ANNUAL REPORT
2004 / 2005

BATHO PELE

the dpsa

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

WE CARE

WE BELONG

WE SERVE

ANNUAL REPORT 2004/05
Report by the Accounting Officer to the
Executive Authority and Parliament of the
Republic of South Africa

the dpsa

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

Our 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

Our 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

CONTENTS
year in review

the dpsa

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PROF RICHARD LEVIN

Foreword by the Director General

Effective and efficient service delivery is central to the transformation agenda of government and the mandate of the Department of Public Service and Administration (DPSA). The Department has played a critical role in developing policies to guide the transformation of the public service in South Africa. Focus has shifted towards implementation and service delivery improvement, with emphasis on improving quality service delivery in rural, poor and marginalized communities and poverty alleviation in general. Improving accountability and overall performance by government has also become a key priority of the Department and the Presidency.

Given the magnitude of the needs and challenges confronting the majority of the poor in the country and the inter-dependence of factors that influence success, it is clear that the DPSA cannot work in isolation from other departments. We therefore support the grouping of government departments into clusters because this has created opportunities to work together to address service delivery, poverty alleviation and socio-economic development issues in a holistic and coherent manner.

The Department has responded to requests for assistance from other government Departments and Provinces as well as implementing a number of service delivery improvement projects. Within the framework of NEPAD, support was also extended to neighboring countries and discussions on future collaboration were initiated. While the Department regards these interventions as critical, they are challenging because often we sometimes have to deploy up to 20 officials to address one request. It is

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expected that requests for assistance will increase in the coming years and we will therefore have to increase our capacity significantly. Details of the support provided to the provinces and our collaboration with other countries is elaborated are provided later elsewhere in this report.

The Department has also commissioned and completed a number of research studies and reviews to address questions and concerns expressed by Cabinet and the President. Their findings are provided below. The Department is responsible for coordinating the development and implementation of the anti-corruption programme in line with regional and international anti-corruption protocols. The programme is implemented in collaboration with other government departments, civil society and business. Some of the priority projects of the Department, such as the Government Employee Medical Aid Scheme, are also described.

During the reporting period, the Department has prioritized the needs of the approximately 250 employees of the DPSA through implementation of an internal renewal programme known as "Imvuselelo". The programme is beginning to have a positive impact on the effectiveness of the DPSA. The Imvuselelo programme will continue during the next financial year.

The Department has achieved most of its objectives for the year and satisfactory progress has been made in the achievement of others. Equally, we do not want to under-estimate the effort made in addressing the needs of other departments and neighbouring countries. While it is not easy to decline a genuine request for assistance, it is true that often but not always, when one takes on too much, some things are likely to fall through the cracks. Therefore the negative and positive lessons learnt in juggling resources, time and personnel capacity to address the priorities of the Department, respond to the needs of other departments and provinces and provide assistance to neighboring countries will inform future planning.

The Department remains committed to the transformation agenda and will implement programmes that contribute towards quality service delivery and poverty eradication.

PROF RICHARD LEVIN
DIRECTOR-GENERAL

General Information

BRIEF PROGRESS ON SELECTED PRIORITIES
OF THE DEPARTMENT

Building a Developmental State

South Africa's public service faces a number of challenges. The first of these is meeting the need for skilled human resources. Financial and computer skills are most needed, while literacy skills and skills for managing projects, human resources and communication are also urgently required. The skills gap includes those needed for many kinds of work as well as specific skills associated with particular jobs. Remuneration, career paths for professionals, recruitment, succession and career planning, employment equity, reward and recognition and employee relations are all related human resource issues that must be addressed.

The public service needs to address many other complex challenges. Too many priorities on the national agenda lead to competing demands and limit government's ability to focus and operate effectively. Strategic management and coordination is often weak because the public management framework is underdeveloped and inadequate when it comes to practical implementation.   Poor management information and other systems hobble development programmes, while many administrative systems (like procurement) are often archaic, slow and inefficient, especially when used in joint projects. Another challenge is the organizational culture of many public service bodies, which often still reflect apartheid values and patriarchal relations and need to be fundamentally changed so they put service first.

The Department of Public Service and Administration is responsible for addressing these managerial and system issues and for making sure that the public service has the properly qualified, motivated and resourced people it needs.   In the coming years it will help to improve the links between governmental structures and help to align planning and budgeting processes. DPSA will help ensure that all public servants have meaningful jobs that use their skills optimally and deliver clear results. It will also work to ensure a steady supply of skills and build a core of middle managers, while building links between skills development and performance management systems.

DPSA is encouraging a number of system wide shifts. Departments, clusters and sectors need to reduce their numbers of objectives and focus on quality, while improving strategic and operational planning. Reporting must be improved so that it contributes to institutional memories and encourages performance improvement. Human resource planning and forecasting needs urgent attention more broadly.

Government Employee Medical Scheme (GEMS)

Medical assistance is one of the macro employee benefits in the Public Service that was identified for restructuring through the 1999 Wage Policy and Review of Personnel Expenditure Framework. PSCBC Resolutions 7 of 2002 and 2 of 2/2004 made provision for an investigation into the restructuring of medical assistance and the implementation of a revised medical assistance dispensation with effect from 1 January 2006.

In 2002, Cabinet approved a framework policy on a restricted scheme for further development by an interdepartmental working group comprising the Departments of Public Service and Administration, National Treasury, Health, Education, Correctional Services and SAPS. The approved framework policy centered on the principles of equity, efficiency and differentiation.

After evaluation of the 2003 research report, the interdepartmental working group recommended a further feasibility study to enable decision-making. The study was performed in 2004 to demonstrate that the criteria of equity, affordability, value for money and differentiation in benefits according to employee choice would be met through the introduction of a restricted scheme.

Following consideration of the 2004 feasibility study, Cabinet approved the registration and implementation of a restricted membership medical scheme for public service employees on 3

November 2004 and requested that further work be done on analyzing the risks and financial implications of implementing the scheme.

The Government Employees Medical Scheme (GEMS) was successfully registered with effect from 1 January 2005 by the Council for Medical Schemes. The purpose of GEMS is to provide equitable access to a comprehensive set of healthcare benefits that are more affordable than those currently offered by the medical scheme industry. Although the GEMS benefit design is a familiar one to ease migration to the Scheme, it incorporates innovative approaches that will ensure that the Scheme is sustainable.

The Minister of Public Service and Administration approved the appointment of 11 members to the interim Board of Trustees (called the Steering Committee) and the Principal Officer of the Scheme. The Steering Committee and Principal Officer serve as the initial governance and management structure that will ensure that GEMS becomes operational prior to the enrolment of members from January 2006.

The implementation of GEMS will satisfy the 3 policy objectives of equity, efficiency and differentiation. Equitable access for all employees to the medical subsidy provided by government, the employer, will be promoted through the provision of affordable health benefits to all employees and by employing income-related contributions so that lower earning employees pay less for access to the same set of benefits. GEMS is designed and structured in such as way that it will be approximately 20% less expensive than the existing medical schemes utilized by public service employees. GEMS will provide employees with a choice between 5 dynamic benefit options allowing employees to purchase more extensive cover where they wish to do so.

Through the Scheme, Government will be providing healthcare benefits, including HIV and AIDS care, to public service employees, which will improve their health and well-being and improve the overall productivity of the public service.

Implementation of the Management Policy and Procedure on Incapacity Leave and Ill-health Retirement for Public Service Employees (PILIR)

The Public Service, as employer, is in terms of current legislation and collective agreements, obliged to investigate an employee's incapacity, whether it results from an employee's poor work performance due to poor health or an application from the employee for ill-health retirement or incapacity leave in addition to his/her normal sick leave.

A Management Policy and Procedure on Incapacity Leave and Ill-health Retirements for Public Service Employees (hereafter referred to as PILIR) was developed and adopted to address these issues. The policy is being piloted in three sites: Free State Province, the Department of Correctional Services and the South African Police Services (SAPS). Very valuable experiences are being gained in the pilot study that will inform and assist the future implementation of PILIR.

The outcomes of the pilot study demonstrate the effectiveness of PILIR as a management tool and show that it assists in enabling the employer to discharge its obligation to investigate incapacity. Following the positive results in the pilot study Cabinet has approved PILIR's consolidation in the pilot Departments and roll out to the rest of the public service. Although the strategy suggested an implementation period of three years, Cabinet requested that the period be shortened to bring the implementation of PILIR forward. A revised implementation strategy has thus been developed to roll out PILIR to the remainder of the Public Service starting from the third term of 2005.

Regional and International Activities of the Minister for the Public Service and Administration

In addition to participating in the Governance and Administration Cluster, the Minister has participated in a number of strategic conferences and programmes in South Africa, the Southern African Region and aboard. These include a bilateral process with the International Labour Organisation (ILO) and participation in the conference for the Commonwealth Association for Public Administration Management. Strategic meetings have also been held with the governments of Brazil and Singapore. Some of these international meetings have resulted in structured cooperation programmes between the DPSA and other public service and administration structures.

Below is a concise outline of some of the Minister's critical activities in 2004/05:

- The Minister for Public Service and Administration, accompanied by officials in the DPSA, State Information Technology Agency (SITA), South African Institute for Management Development Initiative (SAMDI) and Centre for Public Service Innovation (CPSI) undertook a trip to India in September 2004 as part of the Brazil-India-South Africa trilateral agreement. The trip focused on areas of common interest and the exchange of best practice approaches in the public service. During the visit it was agreed that there is a need to build the human resources capacity of the South African Public Service to contribute to the achievement of government's priorities and the establishment of a developmental state. In light of this proposal, 30 Community Development Workers and officials from National, Provincial and Local Government went through a Community Development training programme in India provided by the Indian Technical and Economic Co-operation (ITEC) Programme.

- The Minister attended the 3rd Annual Meeting of the United Nations Committee of Experts on Public Administration. The Minister is a member of this international group that discusses issues affecting Public Administration on a global level. The theme for the meeting was 'The need to Revitalize Public Administration as a Strategic Action for Human Development.' The emphasis was on how public administration can be revitalised to support poverty reduction and the achievement of the Millennium Development Goals.

- The Minister visited Brazil for five days in October 2004. The purpose of the visit was to enable the South African Government, primarily through the Ministry for Public Service and Administration, to enter into meaningful and mutually beneficial partnership opportunities with the Government of Brazil. The visit helped South Africa to identify and obtain support to integrated citizen focused service delivery mechanisms, utilizing e-government and appropriate partnerships with the private sector. A collaborative partnership with the Government of Brazil on anti-corruption mechanisms was also agreed upon.

- A Memorandum of Understanding (MOU) was signed between the Ministry of Public Services of the Democratic Republic of Congo (DRC) and South Africa in August 2004. The MOU commits South Africa to supporting the DRC in the area of public administration. Projects identified include a census of public servants, anti-corruption activities and the provision of advice on the strengthening of a management development institute in Kinshasa. The public service census is a high priority for the DRC government since a range of public administration reform projects is dependent on it. It includes a headcount of public servants and collection of data that will assist in developing a comprehensive personnel database. The implementation of a personnel identification system will assist in combating fraud and corruption in the public service.

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Programme Performance

Voted Funds

	2004/05 To be appropriated
MTEF allocations	R 126 626 000
Statutory amounts	-
Responsible Minister	Minister for the Public Service and Administration
Administering department	Department of Public Service and Administration
Accounting officer	Director-General of Public Service and Administration

The Aim of the Department of Public Service and Administration 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.

This informs the DPSA's programme objectives and strategic priorities, which are aligned to government's priorities, in particular the priorities of the Governance and Administration Cluster. The content of DPSA's programmes and activities are demand driven, as the DPSA is often required to intervene to address critical needs and crisis situations in other government departments.

Key Objectives and Programmes

During the reporting period, the Department of Public Service and Administration undertook six programmes:

Programme 1: Administration

Purpose: Provide 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 and Communications, the Office of the Director-General, 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 use of human resources through targeted interventions that improve management and overall capacity.

This programme has six sub-programmes:
- Remuneration and Conditions of Service
- Negotiations and Labour Relations
- Employment Practice and Career Management
- Employee Health and Wellness (previously known as HIV and AIDS)
- Human Resource Development
- Public Service Education and Training Authority (PSETA)

Programme 3: Information and Technology Management

Purpose: Ensure the effective use of information and IT in government, and facilitate the use of IT 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 IT window in a steady and efficient manner.

This programme comprises the Office of the Government Chief Information Officer. In the medium-term, the Office of the Government Chief Information Officer will focus on continued implementation of the objectives formulated by the Presidential Review Commission during 1998.

The main strategic objectives are to:

- Develop an appropriately framed policy and regulatory environment for e-Government;
- Manage the governance and integration of information technology through the GITO Council;
- Support the Minister as sole shareholder of SITA in exercising oversight over SITA; and
- Champion strategic transversal information technology projects.

Programme 4: Service Delivery Improvement

Purpose: Engage in supportive interventions and partnerships, which enhance both efficiency and effectiveness, and innovative learning and knowledge-based modes and practices of service delivery in the public service.

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

This programme has three components:
- Government Internal Consulting Services
- Programme Management and Development Cooperation
- Learning and Knowledge Management

Programme 5: Anti-Corruption

Purpose: Establish strategies to fight corruption and enhance ethical conduct and practices in the public sector.

Measurable objective: Prevent and combat corruption and enhance the integrity of governance systems in the public sector by establishing and implementing strategies.

The programme is divided into four focus areas:
- Ensuring that the public service establishes and sustains capacity, policies and practices that diminish corruption, including the implementation of the Public Service Anti-Corruption Strategy;
- Collating, analyzing and publishing information on anti-corruption measures and corruption in order to enhance public confidence and improve anti-corruption measures;
- Supporting cross-sectoral anti-corruption initiatives, including the work of the National Anti-Corruption Forum; and
- Promoting regional and international anti-corruption relations and cooperation.

Programme 6: International and African Affairs

Purpose: Establish and maintain bilateral and multilateral relations on governance and public administration by implementing global and continental programmes and projects for improving governance and public administration.

Measurable objective: Improve governance and public administration through leadership and projects that foster change globally and within Africa.

The component, together with the Minister's personal staff, is broadly responsible for managing the Minister's and Department's engagements and relationships across the globe. In this respect, the programme's four major tasks are:

- To guide government on the impact of global and African governance and public administration developments;
- To participate actively to shape the future direction of the global and African agenda on governance and public administration;
- To establish cooperative and beneficial bilateral and multilateral partnerships in governance and public administration; and
- To demonstrate active African leadership over governance and public administration developments and trends and contribute to ensuring a sustainable and supportive continental (NEPAD/AU) programme in governance and public administration.

Programme Achievements

PROGRAMME 1: ADMINISTRATION

Governance and Administration Cluster

In 1999 Cabinet Committees and Directors-General Clusters were formed along sectoral lines. A Committee and Cluster for Governance and Administration (G&A) was established. In May 2004, a Government Programme of Action (POA) was developed and published on the Government website (www.gov.za). This POA reflected the priorities and projects of the various Clusters, including the G&A Cluster.

During most of the year under review, the G&A Cluster had seven priorities:

- The first, administrative practices for the developmental State, contained projects on the implementation of Batho Pele and the Community Development Worker initiative.
- A second priority focused on human resource management issues, which included projects aimed at improving the physical work environment of public servants and mechanisms for retention of professionals.
- The third priority was to improve governance, leadership and management, and incorporated a number of projects on the Senior Management Service and middle management.
- The fourth priority focused on the macro-organisation of the state, in particular the development of a single public service for the public service, local government and public entities. Intergovernmental relations legislation was also developed. Integrated service delivery was a key focus, including the e-government Gateway and the Multi-Purpose Community Center initiative.
- The fifth priority focused on policy implementation, including analytical policy reviews and the implementation of Project Consolidate, a hands-on engagement with local government by national and provincial departments.
- The sixth priority emphasized evidence-based decision-making, with projects on the development of a government-wide monitoring and evaluation framework, a national statistical system and an early warning system.

- The seventh identified projects aimed at responding to the challenges of the Second Economy.

Clusters reported every two months on progress in implementing the POA until year end when a new programme was developed, emanating from the January 2005 Cabinet Lekgotla and the State of the Nation Address. Work done on the capacity and organization of the state was the main focus of the Cluster presentation to the January Cabinet Lekgotla. Following the Lekgotla the priorities were reduced to three: capability needs for the developmental state; macro-organization of the state; and planning, implementation and monitoring and evaluation.

Community Development Workers (CDW) Programme

Community Development Workers (CDWs) are part of government's drive to ensure that services reach poor and marginalized communities. CDW's provide a bridge between government and citizens by providing information on services, benefits and economic opportunities.

The programme began in 2003, following the President's announcement in his State of the Nation address on 14 February. The programme is one of the key strategic government programmes aimed at promoting public participation and practical democracy at a local level. The programme is driven by a unit in the Ministry for Public Service and Administration, supported by other government Departments and Provincial Coordinators mostly located in the provincial Departments of Local Government.

To date 716 CDW learners have completed the year-long learnership. A further 651 learners will be completing by August 2005. A total of 2840 will be deployed by March 2006 across all municipalities countrywide.

The CDW learnership involves training on electronic communication. Forty learners have so far received training and
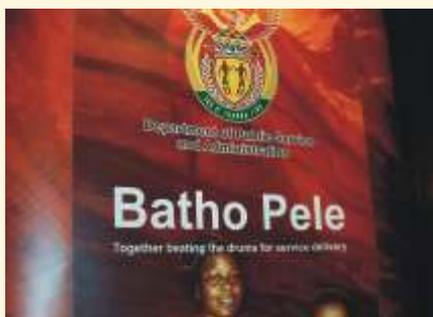
are piloting accessibility on the Gateway portal in Gauteng. The aim of e-Government training is to improve people's access to government information. In March 2005 twenty-nine CDW learners had a successful study trip to India. A follow up programme is being considered to ensure the experiences of both countries are shared among a wider audience.

Four provinces have so far launched the programme, namely, Gauteng, Eastern Cape, Kwa-Zulu Natal and Western Cape. The programme is benefiting citizens, especially the poor who have difficulty in accessing government services. The national launch of the programme is planned for later in 2005.

PROGRAMME 2: INTEGRATED HUMAN RESOURCES

The key outputs for 2004/05 were as follows:

Measurable objective: Ensure effective and appropriate use of human resources through targeted interventions that improve management and overall capacity			
Sub-programme	Output	Measure / Indicator	Target
Remunerations and Conditions of Service	Policies for the management of conditions of service	Successful development and implementation of policies	2004/05
	Performance and productivity based remuneration strategies	Remuneration policies and practices developed	All departments implementing the department's performance management system by 2004/05
	Job evaluation practices	Compliance across the public service	During 2004/05
		All jobs at levels 11 and 12 evaluated and graded	By 2007/08
Negotiations and Labour Relations	Enhanced labour relations and appropriate negotiations frameworks	Stable and appropriate sector-based labour relations and negotiations	Conclude multi-term agreement by August 2004
			Establish provincial structures by December 2004
Employment Practice and Career Management	A professional management cadre	Competency management and performance management systems for managers established and implemented	Improved representivity, recruitment and retention by March 2005

The key outputs for 2004/05 continued

Measurable objective: Ensure effective and appropriate use of human resources through targeted interventions that improve management and overall capacity			
Sub-programme	Output	Measure/ Indicator	Target
HIV and AIDS	Effective management of HIV and AIDS in the public service	Programme aimed at preventing HIV and AIDS and at promoting the health and well-being of public servants and their families developed and implemented	March 2006
	Improved awareness of HIV and AIDS in the public service	Communication strategy aimed at developing high degree of awareness and responsiveness to the prevention and management of HIV and AIDS in the public service implemented	March 2005
Human Resource Development	Enhanced skills in the public service	Human resource development strategy implemented	March 2006
		Focused capacity development interventions and improved capacity availability in focused areas	March 2005
	Communication about internship programmes in the public service	Implementation of communication strategy	March 2005
Public Service Education and Training Authority	Increased number of transversal learnerships in the public service	Transversal learnerships coordinated and implemented	10 000 learnerships in line with the growth and development strategy target by March 2005
	Skills planning	Departments submitting Workplace Skills Plans (WSP)	70% of departments submit their WSPs by March 2005

Remuneration and Conditions of Service (RCS)

One of the main focus areas of the DPSA's Job Evaluation Unit is to assist other departments in the Public Service with the application of the job evaluation system. A number of departments and provinces were assisted on request, with the hands-on evaluation and grading of jobs, quality assurance on job evaluation results and the interpretation of policy in this area.

It became apparent that the unilateral upgrading of occupations by departments has the potential of creating inconsistencies in the grading of similar jobs between departments. This leads to recruitment and retention problems and dissatisfaction amongst employees. In order to address these problems, the Minister for the Public Service and Administration directed that departments that intend upgrading an occupation or levels within an occupation must co-ordinate the upgrading with other departments utilizing that occupation. The Unit assisted departments in managing this process in respect of a number of occupations in the health sector and in the social development environment at the levels of secretaries and personal assistants and certain clerical occupations. At the end of the financial year the majority of these cases had not yet been concluded but work is continuing.

In order to extend the implementation of job evaluation and the correct grading of jobs in the Public Service, the Minister for the Public Service and Administration issued a directive that all jobs on salary levels 11 and 12 must be evaluated by departments by November 2007. A number of departments were assisted with the evaluation of these categories of jobs.

To facilitate the recruitment and retention of social workers in the Public Service, the Unit developed, in consultation with the main departments employing social workers, benchmark job descriptions and grading levels for five levels of social workers. These were issued by the Minister for the Public Service and Administration as formal advice in terms of the Public Service Regulations, 2001. The revised grading structure should result in improved remuneration for a significant number of social workers.

A process has commenced to review the public service remuneration framework in respect of professionals and other scarce skills occupations in order to ensure that the public service is able to recruit and retain sufficient numbers of employees with the required competencies in these occupations. The review should be concluded at the end of 2005 after which implementation will commence.

Emanating from the multi-term agreement on conditions of service and remuneration in September 2004, the Home Owners Allowance Scheme was replaced with a Housing Allowance with effect from 29 September 2004. The Housing Allowance is a sum of money that is paid every month in addition to an employee's salary in order to assist him/her to pay for the rent or the installment on his/her home. A system was developed and implemented to manage and control the housing allowance policy, including measures to ensure that the housing allowance is only paid to employees who qualify in terms of the agreement. Simultaneously an employee guide has been developed in consultation with labour to assist employees in accessing the Housing Allowance. This guide also explains how to become a homeowner or a tenant and how to apply for the benefit.

A multi-term agreement to inform the cost of living adjustments for public servants was concluded covering the 2004/05-2006/07 financial years. The agreement included that development and introduction of the scarce skill framework, which enables departments to pay a scarce skills allowance as a short-term measure but also requires departments to develop and implement integrated strategies that will deal with the supply side of addressing the challenge. Departments are expected to identify and designate occupational groups or subcategories thereof as scarce skills based on agreed criteria.

In line with government's commitment to facilitate the mobility of personnel between the three spheres of government and to ensure integrated and seamless service delivery, the department engaged in the development and implementation of a transfer framework; and conducted a comparative analysis of remuneration and conditions of service in the public service and local governments.

To give effect to the Public Service Collective Bargaining Council (PSCBC) Resolution on a new Foreign Service Dispensation, the department facilitated its implementation through the issuing of a determination by the Minister for Public Service and Administration. An inclusive package or remuneration dispensation for middle managers was implemented. The dispensation aims to provide a remuneration dispensation that addresses inequities in conditions of service and is in line with remuneration trends.

Negotiations and Labour Relations (NLR)

The main focus for the past year was the negotiations pertaining to the new multi-term (three year) agreement on the improvement of salaries and other conditions of service. An agreement was concluded in September 2004, with the following features:

- A salary adjustment of 6,2% with effect from 1 July 2004
- Annual salary adjustments on 1 July 2005 and 1 July 2006 based on the projected CPIX plus 0,4%
- The introduction of a scarce skills framework
- The review of remuneration packages for identified categories of employees
- A review of the pay progression system
- The phasing in of a non-pensionable housing allowance for all permanent employees
- The restructuring of medical assistance to employees
- The review of PSCBC Resolution 3/1999 (benefits and allowances)
- Minimum service level agreements for essential services.

A Labour Relations Policy for the public service was implemented. The policy provides guidance to departments in dealing with various aspects of labour relations. The management of excess employees emanating from the PSCBC Resolution 7/2002 process continued during this period. Through intensive engagement with departments that have excess employees, a reduction in numbers from 13 383 in September 2003 (when the restructuring exercise came to an end) to approximately 5 000 at the end 2004 was achieved.

Employment Practices and Career Management (EPCM)

In 2003 Cabinet set gender and race affirmative action targets for the Senior Management Service (SMS) that had to be met by the end of March 2005. The gender target was set at 30% and the race target at 75%. PERSAL data indicate that as at 31 March 2005, gender and race representation at these levels stood at 29% and 70% respectively. During the course of the next financial year the Department will submit new proposals to Cabinet in this respect.

Cabinet endorsed the results of validation studies on competency assessments in the Department of Land Affairs, and the Eastern Cape and Gauteng provinces in February 2005. Cabinet approved that the assessments can now be implemented in the public service on a voluntary basis and the

Department will play a quality control role and ensure that ethical and legal standards are maintained. The rollout of competency assessments will strengthen recruitment and selection, training and development as well as performance management and development at the SMS levels.

During the course of the financial year the Department also embarked on a project to review the SMS Performance Management and Development System (PMDS). Part of the review was to incorporate the Batho Pele principles into the system. That task has been completed and communication to departments will commence in the next financial year. Preparatory work is also underway to review the overall legal and regulatory framework on performance management for the public service and introduce new measures aimed at strengthening the management of performance in government departments.

A successful three-day SMS Conference was held in Cape Town during September 2004. An updated version of the SMS Handbook, designed as a guide for departments and senior managers was distributed.

HIV and AIDS

The implementation of minimum standards for managing HIV and AIDS in the public service workplace is progressing well. There are a number of good practice initiatives within the Public Service and the programme continues to be acknowledged as best practice by the International Labour Organization (ILO).

The communication strategy was expanded in partnership with Soul City Health and Development Communication Institute (Soul City) to include print material as well as radio and television broadcasts. The first few publications have already been distributed while the radio and television scripts are being finalized. This partnership will provide all Public Service employees and their families access to relevant information in a variety of ways.

The Department convened the fourth HIV and AIDS Indaba in October 2004. The Indaba serves as a platform for discussing relevant policy developments and to share strategies and experiences for dealing with the management of the impact of HIV and AIDS. The 2004 Indaba was also used as a platform to develop a holistic approach to managing HIV and AIDS and the overall health and wellness of employees. Approximately 500 people, representatives from national and provincial government
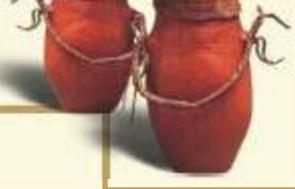
departments, organized labour, and the private sector (through the South African Business Coalition against HIV and AIDS - SABCOHA), attended the Indaba.

In line with the recommendations of the fourth Indaba, the focus of the programme was expanded to adopt a more comprehensive approach to employee health and wellness. This shift will assist in reducing the stigma previously attached to the programme while at the same time making it possible for the employer to deal with all other health and wellness-related problems.

Human Resource Development (HRD)

A Human Resource Development strategy for the Public Service was drafted in April 2000. Since its inception a series of workshops and working sessions were organized to develop the implementation capacity of the National and Provincial Public Service departments.

In 2004 most provinces managed to develop their Provincial Growth and Development Plans and provincial workshops have been facilitated to support the alignment of the plans with the provincial HRD strategies.

An internship guide and a mentorship guide were developed and presented through workshops to public service departments. A number of departments have appointed mentors and coaches to support both the interns and those in learnerships. As at February 2005 there were 2808 interns engaged in national and provincial departments.

The DPSA supported and strengthened the participation of HRD practitioners in the Public Service Trainers Forum by providing an opportunity for the practitioners to engage and debate Human Resource Development practices via the annual conference that has been hosted by the provinces for the last eight years. Northern Cape hosted the conference in 2004. The provincial Human Resource and Development Forums served as vehicles for monitoring and evaluating progress in the implementation of Human Resource Development programmes and policies.

Public Sector Education and Training Authority (PSETA)

In keeping with the requirements of the Department of Labour an amended Business Plan was submitted. A further application was submitted to ensure the re-certification of the PSETA for the period 2005 to 2010. Three Senior Managers were appointed to head the core functions of the PSETA, namely, Learnership, Education Training and Quality Assurance (ETQA) and Sector Skills Planning.

The PSETA achieved South African Quality Assurance (SAQA) ETQA Audit Compliance and is accredited by SAQA for relevant and demand driven qualifications and Unit Standards for the public sector. The ETQA status will enable PSETA to identify transverse education and training skills needs across all national and provincial government departments focusing on transverse skills. The transverse skills in question include skills training for junior, middle and senior management, with specific focus on project management, financial management and corporate service functions.

To date 11 Memoranda of Understanding were signed with other Sector Education and Training Authorities (SETA) ETQA bodies. The majority of policies and procedures to guide the ETQA functions of the PSETA were developed and approved.

In 2004/05 PSETA obtained R106m from the National Skills Fund for the implementation of Learnerships and by the end of the financial year over 2500 unemployed learners were registered in different transversal learnership programmes. The project to implement Learnerships for unemployed learners (referred to as section 18.2 learners) commenced in January 2005 with the appointment of the project team, and establishment of tender processes to appoint service providers and facilitate the recruitment of learners.

The Sector Skills Plan for the period 2005 - 2009 was developed for consideration by the relevant stakeholders and quarterly monitoring reports were developed and submitted to the Department of Labour.

PROGRAMME 3: INFORMATION AND TECHNOLOGY MANAGEMENT

The key outputs for 2004/05 were as follows:

Measurable objective: Improve access to government services by providing a single, 24-hour IT window in a steady and efficient manner.			
Sub-programme	Output	Measure / Indicator	Target
Information and Technology management	Regulatory framework for the management and use of IT in the public service	Promulgation of regulations emanating from the SITA Amendment Act (38 of 2002) and the Public Service Act (103 of 1994)	Regulation approved and communicated by 1st September 2004
	Integration and interoperability of IT in the public service	IT Plans implemented across government and used as a basis for ensuring integration and interoperability	Support established and IT plans available form all government departments by 31 March 2005
	Provision of IT access to government services	Broad use of IT to access a range of government services	By September 2005

Batho Pele Gateway Portal

The Department in conjunction with State Information Technology Agency (SITA) engaged in the Batho Pele Gateway-project in 2002/03. Phase 1 of this project was launched in August 2004. The next phase will be rolled out over the medium term. This project provides information on government services from a single portal found at the government web site, www.gov.za. A number of projects, such as updating the content, language editing of the site, language translation of the content on the site and migration of the portal to a more robust infrastructure, have been engaged upon to enhance phase one. Government Communications and Information Systems will be responsible for maintaining the portal and negotiations in this regard have been completed.

e-IGIS (electronic Inventory of Government Information Systems).

e-IGIS business ownership was transferred from SITA to DPSA in March 2005. The system has been developed as a decision support system and it will gather information on IT systems, IT projects from both national and provincial departments. The information collected will be used to provide information to the Minister of Public Service and Administration bi-monthly as well as addressing issues on security, interoperability and duplication.

CabEnet

CabEnet is a system used by the President, Deputy President, Ministers, Deputy Ministers, Director-Generals and Ministerial support staff to access and share information and communicate formally and informally with each other. The system consists of a document management system, information management system and knowledge management. The system will be rolled out in two phases. Phase I is the pilot phase which is currently underway and Phase II is a rollout phase to the rest of the departments.

Government Information Technology Officer (GITO) Council

The efforts of the Government Information Technology Officer's (GITO) Council to develop CIO's in government led to the enrolment of some CIO's in a course on CIO development with the WITS LINK center. META Group conducted two boot camps that helped to expose CIO's to trends and challenges that other CIO's face in their day-to-day management of ICT.

Chief Information Officer (CIO) Exchange Programme

A memorandum of understanding between the DPSA and the ICT industry is being developed in consultation with the GITO Council in order to facilitate the CIO Exchange Programme between government CIO's and the CIO's in the ICT industry. The main purpose of this programme is to expose the CIO's in government to the challenges of the profession so as to equip them to perform their duties better.

State Information Technology Agency (SITA) Regulations and Procurement

Although the final draft of the SITA Act regulations was distributed in 2004, it resulted in extensive consultations with both SITA and National Treasury and should be concluded in the forthcoming year. The regulations clearly establish the accountability for procurement by departments in terms of the PFMA. Extensive effort was also put into defining a new procurement process in consultation with SITA to speed up procurement.

Chief Information Officer (CIO) Code of Ethics

As a way to make the function of the CIO more professional in government, a CIO Code of Ethics is being developed with the assistance of the GITO Council.

PROGRAMME 4: SERVICE DELIVERY IMPROVEMENT

The outputs for 2004/05 were as follows:

Measurable objective: Improve service delivery through targeted interventions to selected departments and the provision of supportive frameworks and learning products.			
Sub-programme	Output	Measure / Indicator	Target
Service Delivery Improvement	Supportive Interventions to selected departments for improved service delivery	Service delivery projects, partnerships, communication campaigns	Design and implement at least 30 projects over three years from 2004
	Frameworks and strategies aimed at improving service delivery improvement efforts	Research reports, early warning systems and project management systems successfully implemented	Conduct at least 2 key Batho Pele campaigns per year
			Functioning project management systems in place by 2005
	A robust learning and knowledge management programme for the public service	Learning sessions held and knowledge products published	Complete at least 2 transversal research projects per annum

Publish 3 editions of the Service Delivery Review per annum

Host 4 major learning events per annum |

During the year under review Programme Four continued with its efforts to support service delivery improvement initiatives, ranging from basic administration to innovation. The achievements of the programme are elaborated below.

Facilitation and programme management of support initiatives

(i)   Integrated Provincial Support Programme

Approximately 24 projects were identified and supported through the Integrated Provincial Support Programme in four Provinces: Eastern Cape, Limpopo, Mpumalanga and Kwa-Zulu Natal. The programme has managed to support a number of successful projects which are now being replicated nationally, e.g. the file management system in the Eastern Cape and the monitoring and evaluation system in the Free State Province.

To assess the impact made through the programme, monitoring and evaluation visits were undertaken. Six monthly reviews were also conducted. The reviews focused on assessment of progress and development of strategies to address challenges encountered.

(ii)   Good governance programme

The programme supports service delivery initiatives in the DPSA, OPSC, CPSI, SAMDI and two provinces, namely Mpumalanga and the Eastern Cape. The programme is implemented in collaboration with the GTZ. As part of programme four of the DPSA, the programme will support the Public Management Watch and Red Tape Audit projects. The design framework of the programme was completed and approved by both the German and the South African counter-parts, including high-level impact indicators for the good governance focal area. Implementation of the programme is set to begin in the 2005/06 financial year.

(iii) Targeted support programme to KZN

In 2004 The Department embarked on a support programme to the Kwa-Zulu Natal province, in response to a request for assistance from the Premier of the Province. The focus of the intervention is to determine the extent to which departments are capable and geared to deliver on their mandates. A team of 20 officials from DPSA and the Office of the Public Service Commission (OPSC) undertook a review of all provincial departments and completed a report with recommendations. The report was presented to the affected departments and the premier and was subsequently adopted for implementation. Implementation of the recommendations of the review report

began early in 2005.   The programme will run to the end of June 2006. The team will facilitate the closure and handover of the programme to the Province over three months, before returning to the DPSA offices in Pretoria in September 2006.

(iv) Regional support initiative DRC

In August 2004 the Department of Public Service and Administration of South Africa and its counterpart in the Democratic Republic of Congo (DRC) signed a co-operation agreement. The strategic focus areas of the agreement include stabilisation of the country, building confidence in the state and developing new governance framework.

As part of creating stability in the country the DPSA embarked on a census project, which is aimed at determining the size of the public service. The first phase of the project involves a headcount of public servants, the collection of employment and personnel data, and the electronic capturing of the data on a central personnel database. This first phase was completed in the country's capital of Kinshasa.

Improvement of the macro-organization of the State

A key Government policy objective for the "Macro Organization of the State" is the review of the governance framework of national public entities and government business enterprises. The main focus during the year under review was on the development and coordination of the governance framework of national public entities and government business enterprises. The Review of national public entities and government business enterprises was concluded and Government is considering a consolidated policy framework.

The objective of the Review was to develop a coherent regulatory framework for public entities that allows for uniformity and differentiation in a particular functional area including improved governance and monitoring, clear and appropriate lines of accountability, performance-oriented human resource management and improving service delivery and access to services.

Development frameworks for alternative service delivery and innovation

A draft framework to guide support interventions was developed and departments such as National Treasury were consulted to address the resourcing aspect of the framework. The framework will be operationalised in the next financial year.

The second framework that is aimed at promoting effective management of joint programmes was also developed. After focused consultations with Provinces and presentation at the Governance and Administration (G&A) Cluster, the framework was finalized. The Department is currently preparing a memorandum for approval and adoption by Cabinet.

In response to the mandate given to The Minister for Public Service and Administration by Cabinet, a draft discussion document on outsourcing of state functions was developed and is being refined for discussion with relevant stakeholders. The document is intended to provide a common understanding of the definition of outsourcing, clarify the underlying reasons/rationale for outsourcing of state functions and provide guidelines for outsourcing in the public service/ state functions.

Development and facilitation of frameworks to build a culture and practices of quality services in the public service

In 2003 the DPSA conducted a survey on the extent of implementation of Batho Pele and the impact thereof on service delivery. Based on the findings, a memorandum was prepared and submitted to Cabinet with recommendations for approval and implementation. The key recommendation from the memorandum was the need for the revitalisation of the strategy for implementing Batho Pele. The revitalisation programme thus proposed renewed focus with four themes identified, namely: taking public services to the people; know your service rights campaign; customer relations management; and mainstreaming and institutionalisation of Batho Pele.

Based on the recommendations a number of projects were initiated, including:
- The Batho Pele change engagement programme which was rolled out in Limpopo and Eastern Cape.
- The development of the Batho Pele change management toolkit, which includes 23 tools, methodologies and techniques that were conceptualised and drafted by the end of the financial year.
- The Red tape audit, which was, followed by the Minister of DPSA giving awards to 10 of the contestants submitted in the programme.
- Public service week, which was used to launch the Khaedu programme. Khaedu, a Venda word that means challenge, is a programme designed to afford SMS members the opportunity to be deployed at service delivery points and interface with citizens whilst identifying pertinent service

delivery challenges. By March 2005, approximately 67 SMS members had participated in the programme.

Sectoral research and analysis to support service delivery improvement initiatives

A Research Unit was established within the Learning and Knowledge Management Component in 2004. The focus of the Unit is to participate in forums such as the Social Cluster on behalf of the Director General for DPSA and to develop various inputs for the Minister. In 2004 the Unit led the DPSA's participation in the National Treasury's Medium Term Expenditure Committee (MTEC) Programme.

Facilitation and co-ordination of learning and knowledge management

The 3rd Service Delivery Learning Academy took place in Port Elizabeth on 28-31 July 2004, under the theme "Integrated Service Delivery for Development: making the service delivery chain work for the second decade of democracy". The conference was attended by over 450 public servants from across the country.

Volume 3 (1) and Volume 3 (2) of the Service Delivery Review were published. The special focus of the latter was on the Ten Years of Democracy and various case studies on what different sectors and departments have done were captured. Volume 3 (numbers 2 and 3) of the Service Delivery Review, with a special focus on and coverage of the 3rd Service Delivery Academy and the Senior Management Service conferences respectively, were published during this period. Nineteen case studies were published in both editions.

Another of the highlights of the year was the launch of the Monitoring and Evaluation Learning Network in September 2004. All provinces and some national departments attended the workshop, and there were presentations on various M&E efforts from a range of organizations including DPSA, UNDP, The Presidency and various provinces. A follow-up workshop was held in February 2005.

The Batho Pele Learning Network workshop took place on 29 and 30 November 2004 and was attended by 150 people. Four case studies were presented. The Human Resource learning network forum was resuscitated. The second SA Annual Public Management Conversation, under the theme "Government Working As One", took place from 05-08 December 2004 in

Cape Town. About fifty high-level senior managers from the public service including three national and three provincial Director Generals, executives from public bodies/organizations, Chairperson of the Public Service Commission, the Minister DPSA, and academics participated. Due to a greater demand for the Machinery of Government Manual, a further 3000 copies were produced and distributed to various government departments.

Work has started towards developing an electronic database of public service delivery improvement projects. This database will contain projects that demonstrate innovation and change. The

objective is to create an easily accessible database of South African public administration best practices, for use by policy-makers, practitioners, and other sectors of society. It will be one of the major baseline information points and sources of reference on service delivery initiatives in government. The database will also be used as a learning and knowledge-sharing repository. Sixty-four (64) projects were captured on the system.

Presentations on the learning and knowledge management work of the DPSA were made to different stakeholders such as universities, parastatals and private sector companies via workshops and conferences.

PROGRAMME 5: ANTI-CORRUPTION

The key outputs for 2004/05 were as follows:

Measurable objective: Prevent and combat corruption and enhance the integrity of governance systems in the public sector by establishing and implementing strategies.			
Sub-programme	Output	Measure / Indicator	Target
Anti-corruption	Facilitate the implementation of the Public Service Anti-Corruption Strategy	Increased institutional capacity to prevent and address corruption	Support the building of capacity in courts to prosecute/preside over corruption cases by the end of 2005
			By 2005, implement a preventative programme focusing on public mobilization, training and awareness
	Regional and international anti-corruption cooperation	Active participation in and compliance with regional and international agreements	By end of 2007, facilitate compliance with requirements of United Nations, African Union and Southern African
	Corruption Management Information System	Reliable information on corruption and the efficacy of anti-corruption measures	Development Community legal instruments on corruption System completely developed by the end of 2004
			From 2005, generate annual reports on corruption and the efficacy of anti-corruption measures

During the period under review, attention was given to consolidating the implementation of the Public Service Anti-corruption Strategy, laying a foundation for support to departments and fostering greater regional and international anti-corruption cooperation.

A Public Service Anti-corruption Training Strategy was developed and adopted and visits to provinces were conducted to determine the state of implementation of the minimum anti-corruption capacity requirements and to determine implementation support. The monitoring for national departments was done using questionnaires.

A number of guidelines and reports were developed and published during 2004/05. These include a case referral framework for departments to refer allegations of corruption correctly, case studies on existing anti-corruption capacities in departments and other practical assistance documents to support implementation of minimum anti-corruption functions in departments. The report on compliance of departments with the minimum anti-corruption requirements was finalised. The DPSA, together with the Department of Justice and Constitutional Development, has developed a project on training of judicial officers. An assessment of the anti-corruption capacity of the Department of Correctional Services was also undertaken.

In the time leading up to the Second National Anti-corruption Summit in March 2005, this Programme provided coordination and leadership for the Public Sector planning and preparations for the Summit and support to the Public Sector representatives on the National Anti-corruption Forum.

South Africa's profile as a country with a good practice anti-corruption framework is increasing together with South Africa's leadership and involvement in various international and regional developments. In this regard the Programme has delivered the following:

- Deposit of the instrument of ratification of the United Nations Convention against Corruption.
- Membership of the Experts' Meeting to draft the Legislative Guide for Implementation of the United Nations Convention against Corruption.
- Consultations and preparations for ratification of the African Union Convention on Preventing and Combating Corruption.
- Consultation and preparation for South Africa to accede to the OECD Convention on the bribery of foreign Public Officials in International Business Transactions, including submission of a technical evaluation report.
- Representation as expert panelist in the Experts' Meeting on New Anti-corruption Governments, as well as speakers/panelists in other global forums.
- Assistance to Brazil to organize the Fourth Global Forum on Fighting Corruption.
- Assistance to the Democratic Republic of Congo to establish a national anti-corruption framework.
- Hosted a celebration of the first International Anti-corruption Day on 9 December 2004, together with the regional office of the United Nations Office on Drugs and Crime.

As a result of the increasing workload and responsibilities of this Programme, as well as a direct outcome of medium-term planning, the Programme structure has been amended with effect from 1 April 2005 in order to provide for three Sub-programmes (Anti-corruption Policy, Anti-corruption Monitoring and Evaluation and International Anti-corruption Cooperation) and additional human and financial resources. Future reporting on the deliverables of the Programme will better reflect the outputs at Sub-programme levels. The outputs in the Sub-programmes dealing with policy and monitoring and evaluation will increase significantly over the medium term. During this period, the focus of the work on international cooperation will be directed towards implementation of international and regional commitments.

PROGRAMME 6: INTERNATIONAL AND AFRICAN AFFAIRS

International and African Affairs

Measurable objective: Improve accountability for processes, outputs and outcomes on public administration and ensure valuable information to evaluate the efficiency and effectiveness of service delivery.			
Sub-programme	Output	Measure / Indicator	Target
International and African Affairs	Support and Implement bilateral and multilateral engagements on governance and public administration	Bilateral agreements negotiated and implemented	All bilaterals in process agreed and implemented by September 2005
	Manage the implementation of the Pan-African Programme on Governance and Administration	Effective African ownership of the programme, and programme accountable to NEPAD and African Union (AU)	Programme fully integrated into the AU by end of 2005.
	Implement the African Governance and Public Administration Programme	Resources mobilized, networks established, and partnerships forged in all projects directed the delivery of the programme	All projects implemented by end of September 2005

The Department has continued to play a critical role in the implementation of the NEPAD programme on public administration and governance through the Minister's continued leadership of the Pan-African Ministers of Public Service and participation in other NEPAD initiatives on governance and public administration.   As part of the Minister's participation in the NEPAD programmes, the department hosted the African regional conference on 'Reinventing Government' in January 2005. The conference served as preparatory platform for the 5th Global Forum on Reinventing Government' held in Korea in May 2005. The major outcome of the conference was a consolidated African position that was presented at the conference in Korea.

During the reporting period the department served as the Secretariat for the African Ministerial Committee meeting held in Uganda in March 2004 and will continue to do for the second meeting to be held in October 2005, in South Africa. The Department will take responsibility for logistical and related arrangements for the October 2005 meeting.

The Department championed and facilitated the implementation of a number of efforts within the NEPAD programme. These include the establishment of a capacity building programme on 'Public Sector Leadership' with the United Nations Department of Economic and Social Affairs (UNDESA). This initiative is expected to enhance efforts at building public sector leadership capacity across the continent. Implementation of the programme will receive added momentum in 2006.

In collaboration with the Japanese International Development Agency, a study on Human Resource Management practices across the continent was conducted. The department, in partnership with the Centre for Public Service Innovation (CPSI) released a major study on 'Donor support to Public Sector Reform in Africa'. The findings of the study were distributed to all stakeholders to inform the direction and thinking on development partnerships. The report will be presented to the Pan African Ministers of Public Administration conference in October 2005. Planning for the implementation of the African Management Development Institutes Network (AMDIN) programme is continuing. The AMDIN programme will be launched by DPSA's sister department, SAMDI, in October 2005.

Following the nomination of the Minister of Public Service and Administration as the focal point for South Africa, the

Department is implementing the African Peer Review Mechanism (APRM). During the financial year, the department engaged with the APRM Secretariat to understand the APRM process and expectations from South Africa. Consultation with stakeholders is central to the success of the APRM. To this end, the Department is planning to organise conferences with stakeholders during the third and fourth quarter of 2005. The APRM encourages countries to assess their performance and weaknesses in four areas: namely, political stability, economic growth, sustainable development and continental economic integration.

The Minister for Public Service and Administration and the Department have also participated in a number of bilateral, trilateral and multilateral discussions in Southern Africa and abroad. These include the discussions with the Chinese Public Sector Restructuring and Human Resource Development Minister, negotiations with the European Union (EU) for the provision of resources to support implementation of some programmes, and discussions with the African Union (AU) Commission and NEPAD on the funding of the NEPAD programmes. Further details of the Department and Minister's regional and international activities have been reported elsewhere in this report.

Annual Report of the Audit Committee

in respect of the year ending 31 March 2005

1. Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and should meet quarterly per annum as per its approved terms of reference. During the current year two (2) meetings were held. (13 May 2004 & 26 November 2004) The reason for the Audit Committee only meeting twice, was that the Audit Committee Chairperson resigned with effect from 1 April 2004 and one Audit Committee member resigned with effect from 15 June 2004.

Name of Member	Meetings Attended
Prof Danie du Plessis (Chairperson) (Resigned 31 March 2004)	13 May 2004
Ms Gugu Motepe (Resigned 15 June 2004)	13 May 2004
Mr. Michael Sass (Chairperson) (Appointed 20 October 2004)	26 November 2004
Mrs. Maureen Manyama (Appointed 13 September 2004)	26 November 2004
Mr. Lazarus Nekhondela (Appointed 28 June 2001)	13 May 2004

2. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.10.

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 this charter and has discharged all it's responsibilities as contained therein.

3. The Effectiveness of Internal Control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported, with the exception of the Procurement Irregularities as reported under note 24 of the Financial Statements for the year ended 31 March 2005.

Management of the Department is of the opinion that the Internal Audit unit was not fully functional, effective and efficient during the past financial year, because of staff shortages and insufficient capacity within the unit. In an effort to strengthen the Internal Audit Function, an independent audit firm has been appointed to assist in building capacity as well as the transfer of knowledge/skills to the unit.

4. The quality of in-year management and monthly / quarterly reports submitted in terms of the PFMA and the Division of Revenue Act.

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the
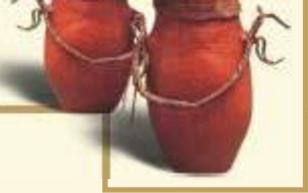
Accounting Officer and the Department during the year under review.

5. Evaluation of Financial Statements

The Audit Committee has

5.1   Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
5.2   Reviewed the Auditor-General's management letter and management's response thereto; and
5.3   Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions 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.

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Chairperson of the Audit Committee

Date:.............................

Vote 10: Report of the Accounting Officer

for the year ended 31 March 2005

General review of the state of financial affairs

The Department of Public Service and Administration (DPSA) makes policy for the public service in the areas of human resource management and development, including conditions of service and labour relations, as well as information technology and service delivery improvement. The Department provides support to government departments in the implementation of these policies and provides focused support on request to strengthen public service institutions' service delivery capacity and human resource practices. The Department also plays a leadership role in the implementation of the Governance and Administration (G&A) Programme of Action.

The department's focus areas for the 2004/05 financial year are in line with the priorities spelt out by the President, Cabinet and the Minister for Public Service and Administration.

The major priority areas identified under the year of review are listed below:
- Public Service Sector Education Authority (PSETA) learnerships
- Community Development Workers (CDWs)
- Implementation of the Government Employees Medical Scheme (GEMS)
- Creating the Middle Management Service (MMS) dispensation
- Recruitment and retention of scarce skills
- HIV and AIDS
- Batho Pele
- Anti-Corruption
- E-Government
- Integrated Planning, Monitoring and Evaluation
- Institutional support to the Democratic Republic of the Congo (DRC), Sudan and Kwa-Zulu Natal (KZN)
- Implementing the African Peer Review process

PSETA learnerships

PSETA is currently rolling out Learnerships for the unemployed youth. Learnerships in the public sector accounting, project management, Public Administration and IT systems are being pursued. A tender for the management of 4197 public service learnerships has been awarded under the year of review. Meetings have been held with the provinces to recruit learners and 2503 learners are currently employed.

Community Development Workers (CDW's)

A learnership was developed in 2003 to provide training for prospective CDW's. Currently 1367 CDW's are in the learnership and by the end of the year, 2840 will be in the learnership or will have completed the learnership. CDW's are deployed at the local government level and once they have completed their learnership those who can be accommodated will be employed as public servants on the establishment of the provincial governments.
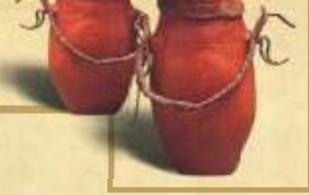
Government Employees Medical Scheme (GEMS)

Medical assistance is one of the macro employee benefits in the Public Service that was identified for restructuring through the 1999 Wage Policy and Review of Personnel Expenditure Framework. The review identified the following shortcomings in the existing system: inequity in access to medical cover based on the income levels of employees, unchecked increases in employer expenditure on medical assistance and poor value for money.

The Council for Medical Schemes gave approval for the registration of GEMS on the 27th November 2004. The Scheme was registered officially with the Council for Medical Aid Schemes on 1 January 2005. Work has commenced on the development of the member enrolment strategy and enrolment of members will take place from 1 January 2006.

Middle Management Service

As part of the establishment of a Middle Management Service cadre, DPSA as the employer has reached an agreement with labour in the PSCBC to take initial steps in transforming the conditions of service of middle managers. The initial steps relate to:
  - the introduction of a revised remuneration dispensation
     for middle managers
  - development and implementation of a
     competency framework
  - facilitating the development and implementation of focused strategies for personnel who seek to grow technically rather than pursuing managerial responsibilities.

The dispensation will be implemented with effect from 1 July 2005.

Recruitment and retention of scarce skills

The department is striving to make the public service an employer of choice by improving an attractive option to skilled people who are keen to work for a common good. The conclusion of the multi-term agreement in September 2004 marks a critical milestone in the transformation of the Public Service. The agreement provides a framework to the introduction of financial incentives to attract and retain skills that are scarce and critical for service delivery.

HIV and AIDS

The implementation of the comprehensive strategy for the management of HIV and AIDS, developed by the Department to support initiatives and mitigate the impact of HIV and AIDS on the Public Service, is now in its third phase. The main thrust is prevention, with significant attention being paid to other health and wellness issues for public servants and their families. An intensive communication strategy has been central to the implementation process. The South African public service HIV and AIDS workplace programme is seen as a good practice model by international agencies and the department has been requested to assist in supporting other countries.

Batho Pele

In August 2004 Cabinet approved a range of measures aimed at revitalising the Batho Pele programme in government. Specifically Cabinet agreed that service delivery institutions must have proper signage and that frontline workers should wear nametags. It was also agreed that Ministers and Public Service Commissioners should pay unannounced visits to service delivery institutions and that public servants would visit these institutions and report on their findings. These measures are currently under implementation.

Vote 10: Report of
The Accounting Officer continued
for the year ended 31 March 2005

Anti-corruption

The 2nd National Anti-Corruption Conference was held in March 2005. A programme of action will be developed under the auspices of the National Anti-Corruption Forum by June 2005. The Public Service Anti-Corruption Unit is currently working to ensure that South Africa complies with all the mandatory elements of the various conventions against corruption (United Nations, African Union and Southern African Development Community Conventions). The implementation of the Public Service Anti-Corruption Strategy is almost complete and an assessment will be conducted in 2005.

E-Government

During August 2004, phase 1 of the Batho Pele Gateway was launched. The Batho Pele Gateway provides comprehensive information on government services from a single portal found at the government website. Various projects are underway to enhance phase 1, including updating of the content, language editing of the site, translation of the content on the site and migration of the portal to more robust infrastructure. The Office of the Government Chief Information Officer has entered into consultations aimed at forging a common approach to e-government by the end of 2005.

Integrated Planning, Monitoring and Evaluation

It has become apparent that a number of departments in the public service are no longer complying with the Regulations. DPSA in collaboration with National Treasury has developed an Early Warning System, which will give an early warning service of delivery failure. A statistical model was developed that utilizes information from the payroll and the financial system that rates the departments most likely to have service delivery problems.

DPSA will develop a framework for the annual assessment of Human Resources (HR) Utilization within the public service. The assessment will consolidate information on HR Utilization available in the public service and address those areas where no information exists. The assessment will cover:
  - productivity, effectiveness and efficiency
  - compliance to national HR legislation
  - factors that influence HR utilization
The aim of the assessment is to provide best practices and limiting factors within the HR environment.

Institutional support

Democratic Republic of Congo (DRC)
The Democratic Republic of Congo and South Africa signed a Memorandum of Understanding in the area of public service reform in August 2004. The department will provide technical and limited financial support in respect of various projects over a three-year period. The focus areas will be a census of public servants (excluding police, defence, senior magistrates and public entities) and supporting anti-corruption initiatives as well as the establishment of a national public administration training institute.
The census of public service personnel in Kinshasa and the establishment of a personnel database will be completed by the end of June 2005. Thereafter DPSA will assist the DRC Ministry with the rollout of the census to its provinces, which should be completed by December 2005.

Sudan

South Africa has established a programme of support to South Sudan, following a peace settlement in Sudan. An initial workshop was held in April 2005 focusing on politics, public administration and management. A team of experts and senior officials from DPSA, State Information Technology Agency (Propriety) Limited (SITA), and the South African Management Development Institute (SAMDI) will visit Sudan in mid-June 2005 to finalize the Memorandum of Understanding.

Kwa-Zulu Natal

The Premier of Kwa-Zulu Natal requested assistance in the Province to review the province's readiness to deliver on their mandates. The scoping report was completed in October 2004 and presented to the Premier and Provincial Cabinet in January 2005.   DPSA also assisted in strengthening and restructuring the Office of the Premier by establishing two new departments and developing a top structure for provincial departments and one provincial ministry.   A team of officials from the DPSA and Public Service Commission (PSC) has been deployed to Kwa-Zulu Natal since April 2005 and it is envisaged that the process will be completed in March 2006.

African Peer Review Process

The African Peer Review Process encourages African countries to assess themselves and adopt unifying programmes of action that promote sustainable development. The Office of the Ministry has been in discussions with various sectors on the nature of the review and the role and function of a governance structure. It is envisaged to have further engagements with all the sectors and a national process will take place to prepare our self-assessment report and a programme of action.

Expenditure Trends

The final budget allocation for the department for the 2004/05 financial year amounted to R144, 296 million and the total expenditure to March 2005 was R127, 462 million, which represents a total spent of 88, 3% of the total budget allocation. The unspent portion of R16, 834 million represents 11, 7% and the under spending emanates from the following:
  - R656 000 self-financing funds not received from donors
  - R1 million for the co-sourcing of the internal audit function
  - R900 000 for the review of the Senior Management Service
  - R600 000 for the HIV/AIDS tender
  - R500 000 for the tender on the employment of foreigners and the exchange of public service employees
  - R6, 4 million for the e-government projects
  - R4, 5 million for the Kwa-Zulu Natal and Democratic Republic of the Congo
  - R1, 1 million for vacant posts

The expenditure trends for 2004/05 reflected a constant spending for most of the year at an average spending pattern of R7, 5 million per month. However, the expenditure for July and October 2004 was higher than the average spent due to payments made to SITA.

The major increase in departmental spend was in March 2005, were expenditure equivalent to R25 million was incurred and the following highlights the major payments that were effected in the period leading to year-end.

  - R500 000 for Pro-Active for providing consulting services for the asset management
  - Payment of R800 000 to the service provider for the Soul City tender
  - Purchasing capital computer and furniture equipment amounting to R1, 4 million
  - Initial payment of R5 million for the Government Employees Medical Scheme
  - R155 000 for the maintenance of the equate system
  - R920 000 for the skills audit

Vote 10: Report of
The Accounting Officer continued
for the year ended 31 March 2005

- Approval for the amount of R3, 6 million was obtained from National Treasury to defray part of the Eastern Cape expenditure
- R2 million on e-government projects
- R500 000 for the South African Police Services for their services at the Re-inventing Government conference.

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 List of services

For the 2004/05 financial year the Department functioned within seven main programmes.

- The first programme (Administration) is responsible for providing policy and strategic leadership and also includes the internal administrative support and
- function such as Internal Audit, Ministerial and Communication Services, Legal Services and Corporate Management.
- 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.
- Information and Technology Management – ensures the effective utilization of Information Technology and facilitates the modernization of government.
- Service Delivery Improvements – engages in supportive interventions and partnerships to improve the efficiency and effectiveness of service delivery in the public service.
- Public Service Anti-Corruption – focuses on establishing partnerships and devise strategies to fight corruption and enhance ethical conduct and practices in the public service.
- Internal and African Affairs – focuses in maintaining and establishing bilateral and Administration through the implementation of global and continental programmes and projects for governance and public administration improvement.
- Transfers to the State Information Technology Agency, a public entity charged with establishing, maintaining and enhancing government's information technology infrastructure is accommodated in the programme Auxiliary and Associated Services.

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

The department does not charge for services rendered in a form of deployment of personnel or the assistance it provides for institutional building.

2.4 Inventories on hand at year end

	R'000
Stationery	148
Photocopy paper	11
Other store items (aggregated)	40
TOTAL	199

Inventories are valued on a First-in-first-out (FIFO) basis.

3. CAPACITY CONSTRAINTS

In the year under review, officials were deployed to both the DRC for public service reform project and the Kwa-Zulu Natal province.

It's anticipated that the support on both projects will continue well beyond the year under review following the signing of agreements in the latter part of the financial year.

The deployments will create capacity challenges for the department and it is likely that the department will have to create or build more capacity especially in view of assistance that will be needed with regard to the Sudan intervention in mid June 2005. It is therefore necessary to strengthen capacity within DPSA especially the Government Internal Consulting Service (GICS) component in order to respond effectively to the challenges. The capacity demands is not only felt in the GICS component, as the requests often deals with transversal matters like procurement process, development of human resource plans as well as the implementation of minimum Anti-corruption measures.

4. DONOR FUNDS

The Department received donor funds mainly from German Development Co-operation (GTZ) and the Department for International Development Co-operation (DFID) in the financial year under review. Some of the donations were made in kind as the department only receives the services procured by the donors on it's behalf.

Since its inception, the Integrated Provincial Support Programme (IPSP) supported five provinces (Eastern Cape, Limpopo, Free State Kwa-Zulu Natal and Mpumalanga) in implementing successful innovative service delivery initiatives. Some of these initiatives, i.e. the review of the Provincial Growth and Development Strategies (PGDS), have begun to inform national and provincial policies and approaches. The review of the Provincial Growth and Development Strategies provided provinces with the strategic frameworks that guide planning, implementation and monitoring of programmes aimed at achieving poverty alleviation, effective rendering of basic services and good governance.

The overall goal of the programme is to support the Provincial Administration to achieve their PGDS. The purpose is to enhance the ability of the Provincial Administrations to achieve service standards as agreed with communities. In order to achieve these goals provinces implemented projects that aimed at improving the ability of the centre of provincial government to co-ordinate and manage pro-poor policies and development; improving the utilization of resources and enhancing accessibility of basic services for the poor; building capacity to restructure state assets; ensuring transparency and accountability by the centre of Provincial Government in the delivery of services to citizens, maximizing shared learning and capacity in DPSA and Provinces and to achieve effective planning and management of the implementation of projects in IPSP II and the overall implementation of the programme.

Programme achievements could be attributed to effective and efficient programme management at provincial and national level. Implementation of quality projects has recorded high impact in terms of improving service delivery. Whilst the Integrated Provincial Support Programme continues to achieve successes in supporting the government's transformation initiatives, Partners should ensure that lessons learned from the programme are disseminated across government departments and other institutions through the Service Delivery Review Journal, Learning Sessions, Learning Academy, Programme and Project Management Learning Networks, Learning and Knowledge Management Networks, etc.

With effect from 1 April 2005 Department for International Development (British Government) intends to make a grant of up to two million and fifty thousand pounds to DPSA for the Integrated Provincial Support Programme. The funds will be utilized in the provincial governments to improve resource utilization, capacity to restructure state assets, transparency, accountability, effective planning and management.

5. TRADING ENTITIES AND PUBLIC ENTITIES

During the year under review, the internal emphasis and focus of SITA was on the operationalisation of Tswelopele - SITA's Turnaround Strategy. Some of the key achievements were the following:

Vote 10: Report of
The Accounting Officer continued
for the year ended 31 March 2005

- Formal merger of SITA-C, -D and E into a single SITA organisation, whereby shared services could be utilized in order to extend cost savings to clients;
- Realigning and consolidation of resources with similar competencies into appropriate departments or divisions;
- The restructuring of the Procurement Division (Information Technology Acquisition Centre (ITAC)) in an effort to align procurement with SITA's business objectives. The aim is to develop a customer service focused organization that will deliver services with integrity and honesty in an efficient, transparent, and fair manner, whilst supporting the development of Black Employee Empowerment (BEE) and Historically Disadvantaged Individual (HDI) suppliers in line with government guidelines, as well as adding value to all clients in any activities that the Procurement Division undertakes on their behalf, while realizing economies of scale for government;
- The Procurement division has managed to reduce the average turnaround time for tenders and continues to strive towards the targeted 60 days or less.

Salient client focused achievements for the year includes:

- e-Gateway Phase I was launched during August 2004 to the whole of the country, which included the call centre, Multi Purpose Community Centre (MPCC) and the portal;
- Integrated Development Planning Nerve Centre - On 31st January 2005 SITA, Council for Scientific Industrial Research (CSIR) and Department of Provincial and Local Government (DPLG), launched the Integrated Development Planning (IDP) Nerve Centre. IDP is a process by which municipalities prepare 5-year strategic plans that are reviewed annually. The IDP Nerve Centre is a system that will enable municipalities to easily collate the projects taking place in their area and report on their progress to the Department of Provincial and Local Government;
- The successful and timely completion of Master System Plans (MSPs) for Parliament, as well as for the Department of Education and other national and provincial departments; and
- CabEnet Project piloted at the beginning of January 2005 after the project had been in development for almost five years. All the issues encountered in the past five years were brought under control and project plans were redefined.

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

The department did not make any transfers to SITA (Pty) Ltd for the year under review.

7. PUBLIC PRIVATE PARTNERSHIPS

DPSA does not have any Public/Private Partnerships.

8. CORPORATE GOVERNANCE ARRANGEMENTS

The department continues to have appropriate governance structures, which were set up to address ongoing strategic management challenges and key risk areas. A need still exists to strengthen the Risk Management Committee of the Department, which was established in 2002 in line with the Public Finance Management Act (PFMA), to specifically identify and update the risk profile of the Department. However, an auditing firm has been contracted to assist with a risk assessment workshop and to compile a risk profile for the department. The key function of the committee will be to continuously 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 Accounting Officer and the Audit Committee.

A draft fraud prevention plan has been presented for consideration, but it still has to be reviewed by the appointed auditing firm prior to the Accounting Officer's approval. Once the plan has been approved, sessions and workshops will be conducted with

departmental officials to create awareness and familiarize them with the contents of the document and the implications thereof.

The departmental governance structures are in existence; however the Internal Audit has not being fully functional and effective in certain aspects as defined by the PFMA. In an effort to strengthen the Internal Audit function, an independent audit firm has been appointed to assist in building capacity as well as the transfer of knowledge/skills to the unit. Following the resignation of the Audit Committee Chairperson as well one member of the audit committee in the previous financial year, the department has been able to appoint two additional members and the full audit committee have elected a new Chairperson. The Audit Committee is currently fully functional as defined by the PFMA and Treasury Regulations.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

No activities were discontinued during the period under review or will be discontinued.

10. NEW OR PROPOSED ACTIVITIES

A new programme Integrated Monitoring, Evaluation and Reporting has been established for the 2005/06 financial year and the purpose of the programme is to improve accountability for processes, outputs and outcomes on public administration and provide valuable information to evaluate the efficiency and effectiveness of service delivery. The Medium Term Expenditure Framework allocations for the programme are as follows:

Programme	2005/06 R'000	2006/07 R'000	2007/08 R'000
Integrated Monitoring, Evaluation and Reporting	2 561	4 631	7 405

Initiated support for provincial and national departments, as well as African countries will be a priority in the medium term.

11. EVENTS AFTER THE REPORTING DATE
There were no material events that occurred after 31 March 2005.

12. PERFORMANCE INFORMATION
As stipulated in section 27(4) of the Public finance Management Act and Financial Regulation 5.3.1 various strategies have been put in place to ensure DPSA's objectives are achieved and performance is enhanced. New policy proposals and procedural matters are submitted to the Director-General and Minister for approval.

Programme performance is also evaluated on a quarterly basis and reported to the Executive Authority. These reviews focus on the major priority areas of the department. The online focus area reporting system is complemented by reports generated from the financial system and reports provided by Corporate Management in DPSA. The Director-General meets on a regular basis with Executive Managers in the DPSA (EXCO).

The department is still committed to enhance financial management as an ongoing process. Internal training sessions are being held to share information and to ensure that all programmes and responsibility managers are kept abreast of all policies and prescripts. During the year under review, the department has to report that fruitless expenditure of R5 596 and irregular expenditure of R566

Vote 10: Report of
The Accounting Officer continued
for the year ended 31 March 2005

500 was identified. The cases are currently under investigation and proper process has been followed where appropriate to deal with this matter as required by PFMA and Treasury Regulations.

13. SCOPA RESOLUTIONS

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
	In March 2003, the department reported on a fruitless expenditure of R563 in respect of interest charged to DPSA.	Expecting SCOPA's decision on the subject by July 2005.

14. APPROVAL

The Annual Financial Statements set out on pages 40 to 78 have been approved by the Accounting Officer.
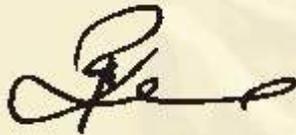
R. LEVIN

DIRECTOR-GENERAL

31 May 2005

Community Development Workers (CDWs) are part of government's drive to ensure that services reach poor and marginalized communities.

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 2005

1. AUDIT ASSIGNMENT

The financial statements as set out on, page 40 to 78, for the year ended 31 March 2005, 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 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). 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.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005. 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 Department of Public Service and Administration (DPSA) at 31 March 2005 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 No. 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

With reference to paragraph 4.1 on page 26 of my previous year audit report, the internal audit unit was still not fully functional during the financial year as envisaged by section 38(1)(a)(ii) of the PFMA and Treasury Regulation 3.2. Internal audit only completed twelve of the twenty-four planned internal audits during the year.

Furthermore, quarterly reports detailing the performance of internal audit against the annual internal audit plan were not submitted to the audit committee as required by Treasury Regulation 3.2.7(d) during the financial year.

With reference to paragraph 8 of the report of the Accounting Officer, I noted that the department has appointed an independent audit firm, subsequent to year end, to address the issues in respect of the internal audit unit.

4.2 Internal controls

For the year under review, the audit revealed internal control weaknesses in the following areas which do not affect the fair

presentation of the financial statements:

- Procurement policies and procedures in respect of tenders were not adhered to at all times resulting in irregular expenditure of R566,500.21 as reported in note 24.2 to the annual financial statements.
- There were deficiencies in respect of the administration of employee records and files.

These deficiencies in internal controls were brought to the attention of management and the audit committee for corrective action.

4.3 Public Sector Education and Training Authority (PSETA)

With reference to paragraph 4.3 on page 27 of my previous year audit report, I noted that the PSETA Board has since proposed that PSETA be established as a legal entity in terms of the PFMA. At the date of this report no final decision on the future of PSETA has been made.

As disclosed in note 27 to the financial statements, there are two bank accounts in the name of PSETA which have not been included as part of the DPSA annual financial statements. The total expenditure in respect of PSETA amounting to R5 203 552 (2004: R5 995 885) has been included in the expenditure of the DPSA.

5. APPRECIATION

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

J. E. van Heerden

Æ van Heerden for Auditor-General
Pretoria
31 July 2005

AUDITOR-GENERAL

Vote 10
Accounting Policies
for the year ended 31 March 2005

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual 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 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements:
GRAP 1, 2 and 3.

1. Basis of preparation

The Annual 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 disclosure items. 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.

2. Revenue

Appropriated funds

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National/Provincial Expenditure. Unexpended voted funds are surrendered to the National/Provincial Revenue Fund, unless otherwise stated.

Departmental revenue

Tax revenue
A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

Sale of goods and services other than capital assets
This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

Fines, penalties and forfeits
Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.

Interest, dividends and rent on land
Interest and dividends received are recognised upon receipt of the funds, and no provision 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 Statement of Financial Performance of the department and then transferred to the National/Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.

Sale of capital assets
The proceeds from the sale of capital assets is recognised as revenue in the statement of financial performance on receipt of the funds.

Financial transactions in assets and liabilities
Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Local and foreign aid assistance

Local and foreign aid assistance is recognised in the statement of financial performance on receipt of funds. Where amounts are expensed before funds are received, a receivable is raised. Where amounts have been inappropriately expensed using Local and Foreign aid assistance, a payable is raised. In the situation where the department is allowed to retain surplus funds, these funds are shown as a reserve.

3. Expenditure

Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

Long-term employee benefits and other post employment benefits

Termination benefits

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

Medical benefits

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation forpayment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the department.

Post employment retirement benefits

The department provides retirement benefits for certain of 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 the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

Other employee benefits

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services were used on a capital project.

Interest and rent on land

Interest and rental payments resulting from the use of land, are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

Financial transactions in assets and liabilities

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as

Vote 10
Accounting Policies
for the year ended 31 March 2005

irrecoverable. Debts written-off are limited to the amount of savings and/or underspending available to the department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

Unauthorised expenditure
Unauthorised expenditure, is defined as:
- 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.

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

Irregular expenditure
Irregular expenditure, is defined as:
expenditure, other than unauthorised expenditure, incurred in contravention 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.

It is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

Fruitless and wasteful expenditure
Fruitless and wasteful expenditure, is defined as:
expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore
- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

4. Transfers and subsidies

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

5. Expenditure for capital assets

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

6. Investments

Investments include investments in controlled entities. Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the Statement of Financial Performance.

7. Receivables

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

8. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks, short term investments in money market

instruments and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Payables

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to the Provincial/National Revenue Fund or another party.

10. Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the cash basis of accounting.

Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

11. Accruals

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

12. Contingent liability

This is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

a present obligation that arises from past events but is not recognised because:
- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

13. Commitments

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of financial position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

14. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Revenue Fund.

15. Recoverable revenue

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance as an expense in previous years due to non-performance in accordance with an agreement, which have now become

Vote 10
Accounting Policies
for the year ended 31 March 2005

recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

16. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statements, as this would involve reclassification of amounts dating back to the 2002/03 year-end.

"International and African Affairs is responsible for the improvement of governance and public administration through leadership and projects that foster change globally and within Africa."

Department of Public Service and Administration - Vote 10
Appropriation Statement
for the year ended 31 March 2005

	2004/05							2003/04	
Appropation per Programme									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	33,826	61	3,121	37,008	35,761	1,247	97	32,092	31,487
Transfers and subsidies	201	-	57	258	212	46	82	95	85
Expenditure for capital assets	1,225	(61)	567	1,731	1,651	80	95	1,574	1,154
2. Integrated Human Resources									
Current payment	49,052	(580)	(2,706)	45,766	41,688	4,078	91	40,909	31,214
Transfers and subsidies	65	-	4	69	62	7	90	69	63
Expenditure for capital assets	344	580	-	924	861	63	93	677	422
3. Information and Technology Management									
Current payment	27,601	(58)	(1,473)	26,070	19,717	6,353	76	15,010	10,870
Transfers and subsidies	13	-	(2)	11	11	-	100	14	8
Expenditure for capital assets	153	58	-	211	141	70	67	4,819	4,797
4. Service Delivery Improvement									
Current payment	26,438	(394)	(163)	25,881	21,459	4,422	83	24,100	19,822
Transfers and subsidies	31	-	9	40	39	1	98	47	42
Expenditure for capital assets	250	394	-	644	510	134	79	291	295
5. Anti-Corruption									
Current payment	1,903	-	(71)	1,832	1,796	36	98	1,702	1,477
Transfers and subsidies	4	-	1	5	4	1	80	6	5
6. International and African Affairs									
Current payment	3,129	-	655	3,784	3,529	255	93	3,139	3,123
Transfers and subsidies	4	-	1	5	4	1	80	121	113
Expenditure for capital assets	55	-	-	55	17	38	31	-	-
7. Auxiliary and Associated Services									
Transfers and subsidies	2	-	-	2	-	2	-	50,002	50,002
Subtotal	144,296	-	-	144,296	127,462	16,834	88	174,667	154,979
Total	144,296	-	-	144,296	127,462	16,834	88	174,667	154,979
Reconciliation with Statement of Financial Performance									
Departmental receipts				863				8,774	
Local and foreign aid assistance				1,283				1,664	
Actual amounts per Statement of Financial Performance (Total Revenue)				146,442				185,105	
Local and foreign aid assistance					1,305				1,226
Actual amounts per Statement of Financial Performance Expenditure					128,767				156,205

Department of Public Service and Administration - Vote 10
Appropriation Statement
for the year ended 31 March 2005

Appropration per Economic Classificatoin									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation to employees	61,753	-	(1,796)	59,957	58,758	1,199	98	50,518	49,767
Goods and services	80,196	(987)	1,159	80,368	65,179	15,189	81	65,954	47,745
Financial transactions in assets and liabilities	-	16	(4)	12	10	2	83	480	481
Transfers & subsidies									
Provinces & municipalities	178	-	17	195	179	16	92	178	149
Departmental agencies & accounts	2	-	-	2	-	2	0	50,002	50,002
Foreign governments & international organisations	140	-	2	142	105	37	74	117	114
Households	-	-	18	18	16	2	89	43	41
Gifts and donations	-	-	37	37	36	1	97	14	12
Payment on capital assets									
Machinery & equipment	1,868	971	567	3,406	3,115	291	91	7,275	6,660
Software & other intangible assets	159	-	-	159	64	95	40	86	8
Total	144,296	-	-	144,296	127,462	16,834	88	174,667	154,979

Department of Public Service and Administration - Vote 10
Detail per programme 1 - Administration
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payment	791	-	169	960	958	2	100	853	851
1.2 Management									
Current payment	6,362	46	(152)	6,256	5,925	331	95	5,773	5,715
Transfers and subsidies	149	5	2	156	118	38	76	19	19
Expenditure for capital assets	16	4	-	20	18	2	90	2	2
1.3 Corporate Services									
Current payment	26,673	15	3,104	29,792	28,878	914	97	25,466	24,921
Transfers and subsidies	52	(5)	55	102	94	8	92	76	66
Expenditure for capital assets	1,209	(65)	567	1,711	1,633	78	95	1,572	1,152
Total	35,252	-	3,745	38,997	37,624	1,373	96	33,761	32,726

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation to employees	18,454	144	759	19,357	19,280	77	100	16,380	16,300
Goods and services	15,372	(87)	2,362	17,647	16,478	1,169	93	15,712	15,187
Financial transactions in assets and liabilities	-	4	(4)	-	-	-	-	-	-
Transfers & subsidies									
Provinces & municipalities	61	-	5	66	59	7	89	58	48
Foreign governments & international organisations	140	-	2	142	105	37	74	-	4
Households	-	-	18	18	16	2	89	24	22
Gifts and donations	-	-	36	36	35	1	97	13	11
Payments for capital assets									
Machinery & equipment	1,148	(29)	567	1,686	1,610	76	95	1,548	1,154
Software & other intangible assets	77	(32)	-	45	41	4	91	26	-
Total	35,252	-	3,745	38,997	37,624	1,373	96	33,761	32,726

Department of Public Service and Administration - Vote 10
Detail per programme 2 - Integrated Human Resources
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Management									
Current payment	1,964	363	98	2,425	2,387	38	98	1,897	1,718
Transfers and subsidies	2	-	2	4	4	-	100	4	3
Expenditure for capital assets	263	166	-	429	391	38	91	560	318
2.2 Remuneration and conditions of Service									
Current payment	15,222	(67)	661	15,816	15,748	68	100	8,930	7,201
Transfers and subsidies	16	-	7	23	21	2	91	17	16
Expenditure for capital assets	6	(6)	-	-	-	-	-	-	-
2.3 Negotiations and Labour Relations									
Current payment	8,001	(36)	773	8,738	8,410	328	96	10,903	6,218
Transfers and subsidies	9	-	-	9	8	1	89	17	17
Expenditure for capital assets	-	-	-	-	-	-	-	20	18
2.4 Employment Practice and Career Management									
Current payment	9,625	(223)	(1,571)	7,831	5,552	2,279	71	5,059	5,015
Transfers and subsidies	22	-	(7)	15	14	1	93	14	13
Expenditure for capital assets	20	(20)	-	-	-	-	-	42	41
2.5 HIV/AIDS									
Current payment	4,143	(152)	(69)	3,922	3,268	654	83	3,156	3,133
Transfers and subsidies	5	-	(1)	4	3	1	75	3	2
Expenditure for capital assets	10	(10)	-	-	-	-	-	24	23
2.6 Human Resource Development Strategy									
Current payment	2,736	(89)	(1,008)	1,639	1,524	115	93	1,983	1,963
Transfers and subsidies	2	-	2	4	3	1	75	4	3
Expenditure for capital assets	3	74	-	77	75	2	97	3	-
2.7 Public Service Education and Training Authority									
Current payment	7,361	(376)	(1,590)	5,395	4,799	596	89	8,981	5,966
Transfers and subsidies	9	-	1	10	9	1	90	10	9
Expenditure for capital assets	42	376	-	418	395	23	94	28	22
Total	49,461	-	(2,702)	46,759	42,611	4,148	91	41,655	31,699

Department of Public Service and Administration - Vote 10
Detail per programme 2 - Integrated Human Resources
for the year ended 31 March 2005

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	23,076	130	(2,512)	20,694	20,398	296	99	18,352	18,282
Goods and services	25,976	(710)	(194)	25,072	21,290	3,782	85	22,557	12,932
Transfers & subsidies									
Provinces & municipalities	65	-	4	69	62	7	90	61	55
Households	-	-	-	-	-	-	-	8	8
Capital									
Machinery & equipment	285	593	-	878	852	26	97	618	422
Software & other intangible assets	59	(13)	-	46	9	37	20	59	-
Total	49,461	-	(2,702)	46,759	42,611	4,148	91	41,655	31,699

Detail per programme 3 - Information and Technology Management
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Management									
Current payment	1,039	111	(1)	1,149	1,087	62	95	328	283
Transfers and subsidies	2	-	1	3	3	-	100	2	1
Expenditure for capital assets	89	30	-	119	99	20	83	319	297
3.2 Information and Technology Management									
Current payment	26,562	(169)	(1,472)	24,921	18,630	6,291	75	14,682	10,587
Transfers and subsidies	11	-	(3)	8	8	-	100	12	7
Expenditure for capital assets	64	28	-	92	42	50	46	4,500	4,500
Total	27,767	-	(1,475)	26,292	19,869	6,423	76	19,843	15,675

Department of Public Service and Administration - Vote 10

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	4,939	180	(1,475)	3,644	3,633	11	100	2,583	2,576
Goods and services	22,662	(238)	2	22,426	16,084	6,342	72	11,955	7,822
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	472	472
Transfers & subsidies									
Provinces & municipalities	13	-	(2)	11	11	-	100	14	8
Capital									
Machinery & equipment	153	13	-	166	127	39	77	4,819	4,797
Software & other intangible assets	-	45	-	45	14	31	31	-	-
Total	27,767	-	(1,475)	26,292	19,869	6,423	76	19,843	15,675

Detail per programme 4 - Service Delivery Improvement
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Management									
Current payment	2,838	4	544	3,386	3,195	191	94	1,551	1,462
Transfers and subsidies	2	-	6	8	8	-	100	4	3
Expenditure for capital assets	237	284	-	521	496	25	95	190	188
4.2 Service Delivery Improvment									
Current payment	23,600	(398)	(707)	22,495	18,264	4,231	81	22,549	18,360
Transfers and subsidies	29	-	3	32	31	1	97	43	39
Expenditure for capital assets	13	110	-	123	14	109	11	101	107
Total	26,719	-	(154)	26,565	22,008	4,557	83	24,438	20,159

Department of Public Service and Administration - Vote 10

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	12,747	(460)	1,446	13,733	13,002	731	95	11,145	10,566
Goods and services	13,691	54	(1,609)	12,136	8,447	3,689	70	12,947	9,247
Financial transactions in assets and liabilities	-	12	-	12	10	2	83	8	9
Transfers & subsidies									
Provinces & municipalities	31	-	9	40	39	1	98	37	32
Households	-	-	-	-	-	-	-	9	9
Gifts and donations	-	-	-	-	-	-	-	1	1
Capital									
Machinery & equipment	227	394	-	621	510	111	82	290	287
Software & other intangible assets	23	-	-	23	-	23	-	1	8
Total	26,719	-	(154)	26,565	22,008	4,557	83	24,438	20,159

Detail per programme 5 - Anti-Corruption
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Anti-Corruption									
Current payment	1,903	-	(71)	1,832	1,796	36	98	1,702	1,477
Transfers and subsidies	4	-	1	5	4	1	80	6	5
Total	1,907	-	(70)	1,837	1,800	37	98	1,708	1,482

Department of Public Service and Administration - Vote 10

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	1,383	6	(70)	1,319	1,315	4	100	980	970
Goods and services	520	(6)	(1)	513	481	32	94	722	507
Transfers & subsidies									
Provinces & municipalities	4	-	1	5	4	1	80	4	3
Households	-	-	-	-	-	-	-	2	2
Total	1,907	-	(70)	1,837	1,800	37	98	1,708	1,482

Detail per programme 6 - International and African Affairs
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 International and African Affairs									
Current payment	3,129	-	655	3,784	3,529	255	93	3,139	3,123
Transfers and subsidies	4	-	1	5	4	1	80	121	113
Expenditure for capital assets	55	-	-	55	17	38	31	-	-
Total	3,188	-	656	3,844	3,550	294	92	3,260	3,236

Department of Public Service and Administration - Vote 10

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	1,154	-	56	1,210	1,130	80	93	1,078	1,073
Goods and services	1,975	-	599	2,574	2,399	175	93	2,061	2,050
Transfers & subsidies									
Provinces & municipalities	4	-	-	4	4	-	100	4	3
Gifts and donations	-	-	1	1	1	-	100	-	-
Capital									
Machinery & equipment	55	-	-	55	16	39	29	-	-
Total	3,188	-	656	3,844	3,550	294	92	3,260	3,236

Detail per programme 7 - Auxiliary and Associated Services
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 State Information Technology Agency									
Transfers & subsidies	2	-	-	2	-	2	-	50,002	50,002
Total	2	-	-	2	-	2	-	50,002	50,002

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfer and Subsidies									
Dept agencies and accounts	2	-	-	2	-	2	-	50,002	50,002
Total	2	-	-	2	-	2	-	50,002	50,002

Department of Public Service and Administration - Vote 10
Notes to the Appropriation Statement
for the year ended 31 March 2005

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):
   Detail of these transactions can be viewed in note 8 (Transfers and subsidies) and Annexure 1 (A,B,C,D) to the annual financial statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):
   Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

3. Detail on financial transactions in assets and liabilities
   Detail of these transactions per programme can be viewed in note 6 (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:

Administration

Voted Funds after virement R'000	Actual Expenditure R'000	Variance R'000	% Spent
38,997	37,624	1,373	96

A tender for the co-sourcing of the Internal Audit Services was awarded towards the end of financial year which resulted in underspending on Goods and Services. A rollover request for R1m was made to National Treasury.

Intergrated Human Resources

Voted Funds after virement R'000	Actual Expenditure R'000	Variance R'000	% Spent
46,759	42,611	4,148	91

The underspending is due to:
- Self- financing amounts equivalent to R656 000 were not requested (withdrawn), as the donations were not received from the sponsors.
- The contract for the review of the Senior Management Service in the public service is based actual on deliverables. Although work commenced in February 2005, it is anticipated that the project will only be completed in September 2005. The budgeted amount for the project amounts to R900 000.
- The delay in awarding the tender for HIV/AIDS project has resulted in an underspending of R600 000.
- The vacant post of the Public Service Education Training Authority's CEO which was filled during the financial year, resulted in slow spending patterns within the Unit, hence an underspending of R250 000.
- The introduction of a number of cost saving measures such as least cost routing systems, had resulted in a saving of approximately R560 000.
- The tender for the development of a policy and process framework on the employment of foreigners and the exchange of public service employees for purposes of skills development had to be re-advertised in March 2005 due to shortcomings in the original tender specifications. A request for rollover for an amount equivalent to R500 000 has been made to cover the contract amount in the 2005/06 financial year.
- The Public Service Restructuring project's earmarked funds could not be fully expended resulting in an underspending due to protracted negotiations on the implementation with departments. (R300 000)

Information and Technology Management

Voted Funds after virement R'000	Actual Expenditure R'000	Variance R'000	% Spent
26,292	19,869	6,423	76

The underspending was due to the funds relating to the e-government projects were not transferred to the State Information Technology Agency as the service level agreements were still to be finalized and agreed on the projects. The project cost of R6,4 million will be covered from the new financial year's allocated funds, a request to utilize this underspending for the Department's relocation in the new financial year has been submitted to National Treasury. Negotiations on the service level agreements with SITA on the e-government projects.

Department of Public Service and Administration - Vote 10
Notes to the Appropriation Statement
for the year ended 31 March 2005

Service Delivery Improvement

Voted Funds after virement R'000	Actual Expenditure R'000	Variance R'000	% Spent
26,565	22,008	4,557	83

The underspending is due to the operational funding for the Kwa-Zulu Natal- and the Democratic Republic of the Congo- Interventions not being implemented and rolled out as projected. An amount of R1,8 million was requested as a roll-over.

Anti-Corruption

Voted Funds after virement R'000	Actual Expenditure R'000	Variance R'000	% Spent
1,837	1,800	37	98

The underspending is due to less foreign trips being undertaken than anticipated in the year under review.

International and African Affairs

Voted Funds after virement R'000	Actual Expenditure R'000	Variance R'000	% Spent
3,844	3,550	294	92

The underspending is due to international travelling being less than anticipated due to a vacancy of the Senior Manager in the programme.

Auxilliary and Associated Services

Voted Funds after virement R'000	Actual Expenditure R'000	Variance R'000	% Spent
2	-	2	-

The department will not be transferring funds to SITA as it should be self sustainable.

	Variance
4.2 Per economic classification:	R'000
Current expenditure	16,390
Compensation of employees	1,199
Goods and services	15,189
Financial transactions in assets and liabilities	2
Transfers and subsidies	58
Provinces and municipalities	16
Departmental agencies and accounts	2
Foreign governments and international organisations	37
Households	2
Gifts and donations	1
Payments for capital assets	386
Machinery and equipment	291
Software and other intangible assets	95
Total Saving	16,834

Department of Public Service and Administration - Vote 10
Statement of Financial Performance
for the year ended 31 March 2005

	Note	2004/05	2003/04
		R'000	R'000
Revenue			
Annual appropriation	1	144,296	174,667
Departmental revenue	2	863	8,774
Local and foreign aid assistance	3	1,283	1,664
Total revenue		146,442	185,105
Expenditure			
Current expenditure	4		
Compensation of employees	5	58,758	49,767
Goods and services	6	65,179	47,745
Financial transactions in assets and liabilities	3	10	481
Local and foreign aid assistance		1,305	1,226
Total current expenditure		125,252	99,219
Transfers and subsidies	8	336	50,318
Expenditure for capital assets			
Machinery and equipment	9	3,115	6,660
Software and other intangible assets	9	64	8
Total expenditure for capital assets		3,179	6,668
Total expenditure		128,767	156,205
Net surplus		17,675	28,900
Add back fruitless and wasteful expenditure	7	5	-
Net surplus for the year		17,680	28,900
Reconciliation of net surplus for the year			
Voted funds to be surrendered to the revenue fund	14	16,839	19,688
Departmental revenue to be surrendered to revenue fund	15	863	8,774
Local and foreign aid assistance	3	(22)	438
Net surplus for the year		17,680	28,900

Department of Public Service and Administration - Vote 10
Statement of Financial Position
as at 31 March 2005

	Note	2004/05	2003/04
		R'000	R'000
Assets			
Current assets		15,781	17,575
Fruitless and wasteful expenditure	7.	6	1
Cash and cash equivalents	10.	3,216	4,134
Prepayments and advances	11.	44	31
Receivables	12	12,515	13,409
Total assets		15,781	17,575
Liabilities			
Current liabilities		15,726	17,564
Voted funds to be surrendered to the revenue fund	14.	14,974	16,193
Departmental revenue to be surrendered to the revenue fund	15.	268	1
Payables	16.	68	932
Local and foreign aid assistance unutilised	3.	416	438
Total liabilities		15,726	17,564
Net assets		55	11
Represented by:			
Recoverable revenue		55	11
Total		55	11

Statement of Changes in Net Assets
for the year ended 31 March 2005

	Note	2004/05	2003/04
		R'000	R'000
Recoverable revenue			
Opening balance		11	3
Debts raised		44	8
Closing balance		55	11
Total		55	11

Department of Public Service and Administration - Vote 10
Cash Flow Statement
for the year ended 31 March 2005

	Note	2004/05
		R'000
Cash flows from operating activities		
Receipts		147,173
Annual appropriated funds received		144,296
Departmental revenue received		713
Local and foreign aid assistance received	3	1,283
Net decrease in working capital		881
Surrendered to revenue fund		(16,789)
Current payments		(127,981)
Transfers and subsidies paid		(336)
Net cash flow available from operating activities	17	2,067
Cash flows from investing activities		
Payments for capital assets		(3,179)
Proceeds from sale of capital assets	2	150
Net cash flows from investing activities		(3,029)
Cash flows from financing activities		
Increase in loans received		44
Net cash flows from financing activities		44
Net decrease in cash and cash equivalents		(918)
Cash and cash equivalents at beginning of period		4,134
Cash and cash equivalents at end of period		3,216

Department of Public Service and Administration - Vote 10
Notes to the Annual Financial Statements
for the year ended 31 March 2005

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation R'000	Actual Funds Received R'000	Variance over/(under) R'000	Total Appropriation 2003/04 R'000
Administration	38,997	38,997	-	33,761
Intergrated Human Resources	46,759	46,103	(656)	41,655
Information and Technology Management	26,292	25,083	(1,209)	19,843
Service Delivery Improvement	26,565	26,565	-	24,438
Anti-Corruption	1,837	1,837	-	1,708
International and African Affairs	3,844	3,844	-	3,260
Auxilliary and Associated Services	2	2	-	50,002
Total	144,296	142,431	(1,865)	174,667

Explanation of material variances including whether or not application will be made for a rollover.

Integrated Human Resources:
Self-financing from Old Mutual and NPI to partially fund the SMS conference which was hosted by the Department in Western Cape was not directly donated to DPSA, as initially agreed upon, however the sponsors paid the suppliers directly for services rendered.

Information and Technology Management:
Projections indicated underspending and a decision was taken not to draw some funds due to the delay in the e-government projects.

2. Departmental revenue to be surrendered to revenue fund

	Note	2004/05 R'000	2003/04 R'000
Description			
Sales of goods and services other than capital assets		41	18
Sales of capital assets		150	-
Financial transactions in assets and liabilities	2.1	224	79
Transfers received consist of:		448	8,677
Gifts, donations and sponsorships received	ANNEXURE 1E	448	103
Other transfers		-	8,574
Total revenue collected		863	8,774
Departmental revenue collected		863	8,774
2.1 Financial transactions in assets and liabilities			
Nature of loss recovered			
Cheques written back		25	(1)
Other		199	80
		224	79

Department of Public Service and Administration - Vote 10
Notes to the Annual Financial Statements
for the year ended 31 March 2005

3. Local and foreign aid assistance	Opening Balance	Revenue	Expenditure	Closing balance
3.1 Assistance received in cash				
Name of donor and purpose				
Local				-
Foreign				
German Development Co-operation Funded: SA Public Management Conversations conference and the publication cost emanating from the 4th Pan Africa Conference of Ministers of Public Service	364	-	185	179
Department for International Development Co-operation Funded: 2 Posts	-	1,083	1,083	-
Commonwealth Secretariat Sponsored a Provincial Learning and Knowledge Management workshop	74	-	37	37
German Development Co-operation Contributing towards the Public Service Reform project which is intended exclusively for cost incurred during the Learning session: Public Service Aids Indaba III	-	200	-	200
	438	1,283	1,305	416
Analysis of balance	Net movement	2004/05 R'000	2003/04 R'000	
Local and foreign aid receivable	-	-	-	
Local and foreign aid unutilised	(22)	416	438	
Local foreign aid payable to RDP fund/donors	-	-	-	
Closing balance	(22)	416	438	

Department of Public Service and Administration - Vote 10
Notes to the Annual Financial Statements
for the year ended 31 March 2005

3.2   Assistance received in kind

Name of donor and purpose	2004/05 R'000	2003/04 R'000
Local		
SAA: Travel Rands	220	165
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
Worldbank, DFID and SIDA: Workshop on Integrated Financial Management Systems (estimated amount)	15	-
Old Mutual: SMS Conference	600	-
SITA: SMS Conference	150	-
BMW: SMS conference	150	-
Mayor of Cape Town	200	-
ABSA: Imbizo programme	50	-
Nortel Network House: Bags and Pens during the Service Delivery Learning Academy (estimated amount)	5	-
SAPS: Captain Crime stop during Letsema event (free)	-	-
Pretoria Zoo: Zoo Mobile during Letsema event (estimated amount)	1	-
Tshwane Aids unit: Nurses during the Letsema event (free)	-	-
Tshwane Market: Letsema event: Apples	2	-
The Door Communications: Letsema Event: Biscuits, chips and ice creams (estimated amount)	13	-
Nestlé: Hampers of chocolates at Africa Public Service Day (estimated amount)	10	-
Willards: Chips at Africa Public Service day (estimated amount)	5	-
Daimler Chrysler: Toys for Africa project (estimated project)	50	-
Cortex: T-shits, caps, frisbies and bags for Letsema event (estimated amount)	20	-
	1,491	874
Foreign		
Department for International Development: Public Service Transformation Support Programme	46,000	44,976
German Development Co-operation	4,089	6,279
United Nations: Legislative guide for implementation of UN Convention against corruption (estimated amount)	9	-
United Nations: Enhancing African Standards on living (estimated amount)	8	-
	50,106	51,255
Total local and foreign aid assistance received in kind	51,597	52,129

Department of Public Service and Administration - Vote 10
Notes to the Annual Financial Statements
for the year ended 31 March 2005

4. Compensation of employees		
4.1 Salaries and wages		
	2004/05 R'000	2003/04 R'000
Basic salary	38,790	33,519
Performance award	1,088	601
Service Based	3	-
Compensative/circumstantial	1,080	752
Periodic payments	452	184
Other non-pensionable allowances	9,876	8,346
	51,289	43,402

4.2 Social contributions		
4.2.1 Short term employee benefits		
	2004/05 R'000	2003/04 R'000
Pension	5,509	4,659
Medical	1,953	1,700
UIF	-	1
Bargain council	7	5
	7,469	6,365
Total compensation of employees	58,758	49,767

Department of Public Service and Administration - Vote 10
Notes to the Annual Financial Statements
for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
Average number of employees		252	297
5. Goods and services			
Advertising		1,845	798
Attendance fees (including registration fees)		1,164	699
Bank charges and card fees		35	18
Bursaries (employees)		281	220
Communication		2,426	2,411
Computer services		3,346	2,746
Consultants, contractors and special services		27,100	19,655
Courier and delivery services		265	353
Entertainment		1,426	696
External audit fees	5.1	684	710
Equipment less than R5 000		324	69
Inventory	5.2	5,350	4,595
Legal fees		282	623
Maintenance, repair and running costs		710	830
Operating leases		1,754	1,249
Personnel agency fees		242	273
Plant flowers and other decorations		109	18
Professional bodies and membership fees		18	-
Resettlement costs		296	92
Subscriptions		76	-
Owned and leasehold property expenditure		429	541
Translations and transcriptions		59	-
Travel and subsistence	5.3	13,812	8,999
Venues and facilities		3,146	2,132
Protective, special clothing & uniforms		-	18
		65,179	47,745
5.1 External audit fees			
Regulatory audits		684	710
Total external audit fees		684	710
5.2 Inventory			
Domestic Consumables		136	-
Other consumables		83	1,327
Stationery and Printing		5,129	3,268
Medical Supplies		2	-
Total Inventory		5,350	4,595
5.3 Travel and subsistence			
Local		11,059	6,787
Foreign		2,753	2,212
Total travel and subsistence		13,812	8,999

Department of Public Service and Administration - Vote 10
Notes to the Annual Financial Statements
for the year ended 31 March 2005

6. Financial transactions in assets and liabilities		Note	2004/05 R'000	2003/04 R'000
Debts written off		6.1	10	481
			10	481
6.1 Bad debts written off				
Nature of debts written off				
Tender cancellation			-	472
Insurance excess claim			-	8
Salary debt			-	1
Vehicle accident			9	-
Books written off			1	-
			10	481
7. Fruitless and wasteful expenditure				
7.1 Reconciliation of fruitless and wasteful expenditure				
Opening balance		7.3	1	1
Fruitless and wasteful expenditure – current year			5	-
Fruitless and wasteful expenditure awaiting condonement			6	1
7.2 Fruitless and wasteful expenditure				
Incident	Disciplinary steps taken/criminal proceedings			
Cancellation fees charges for a flight ticket and registration fees	Due to unforeseen circumstances a trip to Canada had to be cancelled, which resulted in expenditure being charged to the Department. The Chief Financial Officer is currently investigating the circumstances which led to the cancellation of the trip.			
			5	-
7.3 Nature of opening balance				
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. The department had to report to the Standing Committee on Public Accounts (SCOPA) on the reasons why SCOPA had to authorize the write off of the expenditure on 23 July 2004. The Department is still awaiting SCOPA's decision. Outcome is expected in July 2005.		-	1
			-	1
8. Transfers and subsidies				
Provinces and municipalities		ANNEXURE 1A	179	149
Departmental agencies and accounts		ANNEXURE 1B	-	50,002
Foreign governments and international organisations		ANNEXURE 1C	105	114
Households		ANNEXURE 1D	16	41
Gifts and donations.		ANNEXURE 1F	36	12
			336	50,318

Department of Public Service and Administration - Vote 10
Notes to the Annual Financial Statements
for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
9. Expenditure for capital assets			
Machinery and equipment	*ANNEXURE 4*	3,115	6,660
Software and other intangible assets	*ANNEXURE 5*	64	8
Total		3,179	6,668
10. Cash and cash equivalents			
Consolidated Paymaster General Account		3,194	4,114
Cash on hand		22	20
		3,216	4,134
11. Prepayments and advances			
Description			
Staff advances		13	-
Prepayments		31	31
		44	31

12. Receivables	Note	Less than one year	One to three years	Older than three years	Total	Total
Amounts owing by						
other entities	*ANNEXURE 6*	5,357	5,416	-	10,773	11,994
Staff debtors	*12.1*	742	6	-	748	265
Clearing accounts	*12.2*	92	4	9	105	112
Other debtors	*12.3*	718	171	-	889	1,038
		6,909	5,597	9	12,515	13,409

A projected amount of R 19 000 included above may not be recoverable, but has not been written off in the Statement of Financial Performance.

An actual amount of R10 000 was written off in the Statement of Financial Performance for the current year.

	2004/05 R'000	2003/04 R'000
12.1 Staff debtors		
T&S Advance account - domestic	39	55
T&S Advance account - foreign	449	72
Debt account	200	90
Private telephone account	32	25
Tax debt account	19	23
Salary Disallowance account	9	-
	748	265
12.2 Clearing accounts		
Disallowance: damages and losses	59	52
Salaries: Income tax	13	-
Disallowance miscellaneous	33	60
	105	112
12.3 Other debtors		
Nature of advances		
Claims Recoverables: Public Entities	2	82
Claims Recoverable: Foreign Governments and International Organisations	887	956
	889	1,038
13. Investments		
Investee Nature of investment		
(Reflected at cost)	-	-
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.		
The cost of investment is not disclosed in Annexure 2A, as ordinary shares is represented by R1.	-	-

Department of Public Service and Administration - Vote 10
Notes to the Annual Financial Statements
for the year ended 31 March 2005

14. Voted Funds to be surrendered to the Revenue Fund	2004/05 R'000	2003/04 R'000
Opening balance	16,193	1,215
Transfer from Statement of Financial Performance	16,839	19,688
Voted funds not requested/not received	(1,865)	(3,495)
Paid during the year	(16,193)	(1,215)
Closing balance	14,974	16,193
15. Departmental revenue to be surrendered to revenue fund		
Opening balance	1	62
Transfer from Statement of Financial Performance	863	8,774
Paid during the year	(596)	(8,835)
Closing balance	268	1

16. Payables current	Note	30 Days	30+ Days	2004/05 Total	2003/04 Total
Description					
Amounts owing to other departments	ANNEXURE 7	-	2	2	800
Clearing accounts	16.1	66	-	66	132
		66	2	68	932
16.1 Clearing accounts					
Description					
Disallowance Miscellaneous				4	86
Salaries: Income tax				45	41
Salaries: Medical				6	-
Salaries: Deduction disallowance account				3	-
Salaries: Pension fund				2	5
Advances: Foreign				5	-
Private telephone accounts				1	-
				66	132
17. Reconciliation of net cash flow from operating activities to surplus					
Net surplus as per Statement of Financial Performance				17,680	-
Decrease in receivables current				894	-
Increase in prepayments and advances				(13)	-
Increase in other current assets				(5)	-
Decrease in payables current				(864)	-
Proceeds from sale of equipment				(150)	-
Surrenders				(16,789)	-
Capital expenditure				3,179	-
Voted funds not requested/not received				(1,865)	-
Net cash flow generated by operating activities				2,067	-
18. Appropriated funds and departmental revenue surrendered					
Appropriated funds surrendered				(16,193)	(1,215)
Departmental revenue surrendered				(596)	(8,835)
				(16,789)	(10,050)

Department of Public Service and Administration - Vote 10
Disclosure notes to the Annual Financial Statements for the year ended 31 March 2005

These amounts are not recognised in the financial statements and are disclosed to enhance the
usefulness of the financial statements.

19. Contingent liabilities		Note	2004/05 R'000	2003/04 R'000
Liable to	Nature	ANNEXURE 3		
Motor vehicle guarantees	Employees	ANNEXURE 3	392	325
Housing loan guarantees	Employees		712	609
Other departments (unconfirmed balances)		ANNEXURE 7	344	495
Capped Leave Commitments			4,359	4,141
			5,807	5,570

20. Commitments			
Current expenditure			
Approved and contracted		4,541	1,817
Approved but not yet contracted		1,242	-
		5,783	1,817

21. Accruals	30 Days	30+ Days	Total	Total
By economic classification				
Compensation of employees	25	34	59	2
Goods and services	904	209	1,113	444
Machinery and Equipment	113	17	130	-
	1,042	260	1,302	446
Listed by programme level				
Programme 1			745	297
Programme 2			203	9
Programme 3			47	2
Programme 4			299	137
Programme 5			8	-
Programme 6			-	1
			1,302	446
Confirmed balances with other departments		ANNEXURE 7	306	811

22. Employee benefits		
Leave entitlement	1,119	883
Thirteenth cheque	1,299	1,119
Performance awards	1,800	1,500
	4,218	3,502

23. Leases				
23.1 Operating leases	Buildings & other fixed structures	Machinery and equipment	Total	Total
Not later than 1 year	-	35	35	-
Later than 1 year and not later than 3 years	-	-	-	668
Later than three years	-	-	-	-
Total present value of lease liabilities	-	35	35	668

Department of Public Service and Administration - Vote 10
Disclosure notes to the Annual Financial Statements
for the year ended 31 March 2005

24. Irregular expenditure		2004/05 R'000	2003/04 R'000
24.1 Reconciliation of irregular expenditure			
Opening Balance		639	-
Irregular expenditure – current year		567	287
Transfers to receivables for recovery (Not condoned)		-	352
Irregular expenditure awaiting condonement		1,206	639

Analysis			
Current		567	287
Prior years		639	352
		1,206	639
24.2 Irregular expenditure			
Incident	Disciplinary steps taken/criminal proceedings		
A case of financial misconduct has been reported to the State Tender Beard and National Treasury, but the decision for 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
Failure to comply with Treasury Regulations 8.2 and the procurement procedures	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, as the service was delivered satisfactorily.	-	307
Failure to comply with Treasury Regulations 8.2 and the procurement procedures, but the decision from the State Tender Board is still pending	Following an audit it was discovered that an official incurred irregular expenditure. The disciplinary hearings is scheduled for 27 and 28 June 2005.	567	-
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 and the outcome of the finalized hearing is as follows: - official was found guilty of not following tender procedures and was given a verbal warning. The second case could not be finalized as the official resigned.	-	287
		567	639

25. 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:			
- Gateway project		6,000	9,000
- Call centre and other services		5,765	-
- Service level agreement expenditure		3,080	2,746
- Transfer payments		-	50,002
		14,845	61,748

HR Oversight Statistics for the period April 2004 to March 2005

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	3	-	-	2	5
Male	5	-	-	-	5
TOTAL	8	-	-	2	10
Employees with a Disability	-	-	-	-	-

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	-	-	-
Skilled (Levels 3-5)	33	10	6	18.2
Highly skilled production (Levels 6-8)	49	15	9	18.4
Highly skilled supervision (Levels 9-12)	88	23	15	17
Senior Management Service Band A	34	11	6	17.6
Senior Management Service Band B	13	3	4	30.8
Senior Management Service Band C	3	1	1	33.3
Senior Management Service Band D	-	1	-	-
TOTAL	233	64	41	17.6

Table 5.2 Annual Turnover by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Human resource related	68	7	6	8.8
Information technology related	7	1	1	14.3
Senior managers	50	16	11	22
TOTAL	125	24	18	14.4

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	15	36.6	6.4	41	233
Expiry of contract	5	12.2	2.1	41	233
Death	2	4.9	0.9	41	233
Dismissal-misconduct	-	-	-	41	233
Other – transfer from DPSA to other Dept.	19	46.3	8.2	41	233
TOTAL	41	100	17.6	41	233
Resignations as % of Employment	17.6				

HR Oversight Statistics for the period April 2004 to March 2005

Table 5.4 Promotions by Critical Occupation

Occupation	Employment at Beginning of period	Promotions to another Salary Level	Salary Level Promotionsas a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Human resources related	68	2	2.9	-	-
Information technology related	7	2	28.6	-	-
Senior managers	50	3	6	2	4
TOTAL	125	7	5.6	2	1.6

Table 5.5 Promotions by Salary Band

Salary Band	Employment at Beginning of period	Promotions to another Salary Level	Salary Level Promotionsas a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2)	13	-	-	-	-
Skilled (Levels 3-5)	33	3	9.1	-	-
Highly skilled production (Levels 6-8)	49	3	6.1	1	2
Highly skilled supervision (Levels 9-12)	88	5	5.7	-	-
Senior management (Levels 13-16)	50	3	6	2	4
TOTAL	233	14	6	3	1.3

Table 6.1 Total of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Females, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior officials and managers (L13-16)	16	1	3	20	13	15	3	-	18	6	57
Professionals (L9-12)	35	3	-	38	19	22	2	4	28	10	95
Clerks (L6-8)	8	-	-	8	2	32	2	2	36	11	57
Plan and Machine Operators (L3-5)	19	1	-	20	-	17	1	-	18	-	38
Elementary occupations (L1-2)	5	-	-	5	-	2	-	-	2	-	7
TOTAL	83	5	3	91	34	88	8	6	102	27	254

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Females, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	1	-	2	-	1	-	-	1	-	3

HR Oversight Statistics for the period April 2004 to March 2005

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	Females, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management (L15-16)	2	-	-	2	2	2	-	-	-	1	5
Senior Management (L13-14)	14	1	3	18	11	15	3	-	18	5	52
Prof qualified/mid management	35	3	-	38	19	22	2	4	28	10	95
Skilled techn, academically qualified, jr (L6-8)	8	-	-	8	2	32	2	2	36	11	57
Semi-skilled and discretionary decision (L3-5)	19	1	-	20	-	17	1	-	18	-	38
Unskilled and defined decision making (L1-12)	5	-	-	5	-	2	-	-	2	-	7
TOTAL	83	5	3	91	34	88	8	6	102	27	254

Table 6.3 Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Females, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	-	-	-	-	2	-	-	-	-	-	2
Senior Management	3	1	1	5	-	7	1	-	8	1	14
Professionally qualified and mid-management	13	-	-	13	-	8	-	2	10	-	23
Skilled techn, academically qualified, jnr	2	-	-	2	-	7	1	-	8	5	15
Semi-skilled and discretionary decision	5	-	-	5	-	5	-	-	5	-	10
Unskilled and defined decision making				-							
TOTAL	23	1	1	25	2	27	2	2	31	6	64

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Females, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	-	-	-	-	-	-	-	-	-	-	-

HR Oversight Statistics for the period April 2004 to March 2005

Table 6.4 Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Females, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	-	-	-	-	-	-	-	-	-	-	-
Senior Management	3	-	-	3	-	-	-	-	-	-	-
Professionally qualified and mid-management	2	-	-	2	-	1	-	-	1	2	5
Skilled techn, academically qualified	1	-	-	1	-	2	-	-	2	-	3
Semi-skilled and discretionary decision	1	-	-	1	-	2	-	-	2	-	3
Unskilled and defined decision-making	-	-	-	-	-	-	-	-	-	-	-
TOTAL	7	-	-	7	-	5	-	-	5	2	14

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Females, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	-	-	-	-	-	-	-	-	-	-	-

Table 6.5 Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Females, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	1	-	-	1	-	-	-	-	-	-	1
Senior Management	5	-	1	6	-	4	-	-	4	-	10
Professionally qualified and mid-management	5	1	1	7	-	8	-	-	8	-	15
Skilled techn, academically qualified	2	-	1	3	-	4	2	-	6	-	9
Semi-skilled and discretionary decision	3	-	-	3	-	3	-	-	3	-	6
Unskilled and defined decision-making	-	-	-	-	-	-	-	-	-	-	-
TOTAL	16	1	3	20	-	19	2	-	21	-	41

HR Oversight Statistics for the period April 2004 to March 2005

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	23	82	28.0		
African, Male	28	75	37.3		
Asian, Female	2	5	40.0		
Asian, Male	-	5	-		
Coloured, Female	-	7	-		
Coloured, Male	1	5	20.0		
White, Female	12	22	54.5		
White, Male	17	32	53.1		
Employees with a disability	-	3	-		
TOTAL	83	233	35.6		

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)	9	13	69.2	3	333
Skilled (Levels 3-5)	12	33	36.4	39	3,250
Highly skilled production (Levels 6-8)	14	49	28.6	111	7,929
Highly skilled supervision (Levels 9-12)	39	88	44.3	364	9,333
TOTAL	74	183	40.4	517	6,986

Table 7.3 Performance Rewards by Critical Occupation

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Human resources related	42	80	52.5	148	3,524
Information Technology related	2	7	28.6	10	5,000
Senior managers	6	57	10.5	64	10,667
TOTAL	50	144	34.7	222	4,440

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	4	34	11.8	41	1,025	0.3	12,976
Band B	3	13	23.1	41	1,367	0.3	12,976
Band C	2	3	66.7	24	1,200	0.9	2,560
Band D	-	-	-	30	-	6.3	477
TOTAL	9	50	18	136	1511.1	0.5	28,989

HR Oversight Statistics for the period April 2004 to March 2005

Table 8.1 Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage as Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled Supervision (L9-12)	1	0.4	1	0.4	-	-	233	254	7
Senior management (Levels 13-16)	2	0.9	2	0.8	-2	-28.6	233	254	7
TOTAL	3	1.3	3	1.2	-2	-28.6	233	254	7

Table 8.2 Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage as Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled Supervision (L9-12)	1	1.1	2	2.1	-	-	88	95	7
Professionals and managers	2	4	2	3.5	(2)	(3.5)	50	57	7
TOTAL	3	2.2	4	2.6	(2)	(1.3)	138	152	7

Table 9.1 Sick Leave for Jan 2004 to Dec 2004

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using sick leave	% of Total Employees using Sick Leave	Average Days per employee	Estimate of Cost (R'000)	Total number of Employees using sick leave	Total number of days with medical certificate
Lower skilled (Levels 1-2)	27	77.77	4	3.14	6.75	4	127	21
Skilled (Levels 3-5)	130	69.23	21	16.53	6.19	24	127	90
Highly skilled production (Levels 6 - 8)	241	73.44	39	30.7	6.17	78	127	177
Highly skilled supervision (Levels 9-12)	284	78.87	41	32.28	6.92	78	127	224
Senior management (Levels 13-16)	189	85.18	22	17.32	8.59	209	127	161
TOTAL	871		127	100	-	508	127	673

Table 9.2 Disability Leave (Temporary and permanent) for Jan 2004 to Dec 2004

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per employee	Estimate of Cost (R'000)	Total number of Employees using sick leave	Total number of days with medical certificate
Skilled (Levels 3-5)	1	100	1	33.3	1	244.29	1	3
Highly skilled production (Levels 6-8)	-	100	-	-	-	-	-	3
Highly skilled supervision (Levels 9-12)	16	100	1	33.3	16	11,206.02	16	3
Senior Management (Levels 13-16)	1	100	1	33.3	1	983,2	1	3
TOTAL	18	100	3	99,9	18	12,433.51	18	3

HR Oversight Statistics for the period April 2004 to March 2005

Table 9.3 Annual Leave for Jan 2004 to Dec 2004

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	174	24.85	7
Skilled (Levels 3-5)	660	22	30
Highly skilled production (Levels 6-8)	1,178	23.09	51
Highly skilled supervision (Levels 9-12)	1,713	22.24	77
Senior management (Levels 13-16)	810	18.83	43
TOTAL	4,535	21.08	208

Table 9.4 Capped leave for Jan 2004 to Dec 2004

	Total days of capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004	Number of Employees	Total Number of capped leave available at 31 December 2004	Number of Employees as at 31 December 2004
Lower skilled (Levels 1-2)	9.64	1.37	27	7	189.06	208
Skilled (Levels 3-5)	7.5	0.25	29.51	30	885.3	208
Highly skilled production (Levels 6-8)	28	0.54	13.61	51	694.53	208
Highly skilled supervision (Levels 9-12)	39	0.5	31.87	77	245.14	208
Senior management (Levels 13-16)	1	0.02	32.36	43	1,391.75	208
TOTAL	85.14	2.68	134.35	208	5,614.78	208

Table 9.5 Leave Payouts

Salary Band	Total Days Taken	Average per Employee	Employment
Leave payout for 2004/2005 due to non utilisation of leave for the previous cycle	24	2	12
	103	13	8
Current Leave payout on termination of service for 2004/05			
TOTAL	127	15	20

Table 10.1 Steps taken to reduce the risk of occupational exposure

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

HR Oversight Statistics for the period April 2004 to March 2005

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 been dedicated unit dealing in health and wellness Programme
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 department has an integrated Employee Health and Wellness Programme
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		Occupational Health and Safety Committee & EHW Committee consists of both Senior and Middle Managers from different components
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.		No	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 have been introduces but legal frameworks cover all aspects of discrimination including HIV people
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		No records for people who went for voluntary counseling so far
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 departmental integrated employee health and wellness policy

Table 11.1 - Collective Agreements

Subject Matter	Date
-	-
-	-

HR Oversight Statistics for the period April 2004 to March 2005

Table 11.2 Misconduct and Discipline Hearings Finalized

Outcomes of disciplinary hearings	Number	% of Total
TOTAL (2 Pending on outcomes)	3	150
1 Finalized		

Table 11.3 Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	% of Total
Procurement irregularities	2	66.7
Insubordination	1	33.3
Incapacity / poor work performance	1	-
TOTAL	4	-

Table 11.4 Grievances Lodged

Number of grievances addressed	Number	% of Total
Resolved	8	100
Not resolved	-	-
TOTAL	8	-

TABLE 11.5 Disputes Lodged

Number of grievances addressed	Number	% of Total
Upheld	1	50
Dismissed	1	50
TOTAL	2	-

Table 11.6 Strike Actions

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

HR Oversight Statistics for the period April 2004 to March 2005

Table 11.7 - Precautionary Suspensions

Precautionary Suspensions	–
Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	120
Cost (R'000) of suspensions	335

Table 12.1 Training Need 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	24	-	5	-	5
	Male	33	-	9	-	9
Professionals (Levels 13-14)	Female	-	-	-	-	-
	Male	-	-	-	-	-
Associate professionals (Levels 9-12)	Female	38	-	21	-	21
	Male	57	-	29	-	29
Clerks (5-8)	Female	59	-	15	-	15
	Male	12	-	31	-	31
	Female	-	-	8	-	8
	Male	-	-	-	-	-
Skilled agriculture and fishery workers (N/A)	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trade workers (N/A)	Female	-	-	-	-	-
	Male	-	-	-	-	-
Machine Operators (Levels 2-4)	Female	-	-	-	-	-
	Male	2	-	-	-	-
Elementary occupations (Level 2-3)	Female	8	-	5	-	5
	Male	21	-	12	-	12
Gender sub totals	Female	129	-	54	-	54
	Male	125	-	81	-	81
TOTAL		254	-	135	-	135

HR Oversight Statistics for the period April 2004 to March 2005
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	24	-	7	-	7
	Male	33	-	12	-	12
Professionals (Levels 13-14)	Female	-	-	-	-	-
	Male	-	-	-	-	-
Associate professionals (Levels 9-12)	Female	38	-	-	-	-
	Male	57	-	-	-	-
Clerks 3-8	Female	59	-	41	-	41
	Male	12	-	46	-	46
	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fisher workers N/A	Female	-	-	-	-	-
	Male	-		-		-
Craft and related trades workers (N/A)	Female	-	-	-	-	-
	Male	-	-	-	-	-
Machine Operators (Levels 2-4)	Female	-	-	-	-	-
	Male	2	-	-	-	-
Elementary occupations (Levels 1-4)	Female	8	-	1	-	1
	Male	21	-	8	-	8
Gender sub totals	Female	129	-	49	-	49
	Male	125	-	66	-	66
TOTAL		254	-	115	-	115

Table 13.1 Injury on Duty

Nature of injury on duty	Number	% of Total
Required basic medical attention only	5	100
Temporary Total disablement	-	-
Permanent disablement	-	-
Fatal	-	-
TOTAL	5	-

HR Oversight Statistics for the period April 2004 to March 2005
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	3	4	19,649.00
Technical Advisor to Interim Management Team	1	1	2,834.97
Audit Committee	1	1	2,303.00
Audit Committee	1	1	1,135.00
Audit Committee	1	1	1,714.00
Audit Committee	1	2	1,718.50
Audit Committee	1	1	1,348.00
Letsema project	1	1	118.95
Audit Committee	1	1	1,714.00
Audit Committee	1	1	1,714.00
Translation services	1	2	8,603.20
Regional Forum on Reinventing Government in Africa: SAPS	2	1	254.28
Regional Forum on Reinventing Government in Africa: SAPS	N/A	5	544,167.92
Assets rectification	1	10	42,465.00
Assets rectification	1	10	45,600.00
Assets rectification	1	5	22,800.00
Assets rectification	1	13	57,000.00
Getaway Project			1,000,000.01
Competency assessment for Senior Managers	1	2	8,208.00
Competency assessment for Senior Managers	1	1	8,208.00
Design, develop and register learner ships for Middle management and lower level employees.	1	145	200,000.00
Competency assessment for Senior Managers	1	1	8,208.00
Report drafting for the Regional Forum on reinventing government in Africa.	1	5	25,600.00
Translation services	1	6	15,660.40
Competency assessment for Senior Managers	1	1	4,104.00
Assets rectification	1	5	22,800.00
Assets rectification	1	10	45,600.00
Assets rectification	1	15	68,400.00
Getaway Project	53	90	2,154,521.34
Getaway Project	53	45	1,436,347.56
Training for managers and employees	1	1	12,540.00
Getaway Project	53	90	2,154,521.34
Internal communication Services and Development of Internal Strategy	3	60	180,576.00
Regional Forum on Reinventing government in Africa	1	1	8,404.65
Getaway Project: Professional Consulting	1	8	60,320.20

HR Oversight Statistics for the period April 2004 to March 2005

14.1 Report on consultant appointments using appropriated funds (continued)

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Development of a restricted membership Medical scheme for public service employees.	4	140	321,916.60
Medical Service Providers and Suppliers' Briefing	1	1	12,121.85
Coordination and management of industry briefing on a restricted medical scheme arrangements for the Public Service.	1	1	6,022.62
Translation of the Government and Public Administration Programme Brochure.	1	20	6,248.00
Competency assessment for Executive Managers	1	1	8,208.00
Development of a restricted membership Medical scheme for public service employees.	4	140	316,000.00
Competency assessment for DG.	1	2	16,416.00
Editing, rewriting and sub-editing in Volume 3 number 1 of Service Delivery Review.	1	37	45,140.00
Project Kite	Sita		1,197,114.00
Competency assessment for SMS.	1	1	4,104.00
Competency assessment for SMS.	1	2	6,099.00
Development of a restricted membership Medical scheme for public service employees.	4	140	400,000.00
Providing administrative temps	1	10	3,513.60
Development of a restricted membership Medical scheme for public service employees.	4	140	85,000.00
Data collection	1	8	30,096.00
Accreditation Criteria Document Review 100%	1	5	23,370.00
Baud annual licence fee	1	1	7,410.00
Competency assessment for SMS.	1	1	4,104.00
Providing administrative temps	1	19	7,125.76
Health awareness programme	1	1	39,900.00
Assessment of Assets of DPSA.	1	3	12,540.00
Competency assessment for SMS.	1	1	8,208.00
Public Service Aids Indaba IV	1	1	16,036.38
2004 SA Remuneration Programme: Job Evaluation	1	1	11,750.00
Medical Aid Scheme Accreditation report	4	140	58,100.00
Development of voting application and coordination of the voting for the GITO Council Chairperson.	1	6	26,562.00
Management training	1	2	523.00
Competency assessment for SMS	1	1	8,208.00
Competency assessment for SMS	1	1	4,104.00
Design and implementation of an action learning programme to expose managers to service delivery in departments		8	212,192.61

HR Oversight Statistics for the period April 2004 to March 2005

14.1 Report on consultant appointments using appropriated funds (continued)

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Eastern Cape P/Works	N/A	N/A	251,568.00
Eastern Cape Public Works	N/A	N/A	46,130.00
Getaway Project	53	90	3,212,629.27
Placement of professional staff	1	1	49,612.80
Implementation of Government Employees Medical Scheme	1	1	5,000,000.00
Analysis of Intervention Monitoring Team	1	1	30,000.00
Medical Supplies	1	5	900.00
Support staff	1	5	2,954.88
Support staff	1	5	2,354.67
Support staff	1	5	8,000.00
Support staff	1	5	4,201.48
Development of Soul City material	1		800,000.00
Polygraph examinations	1	1	1,452.93
Khaedu project	1	1	65,822.53
Asset register	1	5	72,960.00
Facilitation of coaching mentorship	1	3	31,081.40
Interpreters	3	5	116,131.80
Skills profile of Public service	1	41	919,331.34
Registration of Gems	1	32	1,083,000.00
Implementation of housing allowance	1	10	63,042.00
Gateway status facilitation	1	6	36,480.00
Work in respect of restricted medical aid scheme	4	140	216,000.00
Medical service providers and supplementary brief	1	1	6,907.03
Khaedu Project	1	6	56,540.00
Khaedu Project	1	2	9,512.00
Batho Pele Communication Programme	17	36	568,305.42
Translation Services	1	1	30,000.00
Gateway Project	53	50	1,787,370.72
Support staff	1	5	3,151.88
HR Plan Project	1	1	5,684.54
Drafting of working paper	1	4	15,600.00
Protection Services	N/A	5	306,864.84
Competency assessment	1	1	8,208.00
Development of restricted medical aid scheme	4	140	316,000.00
Drafting working paper	1	16	53,600.00
Competency assessment cancellation	1	1	1,140.00
Asset register	1	1	22,800.00
Administrative temps	1	3	31,081.40

HR Oversight Statistics for the period April 2004 to March 2005
14.1 Report on consultant appointments using appropriated funds (continued)

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Design and implementation of an action learning programme to expose managers to service delivery	1	1	376.20
Design and implementation of an action learning programme to expose managers to service delivery	3	5 7	118,440.54
Design and implementation of an action learning programme to expose managers to service delivery	1	1	21,001.08
Salary survey	1	1	21,215.00
Gateway Project	Sita		672,041.31

Total number of projects	Total individual consultants	Total duration: number of days	Total contract value in Rands
108	83	1245	R27,136 785.75

Table 14.2 Report on 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 worked on the project
Medical Aid	N/A	N/A	
Technical Advisor to Interim Management Team	100%	100%	1
Audit Committee	100%	100%	1
Audit Committee	100%	100%	1
Audit Committee	100%	100%	1
Audit Committee	100%	100%	1
Audit Committee	0%	0%	1
Letsema project	N/A	N/A	
Audit Committee	100%	100%	1
Audit Committee	100%	100%	1
Translation services	100%	100%	1
Regional Forum on Reinventing Government in Africa: SAPS	N/A	N/A	2
Regional Forum on Reinventing Government in Africa: SAPS	N/A	N/A	
Assets rectification	26%	50%	1
Assets rectification	26%	50%	1
Assets rectification	26%	50%	1
Assets rectification	26%	50%	1
Getaway Project	N/A	N/A	
Competency assessment for Senior Managers	15.1%	25%	1
Competency assessment for Senior Managers	15.1%	25%	1
Design, develop and register learner ships for Middle management and lower level employees.	100%	100%	1

14.1 Report on consultant appointments using appropriated funds (continued)

Project Title	Total number of consultants that worked on the project	Duration: Work days	Number of consultants from HDI groups that work on the project
Competency assessment for Senior Managers	15.1%	25%	1
Report drafting for the Regional Forum on reinventing government in Africa.	100%	100%	1
Translation services	100%	100%	1
Competency assessment for Senior Managers	15.1%	25%	1
Assets rectification	26%	50%	1
Assets rectification	26%	50%	1
Assets rectification	26%	50%	1
Gateway Project	N/A	N/A	N/A
Geteway Project	N/A	N/A	N/A
Training for managers and employees	80%	80%	2
Gateway Project	N/A	N/A	N/A
Internal communication Services and Development of Internal Strategy	100%	100%	3
Regional Forum on Reinventing government in Africa	100%	75%	1
Gateway Project: Professional Consulting	100%	100%	1
Development of a restricted membership Medical scheme for public service employees.	50%	50%	4
Medical Service Providers and Suppliers' Briefing	N/A	N/A	1
Coordination and management of industry briefing on a restricted medical scheme arrangements for the Public Service.	100%	100%	1
Translation of the Government and Public Administration Programme Brochure.	100%	100%	1
Competency assessment for Executive Managers	15.1%	25%	1
Development of a restricted membership Medical scheme for public service employees.	50%	50%	4
Competency assessment for DG.	15.1%	25%	1
Editing, rewriting and sub-editing in Volume 3 number 1 of Service Delivery Review.	100%	100%	1
Project Kite	N/A	N/A	
Competency assessment for SMS.	15.1%	25%	1
Competency assessment for SMS.	15.1%	25%	1
Development of a restricted membership Medical scheme for public service employees.	50%	50%	4
Providing administrative temps	34.33%	75%	1
Development of a restricted membership Medical scheme for public service employees.	50%	50%	4
Data collection			1
Accreditation Criteria Document Review 100%	100%	100%	1
Baud annual licence fee	100%	100%	1
Competency assessment for SMS.	15.1%	25%	1
Providing administrative temps	100%	100%	1
Health awareness programme	N/A	N/A	
Assessment of Assets of DPSA.	26%	50%	1

HR Oversight Statistics for the period April 2004 to March 2005
14.2 Report on consultant appointments using appropriated funds (continued)

Project Title	Total number of consultants that worked on the project	Duration: Work days	Number of consultants from HDI groups that work on the project
Competency assessment for SMS.	15.1%	25%	1
Public Service Aids Indaba IV	N/A	N/A	
2004 SA Remuneration Programme: Job Evaluation	5.3%	14.3%	1
Medical Aid Scheme Accreditation report	50%	50%	4
Development of voting application and coordination of the voting for the GITO Council Chairperson.	100%	100%	1
Management training	100%	100%	1
Competency assessment for SMS	15.1%	25%	1
Competency assessment for SMS	15.1%	25%	1
Design and implementation of an action learning programme to expose managers to service delivery in departments	77%	75%	1
Eastern Cape P/Works	N/A	N/A	
Eastern Cape Public Works	N/A	N/A	
Getaway Project	N/A	N/A	
Placement of professional staff	100%	100%	1
Implementation of Government Employees Medical Scheme	0%	0%	1
Analysis of Intervention Monitoring Team	100%	100%	1
Medical Supplies	N/A	N/A	1
Support staff	34.33%	75%	1
Support staff	100%	100%	1
Support staff	100%	100%	1
Support staff	100%	100%	1
Development of Soul City material	N/A	N/A	
Polygraph examinations	26%	40%	1
Khaedu project	77%	75%	1
Asset register	26%	50%	1
Facilitation of coaching mentorship	100%	100%	1
Interpreters	100%	100%	3
Skills profile of Public service	0%	0%	1
Registration of Gems	30%	18.75%	
Implementation of housing allowance	0%	0%	1
Getaway status facilitation	100%	100%	1
Work in respect of restricted medical aid scheme	50%	50%	4
Medical service providers and supplementary brief	0%	0%	1
Management training	0%	0%	1
Management training	0%	0%	1
Advertising Gateway project	74%	60.87%	1
Translation Services	100%	100%	
Getaway Project	N/A	N/A	
Support staff	34.33%	75%	

HR Oversight Statistics for the period April 2004 to March 2005
14.2 Report on consultant appointments using appropriated funds (continued)

Project Title	Total number of consultants that worked on the project	Duration: Work days	Number of consultants from HDI groups that work on the project
HR Plan Project	100%	100%	1
Drafting of working paper	100%	100%	1
Protection Services	N/A	N/A	
Competency assessment	15.1%	25%	1
Development of restricted medical aid scheme	50%	50%	
Drafting working paper	100%	100%	1
Competency assessment cancellation	15.1%	25%	1
Asset register	26%	50%	1
Administrative temps	34.33%	75%	1
Khaedu Project	77%	75%	1
Khaedu Project	77%	75%	1
Khaedu Project	77%	75%	1
Salary survey	5,3%	14,3%	1
Getaway Project	N/A	N/A	

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
Project Manager Welfare Restructuring Project, Eastern Cape Department of Welfare	Ms Shirlee Vasi	180	197,534.17
Coordination and admin of Social Devel Project in Mount Frere, Peddie and Craddock District	PDB Pretorius Dondashe	240	611,925.90
Social Development for the Project Management and Change Management	Deloitte & Touche & Simeka Consortium	20	231,711.6
Establishment & Strengthening of Home/ Community Based Care	Mzantsi Consortium	54	248,400
App of Strategic Property Partner for Dep of Roads & Public Works (Phase1 - Scoping Study)	CSIR Building & Construction Technology	120	208,696.65
Performance of Safety & Security Local Community - Based Structures	Mbumba Development Services	120	659,231
Transfer of Roads Function to Department of Transport	PriceWaterHouse Coopers	52	196,769.18
Strengthening of the provincial legislature research unit and petitions unit: phase 2	ISGAD PE Technikon	60	267,339.54
Training of Managers from the Department of Social Development in Project Management	Project Administration Services (Pty) Ltd	3	39,330
IPSP Provincial Coordinator (Eastern Cape)	AR Wadsworth	125	270,414.65
Technical Advisor to Review Poverty Alleviation Policies, Strategies	CSIR	234	1,432,234.54
Baseline Study for the Limpopo Growth and Development Strategy	Glen Steyn & Assoc. & Mokoena Consulting	40	1,142,284.79
Human Resource Development (HRD) Investment Strategy and Development	Yarona Management Consulting	140	2,581,390.44
Turnaround programme for LebowaKgomo, Dikolong and Jane Furse Hospitals	Mokoena Consulting	200	4,219,260.87
Traffic Station Turnaround Programme	Lekoko Holdings	80	317,478.33

HR Oversight Statistics for the period April 2004 to March 2005

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
Establishment of a Unit to Restructure State Assets	Gaming for Future Enterprise cc	240	2,997,060
SISAL Restructuring Programme Using Turnkey Management	WOMIWU Rural Development cc	180	752,610.67
Poverty Alleviation Projects in the Agricultural	Marc - Dev and Associates	240	1,749,884
IPSP Provincial Coordinator (Limpopo)	M Matlala	80	252,593.50
Learning Network Coordinator	B Matomela	80	61,945.50
Appointment of Learning Network Coordinator	SHL South Africa	80	2,087.83
National Coordinator	K Ngema	240	250,000
Profiling of IPSP Projects in the Trade Investment Journal	TradeInvestSA Journal	40	30,677.33
Extension of Khaedu Pilot Programme to Kwazulu Natal	Africa International Advisors	10	599,612
Monitoring and Evaluation of IPSP	McIntosh Xaba and Associates	240	149,997.50
Monitoring and Evaluation of IPSP	Enterprise Management & Innovation (Pty) Ltd	240	172,368
Evaluation of Limpopo Hospitals	GAP Analysts	50	258,972
Dev. of a model to resuscitate and sustain the Thaba Blinds Grass weaving factory in Phuthadithaba	Sauvetage Enterprise Solutions (Pty) Ltd	10	50,000
IPSP Provincial Coordinator - Mpumalanga Province	T Mdakane	180	357,266.25
Design and delivery of training Programs for LISC for MPCC	CMN Professional Services	80	157,776
Development of Prov. Multi-purpose Community Centres Roll Out & Implementation Plan	Plan Associates	70	119,700
Visibility Study & Dev. Of a Turnaround - Strategy for the Zithabiseni Resort	Gaming For Future Enterprise	30	140,220
Introduction of a Technical Equity Partner for the Zithabiseni Resort	Gaming For Future Enterprise	80	216,666.67
Finalisation of the Implementation for the PDGS	Africa Edge Solutions (Pty) Ltd	120	491,474
Geographic Expression of poverty and HIV/AIDS in KZN	Data World	65	299,991
Strengthening Cooperation between the PROVTRADLOG	Community LawCentre	125	400,340
Strengthening Cooperation between the PROVTRADLOG	Madyatshamile Holdings	65	294,070
Align Provincial Policies and Statutes to the Constitution	Business Enterprise	150	592,127.37
Facilitate HOD Strategic Capacity Building Project - Policy Implementation	Prof. M Wallis	1	17,328
Facilitate HOD Strategic Capacity Building Project - Project & Prog Mngt	Prof. JJ Mcarthy	1	17,325
Facilitate HOD Strategic Capacity Building Project - Organizational Dev.& Design	R. Soni	1	14,340
Facilitate HOD Strategic Capacity Building Project - Organizational Dev.& Design	Prof. Mokgoro	1	26,448
Facilitate HOD Strategic Capacity Building Project - Economic Literacy	Mr. de Lange	1	6,600
Drafts HRD Strategy	Harambe		49,590

HR Oversight Statistics for the period April 2004 to March 2005

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
Compilation of a Provincial HRD Strategy	HSRC	120	1,403,624
Curriculum Development Workshop	Prof. Khoapa	1	3,684
Curriculum Development Workshop	Prof. Olivier	1	9,051
Provision of Technical Support for the Provincial Training Academy	Prof. T. Mokgoro	120	303,810
Provision of Technical Support for the Provincial Training Academy	Prof. M Wallis	120	29,640
Training in grief & Trauma Counselling	Zama & Associates	10	34,500
Implementation of the HIV/AIDS Orphans Home- Based Care Programme	NACCW	180	209,241
Training HIV/AIDS orphans	Ayanda Consortium	40	307,743
Training in Grief and Trauma	Zama & Associates	5	31,000
Training of Hospital Board Members	Dr S. Mhlambi	15	368,220
Facilitate conducting provincial citizen Survey	Prof. E. Mantzaris	40	32,500
Development of an Anti-Fraud and Corruption Strategy	Gobodo Forensic	100	218,643.57
Effective Coordination of the IPSP Provincial Programme in KZN	C Khuzwayo	180	203,418.85
Monitoring and Evaluation System for the Free State Development Plan 2002 to 2005	Inform Systems	100	925,933
IPSP Provincial Coordinator	C Dreyer	40	59,712

14.4 Analysis of consultant appointments using Donor 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
Project Manager Welfare Restructuring Project, Eastern Cape Department of Welfare	100	100	100
Coordination and admin of Social Devel Project in Mount Frere, Peddie and Craddock District	33,3	33,3	80
Social Development for the Project Management and Change Management	62,4	72,5	60
Establishment & Strengthening of Home/Community Based Care	100	100	87,5
App of Strategic Property Partner for Dep of Roads & Public Works (Phase 1 Scoping Study)	65	75	75
Performance of safety and security Local Community Based structures	100	100	100
Transfer of Roads Function & Department of Transport	60	38	29
Strengthening of the provincial legislature research unit and petitions unit: phase 2	0	0	0
Training of Managers from the Department of Social Development in Project Management	100	100	100
IPSP Provincial Coordinator (Eastern Cape)	0	0	0
Technical Advisor to Review Poverty Alleviation Policies, Strategies	65	75	75

HR Oversight Statistics for the period April 2004 to March 2005
14.4 Analysis of consultant appointments using Donor funds, i.t.o HDI's (cont)

Project Title	Percentage ownership by HDI Groups	Percentage management by HDI Groups	Percentage of consultants from HDI groups that work on the project
Baseline Study for the Limpopo Growth and Development Strategy	50	50	50
Human Resource Development (HRD) Investment Strategy and Development	100	100	100
Turnaround programme for LebowaKgomo, Dikolong and Jane Furse Hospitals	100	100	100
Traffic Station Turnaround Programme	100	100	100
Establishment of a unit to restructure State assets	100	100	100
SISAL Restructuring Programme Using Turnkey Management	100	100	100
Poverty Alleviation Project in the Agricultural	0	0	0
IPSP Provincial Coordinator (Limpopo)	100	100	100
Learning Network Coordinator	0	0	0
National Coordinator	100	100	100
Profiling of IPSP projects in the Trade Investment Journal	100	100	100
Extension of Khaedu Pilot Programme to Kwa-zulu Natal	37	67	67
Monitoring and Evaluation of IPSP	66	66	50
Monitoring and Evaluation of IPSP	52	33	50
Evaluation of Limpopo Hospitals	0	0	0
Dev. of a model to resuscitate and sustain the Thabo Blinds Grass Weaving factory in Phuthadithaba	50	50	50
IPSP Provincial Coordinator Mpumalanga Province	100	100	100
Design and delivery of training programs for LISC for MPCC	0	0	0
Development of Prov. Multi-purpose Community centers roll out & implementation plan	0	0	0
Visibility Study & Dev. of a turnaround strategy for the Zithabiseni Resort	100	100	100
Introduction of a Technical Equity Partner for the Zithabiseni Resort	100	100	100
Finalization of the Implementation for the PDGS	100	100	75
Geographic Expression of poverty and HIV/AIDS in KZN	100	100	95
Strengthening Cooperation between the PROVTRADLOG	75	43	67
Strengthening Cooperation between the PROVTRADLOG	100	100	100
Align Provincial Policies and Statutes to the Constitution	0	0	0
Facilitate HOD Strategic Capacity Building Project Policy Implementation	0	0	0
Facilitate HOD Strategic Capacity Building Project Project & Prog Management	0	0	0
Facilitate HOD Strategic Capacity Building Project Organizational Dev & Design	100	100	100

HR Oversight Statistics for the period April 2004 to March 2005
14.4 Analysis of consultant appointments using Donor funds, i.t.o HDI's (cont)

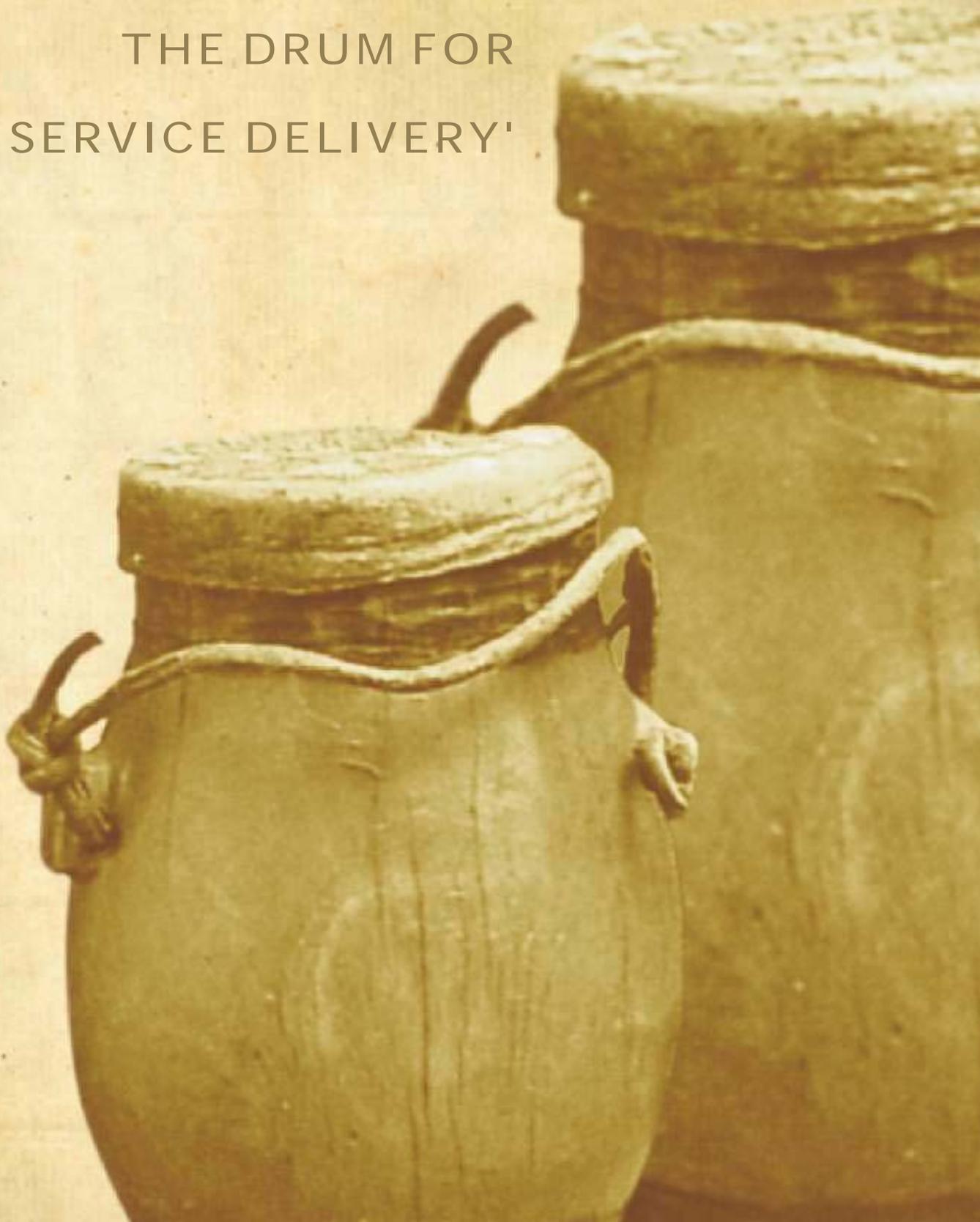| Project Title	Percentage ownership by HDI Groups	Percentage management by HDI Groups	Percentage of consultants from HDI groups that work on the project
Facilitate HOD Strategic Capacity Building Project Organizational Dev & Design	100	100	100
Facilitate HOD Strategic Capacity Building Project Economic Literacy	0	0	0
Drafts HRD Strategy	100	100	100
Compilation of a Provincial HRD Strategy	0	100	80
Curriculum Development Workshop	100	100	100
Curriculum Development Workshop	0	0	0
Provision of Technical Support for the Provincial Training Academy	100	100	100
Provision of Technical Support for the Provincial Training Academy	0	0	0
Training in grief & Trauma Counselling	100	100	100
Implementation of the HIV/AIDS Orphans Home-based Care Programme	100	100	
Training HIV/AIDS orphans	100	100	100
Training in Grief and Trauma	100	100	100
Training of Hospital Board Members	100	100	100
Facilitate conducting provincial citizen Survey	100	100	100
Development of an Anti-Corruption Strategy	51	50	67
Effective Coordination of the IPSP Provincial Programme in KZN	100	100	100
Monitoring and Evaluation System for the Free State Development Plan 2002 to 2005	0	0	0
IPSP Provincial Coordinator	0	0	0

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