments in the Eastern Cape.





VOTE 10

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2004

4.2 Per standard item:

Personnel:

The department has had on average of 63 vacancies during the year, at year-end there were 72 vacancies.

Administrative:

The under spending is due to:

- Subsistence and traveling expenditure budgeted for finalization of restructuring process, not being fully incurred - R867 000
- the non utilisation of R1,600 million for the Public Sector Education Training Authority which was budgeted for workshops, conferences, training and traveling.

Equipment:

Replacement of old office furniture and equipment that was deferred to the 2004/05 financial year due a possible relocation of the department.

Professional Services:

The under spending is due to :

- consultants being appointed to provide technical support to the project of developing a restricted medical scheme for the Public Service, due to extensive research and consultation, the first payment was only made in March 2004 - hence the under spending - R1,653 million
- a decision made to allow for a further window period for employees to be absorbed into the Public Service, hence an under spending on professional services - R4,6 million
- Gateway funds not being transferred to State Information Technology Agency as the funding was temporarily utilised to fund the Intervention Management Team.

These funds will be rolled over in the 2004/05 financial year.

The remainder of the under spending is due to the non utilisation of R1,4 million for the Public Sector Education Training Authority, as these funds were to be utilised for professional services.





VOTE 10

INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)

for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
REVENUE			
Voted funds		174,667	148,700
Annual Appropriation	1	174,667	148,700
Other revenue to be surrendered to the revenue fund	2	8,774	235
Local and foreign aid assistance (including RDP funds)	3.1	1,664	1,739
TOTAL REVENUE		185,105	150,674
EXPENDITURE			
Current			
Personnel	4	49,758	45,904
Administrative		15,978	13,287
Inventories	5	4,614	3,668
Machinery and Equipment	6	1,436	958
Professional and special services	7	26,029	24,239
Transfer Payments	8	1	1
Miscellaneous	9	14	11
Special functions: authorised losses	10	481	31
Local and foreign aid assistance (including RDP funds)	3.1	1,226	1,739
TOTAL CURRENT EXPENDITURE		99,537	89,838
Capital			
Machinery and Equipment	6.1	6,668	4,666
Transfer payments	8	50,001	45,001
TOTAL CAPITAL EXPENDITURE		56,669	49,667
TOTAL EXPENDITURE		156,206	139,505
NET SURPLUS		28,899	11,169
Add back unauthorised and fruitless and wasteful expenditure disallowed	11	1	1
NET SURPLUS FOR THE YEAR		28,900	11,170
Reconciliation of Net Surplus for the year			
Voted Funds to be surrendered to the revenue fund	15	19,688	10,934
Other Revenue to be surrendered to the revenue fund	16	8,774	235
Local and foreign aid assistance (incl. RDP Funds)	3.1	438	-
NET SURPLUS FOR THE YEAR		28,900	11,170





VOTE 10

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

at 31 March 2004

ASSETS	Note	2003/04 R'000	2002/03 R'000
Current assets		17,575	2,006
Unauthorised and fruitless and wasteful expenditure	11	1	1
Cash and cash equivalents	12	4,134	20
Receivables	13	13,440	1,985
TOTAL ASSETS		17,575	2,006
LIABILITIES			
Current liabilities		17,126	2,003
Voted funds to be surrendered to the revenue fund	15	16,193	1,215
Other revenue funds to be surrendered to the revenue fund	16	1	62
Bank overdraft	17	-	679
Payables	18	932	47
TOTAL LIABILITIES		17,126	2,003
NET ASSETS		449	3
Represented by:		449	3
Recoverable revenue		11	3
Local and foreign aid assistance (including RDP funds)	3.1	438	-
TOTAL		449	3





VOTE 10

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
Recoverable revenue			
Opening balance		3	-
Debts raised		8	3
Closing balance		11	3
Local and foreign aid assistance (including RDP funds) remaining			
Opening balance		-	-
Transfers	3.1	438	-
Closing balance		438	-
TOTAL		449	3





VOTE 10

CASH FLOW STATEMENT
for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities	19	82,073	51,117
Cash utilised to increase working capital	20	(10,561)	(817)
Voted funds and revenue funds surrendered	21	(10,050)	(591)
Net cash flow available from operating activities		61,462	49,709
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(56,669)	(49,667)
Net cash flows from operating and investing activities		4,793	42
Net increase in cash and cash equivalents		4,793	42
Cash and cash equivalents at beginning of period		(659)	(701)
Cash and cash equivalents at end of period	12/17	4,134	(659)





VOTE 10

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

1. Annual Appropriation

1.1 Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted Funds) :

Programmes	Total Appropriation 2003/04	Actual Funds Received 2003/04	Variance over/(under)	Total Appropriation 2002/03
	R'000	R'000	R'000	R'000
Administration	34,557	34,488	69	28,815
Integrated Human Resources	44,948	41,522	3,426	38,724
Information and Technology				
Management	19,930	19,930	-	18,071
Service Delivery Improvement	23,374	23,374	-	16,471
Anti - Corruption	1,856	1,856	-	1,617
Auxiliary and Associated Services	50,002	50,002	-	45,002
Special functions	-	-	-	-
TOTAL	174,667	171,172	3,495	148,700

1.2 Administration:

Donations amounting to R69 000 were not received from sponsors, hence no drawing was made.

Integrated Human Resources:

The Public Service Centre Bargaining Council initially agreed to transfer R9 million for the transformation and restructuring of the public service, but only R8,574 million was received, hence an amount of R426 000 was not withdrawn.

R3 million was requested in the Adjusted Estimates to fund the Employment Skills Development Agencies, but a decision was taken to establish the Public Service Education Training Authority (PSETA) as an autonomous public entity in terms of the Skills Development Act, therefore the funds were not transferred from the Public Sector Education Training Authority operational account.

The amounts will not be rolled over.

2 Other revenue to be surrendered to the revenue fund
Description

	2003/04 R'000	2002/03 R'000
Gifts donations and sponsorships received	2.1 103	89
Cheques written back/stale cheques	(1)	31
Commission	18	19
Parking	15	13
Other revenue	8,575	20
- the Public Service Centre Bargaining Council transferred R8,574 million for the transformation and restructuring of the Public Service.		
Recoupment of previous year's expenditure	46	43
Interest received	6	10
Bursary capital	12	10
Total revenue collected	8,774	235





VOTE 10

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

2.1 Gifts, donations and sponsorships received by the department

Nature of gift, donation and sponsorship

Microsoft and Business Solutions: Funding of a workshop
PAG: Salaries for interns
Daimler Chrysler: Budget Vote for the Department
Choice House: Gateway Conference at Caesars
SA Post Office: Gateway Conference

2003/04 R'000	2002/03 R'000
-	28
60	61
5	-
23	-
15	-
103	89

3 Local and foreign aid assistance (including RDP funds)

Assistance received in cash

3.1 Name of Donor and purpose

Foreign

Department of International Development
Co-operation

(funding of 3 posts and sponsored
a portion of the Budget speech)

German Development Co-operation

Funded: SA Public Management
Conversations conference and the
publication costs emanating
from the 4th Pan African
Conference of Ministers of
Public Service

Commonwealth Secretariat

Sponsored a Provincial Learning
and Knowledge Management
workshop

Name of Donor and purpose	Opening balance Balance R'000	Revenue R'000	Expenditure		Closing Balance R'000
			Current R'000	Capital R'000	
<u>Department of International Development Co-operation</u>	-	635	635	-	-
(funding of 3 posts and sponsored a portion of the Budget speech)					
<u>German Development Co-operation</u>	-	902	538	-	364
Funded: SA Public Management Conversations conference and the publication costs emanating from the 4th Pan African Conference of Ministers of Public Service					
<u>Commonwealth Secretariat</u>	-	127	53	-	74
Sponsored a Provincial Learning and Knowledge Management workshop					
	-	1,664	1,226	-	438

Analysis of balance

Amounts owing to the donors

438	-
438	-





VOTE 10

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2004

3.2 Assistance received in kind

(Value not included in the income statement)

Name of donor and purpose

Local aid assistance (including RDP funds)

Oracle South Africa: funding of travel, accommodation and registration costs for the Oracle Apss World Conference

- 61

Old Mutual: funding printing costs for the Human Resource Development Support Strategy

- 16

SAA: Travel Rands

165 92

Government National Networking Workshop

120 -

Service Delivery Learning Academy: Conversation workshop

86 -

Cortex: Budget Vote Day: 2 television sets were donated to a hospital in Mitchell's Plain (Lentegeur Children's Hospital) after the event (estimated amount)

4 -

OLG and Eduloan: T-shirts and education packs (estimated amount)

5 -

SANLAM: Budget Vote Day: Pens and a media lunch

20 -

Connex: DPSA's Budget Vote: refreshments

1 -

Woolworths: DPSA's Budget Vote: refreshments

2 -

SANLAM: SMS conference: Venue, meals and equipment

280 -

BMW: SMS conference: Gala dinner

150 -

ABSA: SMS conference: Bags

41 -

874 169

Foreign aid assistance

USAIDE: funding travel, accommodation and registration costs for a HIV/Aids conference in Botswana

- 29

Development: Integrated Provincial Support Programme

- 3,412

Department of International Development: Public Service Transformation Support Programme

44,976 4,876

United Nations Development Project

- 750

German Development Co-operation

6,279 4,368

51,255 13,435

Total local and foreign aid assistance received in kind

52,129 13,604

4 Personnel

4.1 Current expenditure

Appropriation to Executive and Legislature

851 692

Basic salary costs

32,921 30,090

Pension contributions

4,557 4,353

Medical aid contributions

1,663 1,717

Other salary related costs

9,766 9,052

Total Personnel Costs

49,758 45,904

Average number of employees

297 233





VOTE 10

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

	NOTE	2003/04 R'000	2002/03 R'000
5 Inventories			
5.1 Current expenditure			
Inventories purchased during the year			
Printing		2,169	1,431
Stationery		639	490
Uniforms		18	45
Other stores		1,328	1,106
Publications		460	596
Total cost of inventories		4,614	3,668
6 Machinery and equipment			
Current (Rentals, maintenance and sundry)		1,436	958
Capital	6.1	6,668	4,666
Total current and capital expenditure		8,104	5,624
6.1 Capital machinery and equipment analysed as follows:			
Computer equipment		5,631	852
Furniture and office equipment		120	166
Other machinery and equipment		909	3,130
Computer software		8	518
		6,668	4,666
7 Professional and special services			
7.1 Current expenditure			
Auditors' remuneration			
Regulatory		710	489
Advertisements vacancies		479	335
Advertisements other		319	1,258
Consultants and advisory services		19,884	18,336
Commissions and committees		6	14
Legal costs		623	143
Maintenance: computers		108	6
Maintenance: cleaning services		423	323
Maintenance: small works		561	746
SITA services		2,746	1,918
Other		170	671
Total Professional and special services		26,029	24,239
8 Transfer payments			
Transfers made to SITA (Pty) Ltd	Annexure 1	50,002	45,002
		50,002	45,002
Analysis of transfer payments			
Capital		50,001	45,001
Current		1	1
		50,002	45,002





VOTE 10

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

9	Miscellaneous	NOTE	2003/04 R'000	2002/03 R'000
9.1	Current expenditure			
	Remissions, refunds and payments made as an act of grace	9.2	2	-
	Gifts, donations and sponsorships	9.3	12	11
	Total miscellaneous expenditure		14	11
9.2	Remissions, refunds and payments made as an act of grace			
	Nature of remissions, refunds and payments			
	Compensation to an official whose luggage got lost overseas.		2	-
			2	-
9.3	Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)			
	Nature of gifts, donations and sponsorships			
	Current			
	Gifts to dignitaries		8	10
	Public Service HIV/ Aids Indaba		-	1
	Donation to ST Johns for the Batho Pele Relaunch		1	-
	Budget speech		3	-
			12	11
10	Special functions: Authorised losses			
	Material losses through criminal conduct	10.1	-	1
	Debts written off	10.2	481	30
			481	31
10.1	Material losses through criminal conduct			
	Nature of losses			
	Stolen publications		-	1
			-	1
10.2	Debts written off			
	Nature of debts written off			
	Tender cancellation		472	-
	Insurance excess claim		8	2
	Salary debt		1	2
	Housing guarantee		-	25
	Transport and subsistence		-	1
			481	30
10.3	Details of special functions (theft and losses)			
	Per programme			
	Programme 1		-	17
	Programme 2		-	13
	Programme 3		472	-
	Programme 4		9	-
			481	30





VOTE 10

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

	NOTE	2003/04 R'000	2002/03 R'000
11 Unauthorised and fruitless and wasteful expenditure disallowed			
Fruitless and wasteful expenditure	11.1	1	1
		<u>1</u>	<u>1</u>
11.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		1	1
Closing balance		<u>1</u>	<u>1</u>
11.2 Fruitless and wasteful expenditure			
Incident	Disciplinary steps taken / criminal proceedings		
Interest charged on an overdue account.	Disciplinary hearings were conducted on 24 and 27 June 2003. The Chairperson ruled that the interest charged need not be recovered from the official, hence the amount will be written off in the ensuing financial year.	1	1
		<u>1</u>	<u>1</u>
12 Cash and cash equivalents			
Paymaster General Account		4,114	-
Cash on hand		20	20
		<u>4,134</u>	<u>20</u>
13 Receivables - current			
Amounts owing by other departments	Annexure 6	11,994	555
Staff debtors	13.3	265	206
Other debtors	13.4	1,150	1,020
Advances	13.5	31	204
	13.2	<u>13,440</u>	<u>1,985</u>
13.1 Amounts of R39 000 (2002: R481 000) included above may not be recoverable, but has not been written off in the income statement.			
13.2 Age analysis – receivables current			
Less than one year		13,356	1,740
One to two years		42	223
- Housing guarantee: R21 600			
More than two years		42	22
- Justice: R30 650			
		<u>13,440</u>	<u>1,985</u>





VOTE 10

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

	NOTE	2003/04 R'000	2002/03 R'000
13.3 Staff debtors			
T&S advance account		127	143
Disallowance account		25	22
Debt account		90	33
Tax debt account		23	8
		265	206
13.4 Other debtors			
Claims recoverable account		1,038	472
Thefts and losses account		52	504
Payments in suspense account		60	44
		1,150	1,020
13.5 Advances			
Nature of advances			
Justice		31	204
		31	204
14 Investments in controlled entities			
Total investments in controlled entities.	Annexure 2		
In terms of section 17 (2) of the SITA Amended Act, the "Agency" has a share capital of R1, represented by one ordinary share with a nominal value of R1.			
Total investments in controlled entities		-	-
15 Voted funds to be surrendered to the revenue fund			
Opening balance		1,215	427
Transfer from income statement		19,688	10,934
Voted funds not requested / not received		(3,495)	(9,719)
Paid during the year		(1,215)	(427)
Closing balance		16,193	1,215
16 Other revenue funds to be surrendered to the revenue fund			
Opening balance		62	(9)
Transfer from income statement for revenue to be surrendered		8,774	235
Paid during the year		(8,835)	(164)
Closing balance		1	62
17 Bank overdraft			
Paymaster General Account (Exchequer account)		-	(679)
18 Payables - current			
Description			
Amounts owing to other departments	Annexure 7	800	-
Other payables	18.1	132	47
		932	47





VOTE 10

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2004

	NOTE	2003/04 R'000	2002/03 R'000
18.1 Other payables			
Recovery interest debt		-	1
Income tax		41	46
Pension		5	-
Payments in suspense		86	-
		132	47
19 Net cash flow generated by operating activities			
Net surplus as per Income Statement		28,899	11,169
Adjusted for items separately disclosed		56,669	49,667
Purchase of equipment		6,668	4,666
Capital expenditure in Transfer Payments		50,001	45,001
Voted funds not requested / not received		(3,495)	(9,719)
Net cash flow generated by operating activities		82,073	51,117
20 Cash utilised to increase working capital			
Increase in receivables – current		(11,628)	(819)
Decrease in prepayments and advances		173	-
Increase in payables - current		894	2
		(10,561)	(817)
21 Voted funds and revenue funds surrendered			
Voted funds surrendered		(1,215)	(427)
Revenue funds surrendered		(8,835)	(164)
		(10,050)	(591)





VOTE 10

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2004

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

22	Contingent liabilities		NOTE	2003/04 R'000	2002/03 R'000
	Liable to	Nature			
	Motor vehicle guarantees	Employees	Annexure 3	325	225
	Housing loan guarantees	Employees	Annexure 3	609	706
				934	931
23	Commitments				
	Current expenditure				
	Approved and contracted/ ordered				
	The Agency	Communications project		-	8,126
	Spier Hotel	Pan-Africa conference		-	43
	Feather Market Promotions	SMS Conference		-	287
	Black Rock	HIV/AIDS disease management program		-	1,367
	Toth Resources	Closed public service medical scheme		1,673	500
	Accounting Training Academy	Applied Government Accounting course		-	4
	SITA	Hire Network cable facilities		-	123
	Afri-Qual Global	Consultant fees		23	-
	Brother Business	Maintenance		3	-
	Dimension Data	Maintenance		6	-
	IPFA	Financial training		13	-
	Learning Performance	Training		9	-
	Pinnacle Micro	Maintenance		2	-
	Professional Assignment	Administrative work		47	-
	Professional Management	Printing		4	-
	Teleware	Maintenance		37	-
				1,817	10,450
	Capital expenditure				
	Approved and contracted/ ordered				
	Install locks			-	7
	Printers			-	33
	Coat of Arms			-	12
	Computers			-	267
				-	319
	Total Commitments			1,817	10,769
24	Accruals				
	Listed by standard Item				
	Personnel			2	3
	Administrative			399	117
	Stores			3	63
	Professional services			42	425
				446	608





VOTE 10
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

	NOTE	2003/04 R'000	2002/03 R'000
Listed by programme level			
Programme 1		297	191
Programme 2		9	124
Programme 3		2	-
Programme 4		137	293
Programme 6		1	-
		446	608
25 Employee benefits			
Leave entitlement		5,024	4,425
Thirteenth cheque		1,119	970
Performance bonus		1,500	1,500
		7,643	6,895
26 Leases			
26.1 Operating leases	Equipment	Total	Total
Technofin	Photocopier machines	668	90
Not later than 1 year		-	101
		668	191
27 Irregular expenditure			
27.1 Movement Schedule of irregular expenditure			
Opening Balance			
Irregular expenditure current year		287	-
Expenditure awaiting condonement		352	352
Total		639	352
Analysis			
Current		287	307
Prior Years		352	45
		639	352
27.2 Not condoned expenditure			
Incident	Disciplinary steps taken / criminal proceedings		
A case of financial misconduct has been reported to the State Tender Board and National Treasury, but the decision from the State Tender Board is still pending.	A disciplinary hearing was held and the outcome of the finding was as follows: - official was found guilty of not following tender procedures - amount was not recovered as the product was delivered timeously and to the specifications of the Department.	-	45





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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

27.2 Not condoned expenditure (continued)

	NOTE	2003/04 R'000	2002/03 R'000
Failure to comply with Treasury Regulations 8.2 and the procurement procedures, but the decision from the State Tender Board is still pending.	A disciplinary hearing was held and the outcome of the finding was as follows: - officials were found guilty of not following procurement procedures - written warnings were given to the officials and the Chairperson ruled that the amounts need not be recovered from the officials, as the service was delivered satisfactorily.	-	307
Incident	Disciplinary steps taken / criminal proceedings		
Failure to comply with Treasury Regulations 8.2 and the procurement procedures, but the decision from the State Tender Board is still pending.	Disciplinary hearings were held of which one case is still ongoing and the outcome of the finalised hearing is as follows: -official was found guilty of not following tender procedures and was given a verbal warning.	287	-
		287	352

28 Key management personnel

28.1 Remuneration

The management of the department consists of five key personnel and their remuneration is as follows:

	2003/04 R	2002/03 R
The Minister	851,292	691,230
Director-General	410,040	790,968
Executive Manager: Integrated Human Resources	766,987	509,216
Executive Manager: Service Delivery Improvement	591,839	229,153
Chief Financial Officer	477,866	166,286
	3,098,024	2,386,853

28.2 Other remuneration and compensation provided to key management and close members of the family of key management personnel

No other remuneration is provided to the key personnel and close members of the family.

29 Related party transactions

The department has a related party relationship with the State Information Technology Agency (Pty) Ltd. (SITA) which is owned by the Department.

The types of transactions that have incurred between the two parties are as follows:

- transfer payments: R50,002m
- Gateway project: (R4,5m capital and R4,5m current expenditure)
- Service level agreement expenditure: R2,746m

Telephone claims owing by SITA to the department is R82 318.90





VOTE 10

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2004

30 Public Sector Education and Training Authority (PSETA)

In terms of the Skills Development Act of 1998, PSETA was established on March 2000 with the goal of providing SAQA accredited training and education services. However, PSETA (a schedule 2 public entity) was delisted with effect from 30 November 2001 and financial matters have been taken over by the department and included in the accounting system of the department as per the memorandum of understanding between DPSA and PSETA. As at March 2004 there were 2 bank accounts held in PSETA's name that was not included in DPSA's annual financial statements. These consisted of an Operational bank account R1 712 875 and a grant disbursement account R2 284 202. The PSETA is in the process of reconciling these accounts and as soon as the transactions relating to the disbursement accounts have been clarified, the remaining balance in the operational account will be deposited into the National Revenue Account.

	NOTE	2003/04 R'000	2002/03 R'000
<u>Movement of Operation Account: 40-5196-0384</u>			
Opening balance		1,645	137
Plus: interest		69	64
Plus: SARS deposits		-	17
Plus: Transfers in		-	1,644
Less: Transfers out		-	(216)
Less: Banking costs		(1)	(1)
Closing balance		1,713	1,645
<u>Movement of Grants Disbursement Account: 40-5196-0627</u>			
Opening balance		4,745	2,454
Plus: interest		123	214
Plus: SARS deposits		379	2,078
Less: Transfers out		(2,962)	-
Less: Banking costs		(1)	(1)
Closing balance		2,284	4,745





VOTE 10

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

ANNEXURE 1

STATEMENT OF TRANSFERS TO PUBLIC ENTITIES AND INSTITUTIONS BY NATIONAL DEPARTMENTS
AS AT 31 MARCH 2004

Name of Public Entity	GRANT ALLOCATION				EXPENDITURE				Current R'000
	Appropriations Act R'000	Adjustments Estimate R'000	Roll Overs R'000	Total Available R'000	Actual Transfer (1) R'000	Amount not Transferred R'000	% of Available Transferred	Capital R'000	
State Information	50,002	-	-	50,002	50,002	-	-	50,001	1
Technology Agency PTY (LTD)									
	50,002	-	-	50,002	50,002	-	-	50,001	1





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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

ANNEXURE 2

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO CONTROLLED/PUBLIC ENTITIES AS AT
31 MARCH 2004

Name of public entity	Nature of public entities business	Relevant Act	Entity's PFMA Schedule type (State year end if not 31 March)	% Held	Number of shares held		Cost of investment		Profit / (Loss) for the year		Are the losses guaranteed	Amounts owing to		Amounts owing by public entity		AO Value of Investment R'000	Audit Report Status
					2003/2004	2002/2003	2003/2004	2002/2003	2003/2004	2004		2003/2004	2002/2003	2003/2004	2002/2003		
State Information Technology Agency PTY (LTD)	Information Technology	SITA ACT NO 88 OF 1998	3A	100%	1	1	R1	R1	35,086	82,837	NO	-	82	-	-	-	U/Q/A/D U/Q
							R1	R1	35,086	82,837		-	82	-	-	-	





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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

ANNEXURE 3

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2004

DOMESTIC

Guaranteed institution	Guarantee in respect of	Original Guaranteed capital amount	Opening Balance 01/04/2003	Guarantees issued during the year	Guarantees Released during the year	Guaranteed interest outstanding as at 31/03/2004	Closing Balance 31/03/2004	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Stannic	Motor Vehicles	661	225	358	(258)	-	325	-
Standard Bank	Housing	131	131	19	(45)	-	105	-
Nedbank	Housing	64	64	16	-	-	80	-
Permanent Bank	Housing	122	122	21	(43)	-	100	-
First National Bank	Housing	135	103	46	(22)	-	127	-
ABSA	Housing	289	208	15	(58)	-	165	-
BOE Bank (NBS)	Housing	32	32	-	-	-	32	-
Saambou	Housing	46	46	-	(46)	-	-	-
		819	706	117	(214)	-	609	-
		1,480	931	475	(472)	-	934	-

Note: The guarantees for Saambou were transferred to First National Bank.





VOTE 10

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

ANNEXURE 4

PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/04	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	4,148	6,660	-	-	-	10,808
Computer equipment	852	5,631	-	-	-	6,483
Furniture and office equipment	166	120	-	-	-	286
Other machinery and equipment	3,130	909	-	-	-	4,039
	4,148	6,660	-	-	-	10,808

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	4,148	-	-	-	4,148
Computer equipment	-	852	-	-	-	852
Furniture and office equipment	-	166	-	-	-	166
Other machinery and equipment	-	3,130	-	-	-	3,130
	-	4,148	-	-	-	4,148

Note: The figures above are extracted from the Basic Accounting System and the balances cannot correspond to LOGIS.





VOTE 10

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

ANNEXURE 5

INTANGIBLE ASSET MOVEMENT SCHEDULE (Not including inventories)

INTANGIBLE ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/04	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	518	8	-	-	-	526
	518	8	-	-	-	526

INTANGIBLE ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	-	518	-	-	-	518
	-	518	-	-	-	518





VOTE 10
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

ANNEXURE 6
INTER-DEPARTMENTAL RECEIVABLES - CURRENT

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004	31/03/2003	31/03/2004	31/03/2003
	R'000	R'000	R'000	R'000
Health	-	-	18	3
Home Affairs	-	-	9	-
Land Affairs	-	6	-	-
Minerals and Energy	-	-	1	-
National Intelligence Agency	1	1	-	-
Public Service Commission	6	9	-	-
Provincial and Local Government	-	1	-	-
SA Management Development Institute	10	287	-	-
Social Development	-	13	-	-
Safety and Security	1	-	11	1
State Information Technology Agency	-	-	82	-
<u>Eastern Cape Provincial Administration</u>				
Education	-	-	4,954	-
Health	927	205	-	-
Public Works and Roads	5,316	-	-	-
Social Development	639	-	-	-
<u>Free State Provincial Government</u>				
Public Works and Roads	-	15	-	-
<u>Gauteng</u>				
Shared Services	-	13	-	-
<u>Mpumalanga</u>				
	-	1	-	-
<u>North West Provincial Government</u>				
Dept of Finance	-	-	19	-
TOTAL	6,900	551	5,094	4





VOTE 10
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

ANNEXURE 7

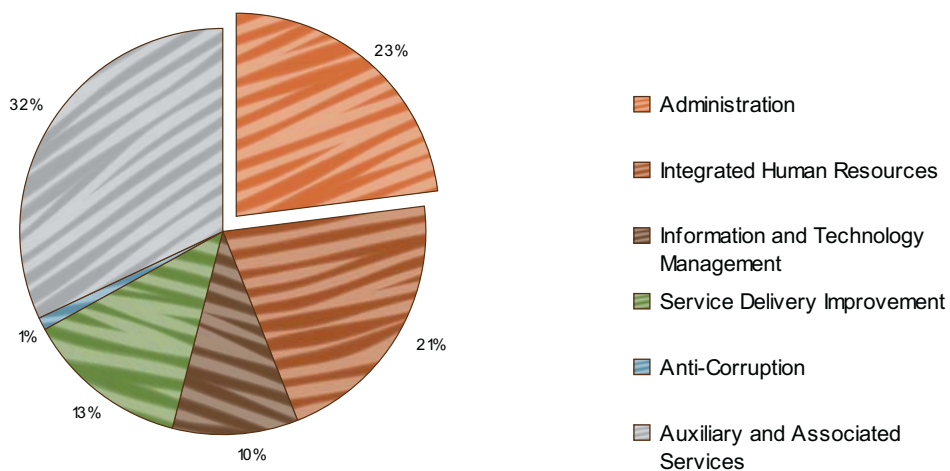
INTER-DEPARTMENTAL PAYABLES - CURRENT

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004	31/03/2003	31/03/2004	31/03/2003
	R'000	R'000	R'000	R'000
Public Service Commission	800	-	-	-
Foreign Affairs	186	-	495	-
Justice and Constitutional Development	232	-	-	-
SA Management Development Institute	390	-	-	-
Safety and Security Services	3	-	-	-
TOTAL	1,611	-	495	-

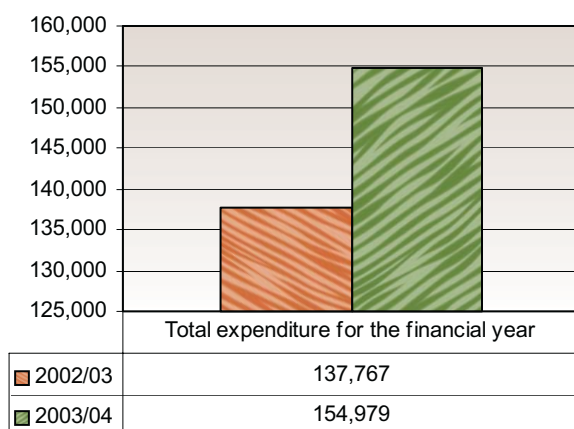




Programme Expenditure for the 2003/04 Financial year

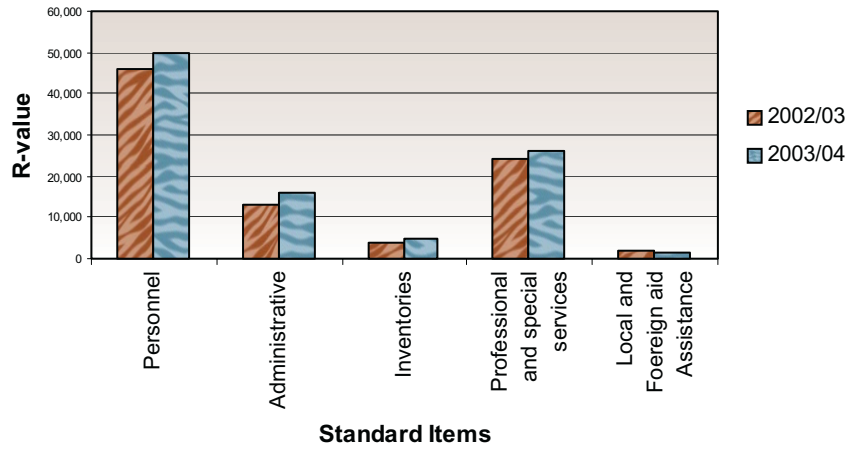


Total Expenditure Comparison for 2002/03 and 2003/04

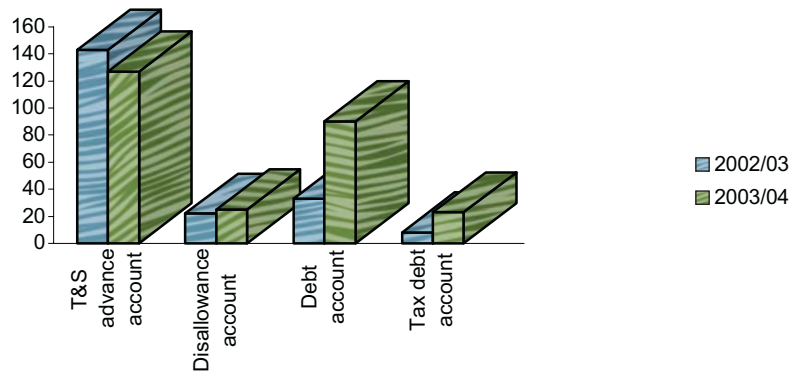




Standard Item Classification Comparison for 2002/03 and 2003/04

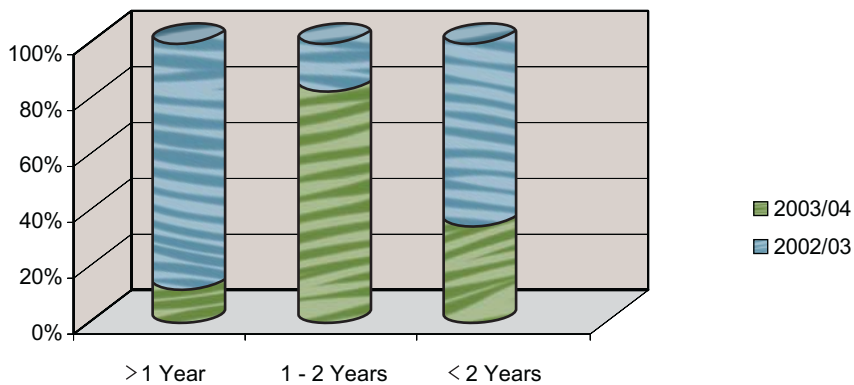


Staff debtors decreased from 2002/03 to 2003/04

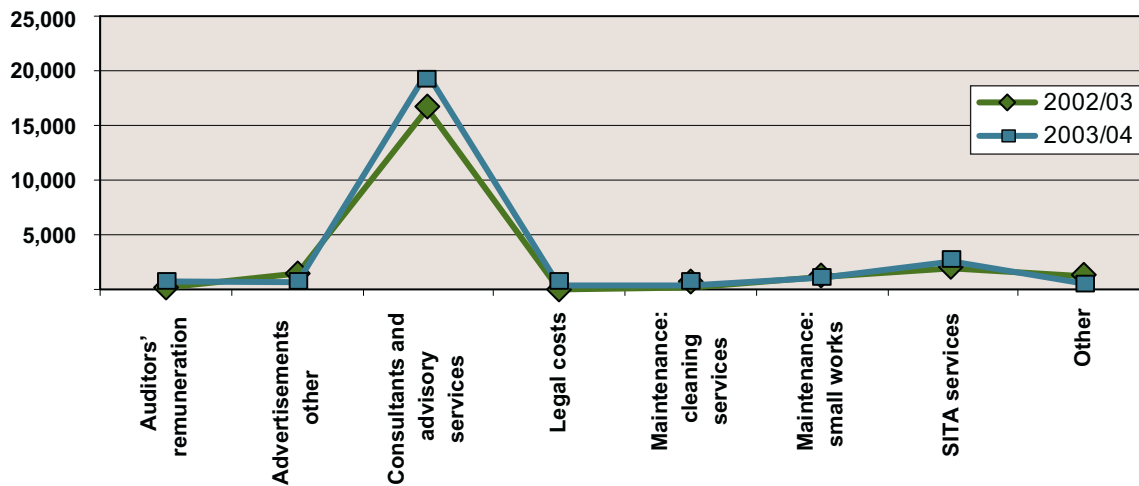




Age analysis- receivables current



Increase in Professional and special services



A young man with short dark hair and a light beard is shown from the chest up, playing a djembe drum. He is wearing a dark blue long-sleeved shirt over a white t-shirt. His hands are positioned on the drum's head, and he appears to be in the middle of a performance. The background features large, circular, perforated metal structures that create a complex geometric pattern. The lighting is dramatic, with strong highlights and deep shadows, and there are several colorful lens flare effects scattered across the image. A semi-transparent grey box is overlaid on the left side of the image, containing the text 'Human Resource Management' in a bold, black, sans-serif font.

**Human Resource
Management**

HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004



TABLE 2.1 - Personnel costs by Programme

Programme	Total expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of Total expenditure %	Average personnel cost per employee
Programme 1 Administration	35,962	17,347	460	1,075	48.2	170
Programme 2 Integrated Human Resources	31,699	18,290	86	5,487	57.7	234
Programme 3 Information Technology and Management	15,202	2,576	3	7,000	16.9	258
Programme 4 Service Delivery Improvement	20,151	10,575	150	6,311	52.5	207
Programme 5 Anti-Corruption	1,482	971		11	65.5	194
Total	104,497	49,758	699	19,884		1,064

TABLE 2.2 - Personnel costs by Salary band

Personnel costs by salary bands, 2003/04	Personnel Expenditure (R'000)	% of Total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Level 1-2)	656	1.3	51
Skilled (Level 3-5)	2,527	5.1	79
Highly skilled production (Level 6-8)	5,437	10.9	111
Highly skilled supervision (Level 9-12)	18,721	37.6	208
Senior Management (Level 13-16)	22,417	45.1	448
Total	49,758	100.00	

TABLE 2.3 -Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme 2003/04

Programme	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of the personnel cost	Amount (R'000)	Overtime as a % of the personnel cost	Amount (R'000)	HOA as a % of the personnel cost	Amount (R'000)	Medical assistance a % of the personnel cost
Programme 1 Administration	11,581	23.3	110	0.2	224	0.5	728	1.5
Programme 2 Integrated Human Resources	12,510	25.1	-	-	288	0.6	690	1.4
Programme 3 Information Technology and Management	1,654	3.3	-	-	51	0.1	75	0.2
Programme 4 Service Delivery Improvement	7,056	14.2	-	-	184	0.4	247	0.5
Programme 5 Anti-Corruption	704	1.4		-	4	-	31	0.1
Total	33,505	-	110	-	751	-	1,771	-





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 2.4 -Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary band 2003/04

Programme	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of the personnel cost	Amount (R'000)	Overtime as a % of the personnel cost	Amount (R'000)	HOA as a % of the personnel cost	Amount (R'000)	Medical assistance a % of the personnel cost
Lower skilled (Level 1-2)	390	0.8	15	-	26	0.1	115	0.2
Skilled (Level 3-5)	1,384	2.8	28	0.1	50	0.1	239	0.5
Highly skilled production (Level 6-8)	3,749	7.6	20	0.1	191	0.4	273	0.6
Highly skilled supervision (Level 9-12)	14,301	28.7	47	0.1	300	0.6	751	1.5
Senior Management (Level 13-16)	13,681	27.5	-	-	184	0.4	393	0.8
Total	33,505		110		751		1,770	

HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 3.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Programme 1 Administration	119	99	16.8	2
Programme 2 Integrated Human Resources	98	75	23.5	2
Programme 3 Information Technology and Management	17	10	41.2	-
Programme 4 Service Delivery Improvement	52	44	15.4	8
Programme 5 Anti-Corruption	6	5	16.7	-
TOTAL	292	233	20.2	12

TABLE 3.2 - Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	13	13	-	-
Skilled (Levels 3-5)	42	33	21.4	1
Highly skilled production (Levels 6-8)	60	49	18.3	-
Highly skilled supervision (Levels 9-12)	112	88	21.4	3
Senior management (Levels 13-16)	65	50	23.1	8
TOTAL	292	233	20.2	12

TABLE 3.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Human resources related	86	68	20.9	3
Information technology related	8	7	12.5	-
Senior managers	65	50	23.1	8
TOTAL	159	125	21.4	11





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	13	0	0	0	0	0	0
Skilled (Levels 3-5)	42	7	16.7	5	71.4	0	0
Highly skilled production (Levels 6-8)	60	8	13.3	6	75	0	0
Highly skilled supervision (Levels 9-12)	112	17	15.2	1	5.9	6	35.3
Senior Management Service Band A	43	25	58.1	2	8	0	0
Senior Management Service Band B	17	9	52.9	0	0	0	0
Senior Management Service Band C	4	4	100.0	0	0	1	25
Senior Management Service Band D	1	1	100.0	0	0	0	0
TOTAL	292	71	24.3	14	19.7	7	9.9

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	4	1	1	1	7
Male	3	0	0	1	4
Total	7	1	1	2	11
Employees with a Disability	0	0	0	0	0

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Senior Management Service Band A	1	13	13	Retention	47
Financial Related	1	10	11	Retention	2
Administrator	1	-	7	Attract	24
Total	3				
Percentage of Total Employment	4.1				73

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	0	0	1	3
Male	0	0	0	0	0
Total	2	0	0	1	3
Employees with a Disability	0	0	0	0	0

TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2)	13	0	0	0
Skilled (Levels 3-5)	39	2	4	10.3
Highly skilled production (Levels 6-8)	52	11	12	23.1
Highly skilled supervision (Levels 9-12)	75	22	12	16
Senior Management Service Band A	33	7	7	21.2
Senior Management Service Band B	10	1	0	0
Senior Management Service Band C	3	0	0	0
Senior Management Service Band D	1	0	1	100
TOTAL	226	43	36	15.9





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Human resources related	69	23	15	21.7
Information technology related	8	2	1	12.5
Senior managers	47	8	8	17
TOTAL	124	33	24	19.4

TABLE 5.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Resignation	11	30.6	4.9	36	226
Expiry of contract	4	11.1	1.8	36	226
Discharged due to ill health	2	5.6	0.9	36	226
Dismissal-misconduct	1	2.8	0.4	36	226
Other - transfer from DPSA to other Dept.	18	50	8	36	226
TOTAL	36	100	15.9	36	226
Resignations as % of Employment	15.9				

TABLE 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Human resources related	69	3	4.3	4	5.8
Information technology related	8	1	12.5	0	0
Senior managers	47	1	2.1	0	0
TOTAL	124	5	4	4	3.2

TABLE 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2)	13	0	0	0	0
Skilled (Levels 3-5)	39	3	7.7	4	10.3
Highly skilled production (Levels 6-8)	52	3	5.8	1	1.9
Highly skilled supervision (Levels 9-12)	75	4	5.3	4	5.3
Senior management (Levels 13-16)	47	1	2.1	0	0
TOTAL	226	11	4.9	9	4

TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female African	Female, Coloured	Female, Indian	Female Total Blacks	Female, White	Total
Senior officials and managers (L13-16)	17	0	3	20	11	13	2	0	15	5	51
Professionals (L9-12)	26	4	1	31	19	22	1	3	26	11	87
Clerks (L6-8)	8	0	1	9	2	27	4	1	32	6	49
Plant and machine operators (L3-5)	14	1	0	15	0	17	0	1	18	0	33
Elementary occupations (L1-2)	10	0	0	10	0	3	0	0	3	0	13
TOTAL	75	5	5	85	32	82	7	5	94	22	233





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	1	0	1	0	1	0	0	1	1	3

TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management (L15-16)	2	0	0	2	0	0	0	0	0	2	4
Senior Management, (L13-14)	15	0	3	18	11	13	2	0	15	3	47
Prof qualified / mid management (L9-12)	26	4	1	31	19	22	1	3	26	11	87
Skilled techn, academically qualified, Jnr man (L6-8)	8	0	1	9	2	27	4	1	32	6	49
Semi-skilled and discretionary decision making (L3-5)	14	1	0	15	0	17	0	1	18	0	33
Unskilled and defined decision making (L1-2)	10	0	0	10	0	3	0	0	3	0	13
TOTAL	75	5	5	85	32	82	7	5	94	22	233

TABLE 6.3 – Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	4	0	0	4	1	3	0	0	3	0	8
Professionally qualified and mid-management,	9	3	0	12	3	5	0	1	6	1	22
Skilled techn, academically qualified, Jnr man	3	0	0	3	0	5	2	0	7	1	11
Semi-skilled and discretionary decision making,	0	0	0	0	0	2	0	0	2	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL	16	3	0	19	4	15	2	1	18	2	43





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

TABLE 6.4 – Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	1	2	1	0	3	0	4
Professionally qualified and mid-management	0	0	0	0	0	3	0	0	3	0	3
Skilled techn, academically qualified, Jnr man	0	0	0	0	0	2	1	0	3	1	4
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	1	7	2	0	9	1	11

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

TABLE 6.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	1	0	0	1	0	0	0	0	0	0	1
Senior Management	3	0	1	4	0	3	0	0	3	0	7
Professionally qualified and mid-management	4	0	0	4	1	4	0	1	5	2	12
Skilled techn, academically qualified, Jnr man	4	0	0	4	1	5	0	0	5	2	12
Semi-skilled and discretionary decision making	1	0	0	1	0	3	0	0	3	0	4
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL	13	0	1	14	2	15	0	1	16	4	36





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 7.1 - Performance Rewards by Race, Gender and Disability

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	16	82	19.5		
African, Male	12	75	16.0		
Asian, Female	1	5	20.0		
Asian, Male	0	5	0.0		
Coloured, Female	0	7	0.0		
Coloured, Male	0	5	0.0		
White, Female	10	22	45.5		
White, Male	7	32	21.9		
Employees with a disability	1	3	33.3		
TOTAL	46	233	19.7		

TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	1	13	7.7	3	3,000
Skilled (Levels 3-5)	9	33	27.3	39	4,333
Highly skilled production (Levels 6-8)	16	49	32.7	111	6,938
Highly skilled supervision (Levels 9-12)	19	88	21.6	364	19,158
TOTAL	45	183	24.6	517	11,489

TABLE 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Human resources related	20	68	29.4	148	7,400
Information Technology related	3	7	42.9	10	3,333
Senior managers	1	50	2.0	64	64,000
TOTAL	24	125	19.2	222	9,250

TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	0	35	0	41	0	0.3	12,976
Band B	0	12	0	41	0	0.3	12,976
Band C	1	3	33.3	24	2,400	0.9	2,560
Band D	0	0	0	30	0	6.3	477
TOTAL	1	50	2	136	13,600	0.5	28,989





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 8.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Senior management (Levels 13-16)	2	0.9	0	0	-2	(28.6)	226	233	7
TOTAL	2	0.9	0	0	-2	(28.6)	226	233	7

TABLE 8.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Professionals and managers	2	4.3	0	0	-2	-4	47	50	3
TOTAL	2	4.3	0	0	-2	-4	47	50	3

TABLE 9.1 - Sick Leave for Jan 2003 to Dec 2003

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	19	89.5	5	2.9	3.8	2	174	17
Skilled (Levels 3-5)	173	90.2	28	16.1	6.2	35	174	156
Highly skilled production (Levels 6-8)	312	82.4	64	36.8	4.9	93	174	257
Highly skilled supervision (Levels 9-12)	307	86.3	53	30.5	5.8	215	174	265
Senior management (Levels 13-16)	101	78.2	24	13.8	4.2	98	174	79
TOTAL	912	84.9	174	100	5.2	443	174	774





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2003 to Dec 2003

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost R	Total number of days with medical certification	Total number of Employees using Disability Leave
Skilled (Levels 3-5)	42	100	3	27.3	14	9,239	42	11
Highly skilled production (Levels 6-8)	285	100	6	54.5	47.5	88,878	285	11
Highly skilled supervision (Levels 9-12)	34	100	2	18.2	17	16,198	34	11
TOTAL	361	100	11	100.0	78.5	114,316	361	11

TABLE 9.3 - Annual Leave for Jan 2003 to Dec 2003

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	257	20	13
Skilled (Levels 3-5)	645	20	32
Highly skilled production (Levels 6-8)	987	24	41
Highly skilled supervision (Levels 9-12)	1724	21	82
Senior management (Levels 13-16)	841	18	46
TOTAL	4,454	21	214

TABLE 9.4 - Capped Leave for Jan 2003 to Dec 2003

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2003	Number of Employees	Total number of capped leave available at 31 December 2003	Number of Employees as at 31 December 2003
Lower skilled (Levels 1-2)	21	2	45.6	13	592.3	214
Skilled (Levels 3-5)	19	1	22.2	32	711.5	214
Highly skilled production (Levels 6-8)	109	3	27.4	41	1,094.6	214
Highly skilled supervision (Levels 9-12)	97	1	35.5	82	2,877.2	214
Senior management (Levels 13-16)	62	1	28.3	46	1,161.0	214
TOTAL	308	8	159.0	214	6,436.6	214





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 9.5 - Leave Payouts

Reason	Total Amount	Number of Employees	Average Payment per Employee (R)
Leave payout for 2003/04 due to non-utilisation of leave for the previous cycle	11,073	1	11,073
Current leave payout on termination of service for 2003/04	118,589	14	8,470
TOTAL	129,662	15	19,543

TABLE 10.1 - Steps taken to reduce the risk of occupational exposure

Contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
-	-
-	-

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

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.	yes		The Unit is headed by an SMS member as contained in PSR, Part VI E
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.	yes		It has a dedicated unit dealing in health & wellness
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.	yes		The dept has an EAP for the employees
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.	yes		The committee consist of senior managers from different Units
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.	yes		The employment policies are reviewed as per amendments in the PSR
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.		no	Specific measures has not been introduced but legal frameworks cover that
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		no	Still in planning phase
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	yes		measures are indicated in the department policy of how monitoring and evaluation should be done





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 11.1 - Collective Agreements

Subject Matter	Date
None	

TABLE 11.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
TOTAL	4	0	0

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	% of total
Contravention of Treasury Regulation	4	80
Misrepresentation	1	20
Total	5	

TABLE 11.4 - Grievances Lodged

Number of grievances addressed	Number	% of total
Resolved		
Not resolved	2	100
Total	2	

TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	2	100
Total	2	

TABLE 11.6 - Strike Actions

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

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 12.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Levels 13-16)	Female	20	0	4	0	4
	Male	31	0	7	0	7
Professionals (Levels 13-14)	Female	0	0	0	0	0
	Male	0	0	0	0	0
Associate professionals (Levels 9-12)	Female	37	0	11	0	11
	Male	50	0	7	0	7
Clerks 5-8	Female	56	0	14	0	14
	Male	26	0	10	0	10
	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers N/A	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers N/A	Female	0	0	0	0	0
	Male	0	0	0	0	0
Machine Operators (Level 2-4)	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations (Level 2-3)	Female	3	0	3	0	3
	Male	10	0	17	0	17
Gender sub totals	Female	116	0	32	0	32
	Male	117	0	41	0	41
Total		233	0	73	0	73





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 12.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Level 13-16)	Female	20	0	7	0	7
	Male	31	0	12	0	12
Professionals (Level 13-14)	Female	0	0	0	0	0
	Male	0	0	0	0	0
Associate professionals (Levels 9-12)	Female	37	0	0	0	0
	Male	50	0	0	0	0
Clerks 3-8	Female	56	0	41	0	41
	Male	26	0	46	0	46
	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers N/A	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers N/A	Female	0	0	0	0	0
	Male	0	0	0	0	0
Machine Operators (Levels 2-4)	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations (Levels 1-4)	Female	3	0	1	0	1
	Male	10	0	8	0	8
Gender sub totals	Female	116	0	49	0	49
	Male	117	0	66	0	66
Total		233	0	115	0	115

TABLE 13.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	3	





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Medical Aid Tender	6	80	500,000
Medical Aid Tender	11	20	316,000
Assessment for competency testing for SMS managers	1	2	8,778
Development of draft paper on Governance & Public Admin	1	29	51,500
Assessment of the PSETA organisation	1	10	57,000
Batho Pele Communication Programme	17	120	8,500,000
Exhibition graphic stands for the Pan African Conference	1	4	36,651
Design layout for PSETA	1	1	968
HIV/AIDS disease management program	4	120	1,148,234
Guest speaker for the Pan African Conference	1	4	7,559
Assessment for competency testing for SMS	1	1 day per case	73,644
Interpreters for the Pan African Conference	2	4	190,608
Drafting a speech	1	1	1,360
Mpumalanga Province Human Resource Plan	1	20	100,000
Facilitate the project management course in Limpopo	1	3	41,191
Facilitate the project management course in North West	1	3	46,933
Assist PSETA in the accreditation of providers	1		98,040
Facilitate workshop for learnships	1	2	9,954
Prepare workplace skill plans and training reports	1	30	29,600
Provided administrative temps	2	225	129,345
Design and production of the Programme for Academy	1	15	3,200
Evaluation of tender providing digital access	2	40	72,960
Facilitate capacity building towards Learnership project	1	44	12,540
Training: Mentorship	1	3	15,390
Restructuring process: HR OD Specialists	1	15	96,900
Development of a booklet	1	4	74,385
Translate report of 4th Pan African Conference to French	1	1	2,194
Dressing Spier Monument at the Pan African Conference	1	1	10,118
Exhibit the Public Service Health Channel	1	4	62,816
Professional writer for the restructuring project	1	7	31,850
Administrative temps	1	125	120,077
Facilitating a strategic planning session	1	2	13,680
Provided administrative temps	1	25	24,415
Dept of Local Gov & Traffic Control and Safety: HR Plan	2	20	104,444
Mpumalanga Province Human Resource Plan	1	22	127,959
Mpumalanga Province Human Resource Plan	1	28	84,697
Kwa-Zulu Province Human Resource Plan	1	12	60,000
Mpumalanga Province Human Resource Plan	1	19	103,592





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Professional writer for the Office of the Ministry	1	6	7,500
Facilitators for Adult Education	2	2	11,257
Mpumalanga Province Human Resource Plan	1	44	239,723
Mpumalanga Province Human Resource Plan	1	12	60,000
Mpumalanga Province Human Resource Plan	1	19	101,157
Mpumalanga Province Human Resource Plan	1	12	118,385
Development of Unit Standards aligned to SMS competency	3	5	40,100
Mpumalanga Province Human Resource Plan	3	51	177,700
Department of Health Human Resource Plan	4	58	290,000
WC Provincial Treasury Human Resource Plan	3	19	95,000
Mpumalanga Province Human Resource Plan	2	36	131,686
Provincial Affairs & Local Government: Human Resource Plan	1	10	50,000
Film production on managing HIV/AIDS in the workplace	2	1	14,649
Development of mentorship guidelines	1	23	91,770
Advertising for a travel agency	2	1	14,647
Coaching and mentoring	1	3	15,000
Website development and administration support	2	10	97,698
Translating services	1	1	9,371
Refining and development of PSETA business plan	1	5	29,750
Transcribing disciplinary cases	1	7	10,944
Gauteng Department of Finance Human Resource plan	3	16	81,888
Accreditation for the Pan African Conference	76	4	394,667
Transcripts	1	10	10,000
Kwa-Zulu Natal Province Human Resource Plan	1	12	60,000
Training skills development committee members	2		494,470
Human Resourcing and Repackaging	1	5	77,000
Staff National Remuneration guide	1		21,603
Recitation of poem for the Batho Pele Relaunch	1	1	19,440
Social Serv., Arts&Culture&Sporting: Human Resource Plan	1	8	28,017
South African Remuneration Programme	1	1	16,456
User support for the Trend Micro Heatsuite	5	261	43,365
Providing administrative temps	1	40	59,740
Senior Management Development Programme	1	150	99,435
Protection services	1	9	2,907
Gateway Project	SITA	261	4,500,000





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
73	22	413	935,182

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDI's

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Medical Aid Tender	50	50	3
Medical Aid Tender	50	50	4
Assessment for competency testing for SMS managers			1
Development of draft paper on Governance & Public Admin			1
Assessment of the PSETA organisation	100	100	1
Batho Pele Communication Programme			
Exhibition graphic stands for the Pan African Conference	0	0	0
Design layout for PSETA	33	33	1
HIV/AIDS disease management program			
Guest speaker for the Pan African Conference	0	0	0
Assessment for competency testing for SMS			
Interpreters for the Pan African Conference			1
Drafting a speech	0	0	0
Mpumalanga Province Human Resource Plan	100	100	1
Facilitate the project management course in Limpopo	100	100	1
Facilitate the project management course in North West	100	100	1
Assist PSETA in the accreditation of providers	0	0	0
Facilitate workshop for learnships	0	0	0
Prepare workplace skill plans and training reports	100	100	1
Provided administrative temps			2
Design and production of the Programme for Academy	0	0	0
Evaluation of tender providing digital access			
Facilitate capacity building towards Learnership project	0	0	0
Training: Mentorship	100	100	1
Restructuring process: HR OD Specialists	100	100	1
Development of a booklet	100	100	1
Translate report of 4th Pan African Conference to French	100	100	1
Dressing Spier Monument at the Pan African Conference	0	0	0
Exhibit the Public Service Health Channel	100	100	1
Professional writer for the restructuring project	100	100	1
Provided administrative temps	100	100	1
Facilitating a strategic planning session	100	100	1
Provided administrative temps	100	100	1





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Dept of Local Gov & Traffic Control and Safety: HR Plan	100	100	1
Mpumalanga Province Human Resource Plan	100	100	1
Mpumalanga Province Human Resource Plan	100	100	1
Kwa-Zulu Province Human Resource Plan	100	100	1
Mpumalanga Province Human Resource Plan	100	100	1
Professional writer for the Office of the Ministry	0	0	0
Facilitators for Adult Education	0	0	0
Mpumalanga Province Human Resource Plan	0	0	0
Mpumalanga Province Human Resource Plan	100	100	1
Mpumalanga Province Human Resource Plan	100	100	1
Mpumalanga Province Human Resource Plan	100	100	1
Development of Unit Standards aligned to SMS competency	50	50	2
Mpumalanga Province Human Resource Plan	50	50	2
Department of Health Human Resource Plan			4
WC Provincial Treasury Human Resource Plan	100	100	1
Mpumalanga Province Human Resource Plan			2
Provincial Affairs&Local Government: Human Resource Plan	100	100	0
Film production on managing HIV/AIDS in the workplace	0	0	0
Development of mentorship guidelines	100	100	1
Advertising for a travel agency	0	0	0
Coaching and mentoring			
Website development and administration support	100	100	1
Translating services	100	100	1
Refining and development of PSETA business plan	100	100	1
Transcribing disciplinary cases	0	0	0
Gauteng Department of Finance Human Resource plan			3
Accreditation for the Pan African Conference			
Transcripts	100	100	1
Kwa-Zulu Natal Province Human Resource Plan	100	100	1
Training skills development committee members			
Human Resourcing and Repackaging			
Staff National Remuneration guide			1
Recitation of poem for the Batho Pele Relaunch	100	100	1
Social Serv., Arts&Culture&Sporting: Human Resource Plan	100	100	1
South African Remuneration Programme			
User support for the Trend Micro Heatsuite			
Providing administrative temps			1
Senior Management Development Programme	50	50	1
Protection services			1
Gateway Project			





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 14.3 - Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: Contract	Donor and Contract value in Rand
Performance Management System	Sifikile Consulting	66	450,300
Development of Human Resources Development Strategy	Sifikile Consulting	20	343,039
Review of the Provincial Growth & Development Strategy	Urban - Econ	51	395,821
Analysis of Info & requirements for the Prov Performance Monitoring & Eval. System	B Icon	41	285,596
Visibility Study & Dev. Of a Turnaround - Strategy for the Zithabiseni Resort	Gaming For Future Enterprise	41	198,242
Provincial e-Government Strategy and Development of an Implementation Plan	Mashilo Matsetela Consulting	95	2,909,910
Performance Management System	Simeka Management Consulting	65	18,779
Technical Advisor to Review Poverty Alleviation Policies, Strategies	CSIR	256	1,468,959
Review of the Provincial Growth and Development Strategy (PGDS)	Glen Steyn & Associates	168	499,999
Human Resource Development (HRD) Investment Strategy and Development of Medium to Long Term Programme	Yarona Management Consulting	191	4,402,192
Turnaround programme for LebowaKgomo, Dikolong and Jane Furse Hospitals	Mokoena Consulting	33	645,649
Implementation of one stop service delivery strategy through mobile points	Fast Fix	49	99,398
Restructuring of Service Delivery Coordination Unit and District Offices of the Office of the Premier	Streams HR Strategies	158	568,298
Establishment of a Unit to Restructure State Assets	Gaming for Future Enterprise cc	191	2,326,985
Restructuring in the Department of Agriculture, Limpopo Province	LHA Management Consultants	65	372,613
Legal support – actual restructuring of the identified entities	Nel.Davel.De Klerk Attorneys	256	196,274
SISAL Restructuring Programme Using Turnkey Management	WOMIWU Rural Development cc	233	1,377,159
Technical Support & Administration for Restructuring in the Department of Agriculture	Mr. Theunis Louis Boshoff	22	22,587
Poverty Alleviation Projects in the Agricultural	Marc - Dev and Associates	256	1,743,075
Revitalisation of Smallholder Irrigation Schemes	Ndzalo Agribusiness Solutions & Investments (Pty)Ltd	20	7,899,404
Technical Support & Administration for Restructuring in the Department of Agriculture	NE Thenga	110	111,150
Project management and mentoring for the integrated broiler project	Agriman and Associates	89	129,222
Customer Satisfaction Survey	IBC Solutions (PTY)Ltd	65	599,588
Limpopo Province Learning Network Launch	The Showworks Event and Entertainment Management	21	200,385
Project Cycle Management Training Programme	Roshni Consultancies	14	83,140
Facilitation and documentation of strategic planning session	Mokoena Consulting Hut	2	21,888
IPSP Provincial Coordinator, Limpopo Province	Mr Mashupye Matlala	256	1,313,968
Learning Network Coordinator	Bongani Matomela	256	185,113
Competency Profiling	SHL South Africa	256	6,239
Editing of Public Service Review	Mr. Fred Khumalo	217	134,457
Distribution of Public Service Review	Globeflight World WideExpress	190	158,371
Publishing of the Public Service Review	STE Publishers	160	600,000





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

Project Title	Total number of consultants that worked on the project	Duration: Contract	Donor and Contract value in Rand
Printing of the Machinery of Government Guide	Minuteman Press Menlyn	54	81,206
Training on IPSP Log Frames & Project Log Frames	Roshni Consultancies	3	60,215
Training Programme for IPSP Project Managers in the Free State	Roshni Consultancies	3	56,250
Development of a Batho Pele Directory of Public Services for selected Provinces	Ma Afrika Procurement Management and Logistics	13	343,646
Monitoring and Evaluation of IPSP	McIntosh Xaba and Associates	234	393,120
Monitoring and Evaluation of IPSP	Enterprise Management & Innovation (Pty) Ltd	234	157,248
Assisting with the Finalisation of the report on the audit of the Public Service	Prof. Job Mokgoro	35	1,000
Completed audit of Implementation of Batho Pele	Mr Morabo Morojele	6	57,040
Appointment of technical expertise to assist National Coordinator in Prompt Tools	Mr. Donovan Nadison	35	134,210
Services of Chris Dreyer as IPSP Provincial Coordinator -Free state Province	Mr. Chris Dreyer	109	398,269
Implementation of the Provincial Performance Management System	Simeka Management Consulting	88	1,773,048
Project Manager Welfare Restructuring Project, E Cape Dept of Welfare	Ms Shirlee Vasi	256	253,018
Coordination and admin of Social Devel Project in Mount Frere, Peddie and Craddock District	PDB Pretorius Dondashe	256	580,196
Development of a Monitoring and Evaluation System	4 Front Management Services	207	1,037,991
Community Services on Wheel Model	PriceWaterHouse Coopers	243	1,433,307
Dev & Impl of an Eff and Efficient Pension Pay out Sys & Mng of the Contracted Serv Prov, (CPS)	Pentagon Consulting Group	131	269,440
Ext of the Electronic File Mng Sys in Respect of Social Security Files	Nciba Solutions Pty Ltd	44	13,126,017
Social Grant Registration Campaign in the E Cape	Deloitte & Touché	44	4,695,302
Development of Districts in the E Cape	Deloitte & Touché & Grant Thornton Kessell	124	355,849
Dev & Impl of an Effective & Efficient Pension Pay Out Sys & Mng of the Service Provider, ALLPAY	Shaw & Associates	131	167,514
Contract Management Centre, Monitoring and Help Desk	Shaw & Associates	82	721,848
Mngt of Hospital & Clinic Maintenance Program	Lungisa JV	131	1,658,388
App of Strategic Property Partner for Dept. of Roads & Public Works (Phase1 - Scoping Study)	CSIR Building & Construction Technology	94	400,000
Development of Fraud and Corruption Strategy	CVMT Ramathe Forensic Accounting Services	110	900,919
Implementation and Raising Awareness on the Integrated Provincial Disability Strategy	Samaita Associates	11	19,343
Strengthening of the Provincial Legislature Research Unit and Petition Centre	ISGAD	48	236,900
Development of the Provincial Learning Network	Techno Share Associates	109	212,500
IPSP Provincial Coordinator, Eastern Cape	Wad Consultants	256	515,999
IPSP Provincial Coordinator, Eastern Cape	AR Wadsworth	23	42,008
Monitoring and Evaluation System for the Free State Development Plan 2002 to 2005	Inform Systems	177	2,223,636
Establish A Sustainable Grass Weaving Factory In The Thabo Mofutsanyana Area	African Economic Foundation	256	936,512
Registration Campaign for the Social Grant in Selected area of the Free State	Deloitte & Touché	86	2,268,141
IPSP Provincial Coordinator, Free State	Mr. Chris Dreyer	147	324,135
Performance Management for Senior Management	4	10	60 500.00





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

Project Title	Total number of consultants that worked on the project	Duration: Contract	Donor and Contract value in Rand
Development of an Induction Programme	4		992 200,00
Development of an Early Warning System	6		327 000,00
Staff Retention Toolkit	2	2	24,750
Performance Management for Senior Management	2	30	79,000
Information and Knowledge Management Audit	1	5	17,000
Eastern Cape HR Project Manager	1	8 months	411,000
Implementation of the Turnaround Strategy for DOSD	1	6 months	634,820
Development of a learner workbook for illiterate employees	5	10 Months	367,470
Development of a project management methodology	2	25	75,000
Repositioning of HR in the Public Service	6	14 months	400,000

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
24	16	839	1,170,860





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

TABLE 14.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDI's

* indicate number of HDI consultants used

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Percentage of consultants from HDI groups that work on the project
Performance Management System	100	100	100
Development of Human Resources Development Strategy	100	100	100
Review of the Provincial Growth & Development Strategy	10	20	50
Analysis of Info & requirements for the Prov Performance Monitoring & Eval. System	100	100	100
Visibility Study & Dev. Of a Turnaround - Strategy for the Zithabiseni Resort	100	100	100
Provincial e-Government Strategy and Development of an Implementation Plan	100	100	100
Performance Management System	70	100	100
Technical Advisor to Review Poverty Alleviation Policies, Strategies	50	80	67
Review of the Provincial Growth and Development Strategy (PGDS)	67	67	90
Human Resource Development (HRD) Investment Strategy and Development of Medium to Long Term Programme	100	100	100
Turnaround programme for LebowaKgomo, Dikolong and Jane Furse Hospitals	100	100	100
Implementation of one stop service delivery strategy through mobile points	0	0	100
Restructuring of Service Delivery Coordination Unit and District Offices of the Office of the Premier	100	100	100
Establishment of a Unit to Restructure State Assets	100	100	100
Restructuring in the Department of Agriculture, Limpopo Province	0	33	0
Legal support – actual restructuring of the identified entities	33	40	75
SISAL Restructuring Programme Using Turnkey Management	0	40	50
Technical Support & Administration for Restructuring in the Department of Agriculture	0	0	0
Poverty Alleviation Projects in the Agricultural	40	60	65
Revitalisation of Smallholder Irrigation Schemes	100	100	100
Technical Support & Administration for Restructuring in the Department of Agriculture	100	100	100
Project management and mentoring for the integrated broiler project	0	0	0
Customer Satisfaction Survey	50	50	57
Limpopo Province Learning Network Launch	0	0	0
Project Cycle Management Training Programme	100	100	100
Facilitation and documentation of strategic planning session	100	100	100
IPSP Provincial Coordinator, Limpopo Province	100	100	100
Learning Network Coordinator	100	100	100
Psychometric testing	0	0	0
Editing of Public Service Review	100	100	100
Distribution of Public Service Review	100	50	N/A
Publishing of the Public Service Review	100	100	100
Printing of the Machinery of Government Guide	0	0	50
Training on IPSP Log Frames & Project Log Frames	100	100	100
Training Programme for IPSP Project Managers in the Free State	100	100	100
Development of a Batho Pele Directory of Public Services for selected Provinces	100	100	100
Monitoring and Evaluation of IPSP	66	66	50
Monitoring and Evaluation of IPSP	52	33	50





HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2003 TO MARCH 2004

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Percentage of consultants from HDI groups that work on the project
Assisting with the Finalisation of the report on the audit of the Public Service	100	100	100
Completed audit of Implementation of Batho Pele	100	100	100
Appointment of technical expertise to assist National Coordinator in Prompt Tools	100	100	100
Services of Chris Dreyer as IPSP Provincial Coordinator -Free state Province	0	0	0
Implementation of the Provincial Performance Management System	70	100	19
Project Manager Welfare Restructuring Project, E Cape Dept of Welfare	100	100	100
Coordination and admin of Social Devel Project in Mount Frere, Peddie and Craddock District	33	33	4*
Development of a Monitoring and Evaluation System	84	100	93
Community Services on Wheel Model	60	38	29
Dev & Impl. of an effective and efficient Pension Pay out Sys & Mng of the Contracted Serv Prov, (CPS)	70	70	66
Ext of the Electronic File Mng Sys in Respect of Social Security Files	49	10	4*
Social Grant Registration Campaign in the E Cape	69	72	3*
Development of Districts in the E Cape	44	46	7*
Dev & Impl. of an Effective & Efficient Pension Pay Out Sys & Mng of the Service Provider, ALLPAY	0	0	0
Contract Management Centre, Monitoring and Help Desk	0	0	0
Management of Hospital & Clinic Maintenance Program	78	67	8*
App of Strategic Property Partner for Dept. of Roads & Public Works (Phase1 - Scoping Study)	30	50	50
Development of Fraud and Corruption Strategy	70	60	66
Implementation and Raising Awareness on the Integrated Provincial Disability Strategy	82	69	2*
Strengthening of the Provincial Legislature Research Unit and Petition Centre	0	0	58
Development of the Provincial Learning Network	50	50	50
IPSP Provincial Coordinator	0	0	0
IPSP Provincial Coordinator	0	0	0
Design and Commission of an Electronic Supported Inventory of Craft Effects Produced in Thabo Mofutsanyane	100	100	23
Monitoring and Evaluation System for the Free State Development Plan 2002 to 2005	73	83	605
Establish A Sustainable Grass Weaving Factory In The Thabo Mofutsanyana Area	33	33	57
Registration Campaign for the Social Grant in Selected area of the Free State	45	60	95
IPSP Provincial Coordinator	0	0	0
Performance Management for Senior Management	100	100	2
Development of an Induction Programme	40	40	2
Development of an Early Warning System	0	0	0
Staff Retention Toolkit	0	0	0
Performance Management for Senior Management	100	100	2
Information and Knowledge Management Audit	0	0	0
Eastern Cape HR Project Manager	100	100	1
Implementation of the Turnaround Strategy for DOSD	100	100	1
Development of a learner workbook for illiterate employees	section 21 comp.	60	1
Development of a project management methodology	0	0	0
Repositioning of HR in the Public Service	100	100	6





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AND ADMINISTRATION**

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