

ANNUAL
REPORT
2009
2010

On this foundation, we can achieve more together



palama

Public Administration Leadership
and Management Academy
REPUBLIC OF SOUTH AFRICA



The purpose of PALAMA is to help build a capable public service, through providing and coordinating extensive opportunities and access to leadership and management competency development oriented programmes. PALAMA's curriculum is specifically aligned to the learning and knowledge needs of managers and executives in the public service. PALAMA contributes to service delivery improvement.

Mission

To provide, directly and through suitable partnerships, management development and training that is:

- High-quality: accredited and monitored
- Relevant: to government delivery needs
- Practical: covering "hard" and "soft", generic and specific skills
- Aligned: to MPSA competency frameworks for all management levels across all three spheres of government.

Vision

A public service whose members are:

- Capable
- Committed
- Innovative
- User-oriented

in the service of the South African developmental state.

Honourable Minister; Mr MR Baloyi,

It is with great pleasure that I present to you the 2009/10 Annual Report of the Public Administration Leadership and Management Academy in terms of the Public Finance Management Act, 1999 (Act 1 of 1999).

A handwritten signature in black ink, appearing to read 'LS Mollo', with a small dot at the end.

Prof. LS Mollo

Director-General of PALAMA

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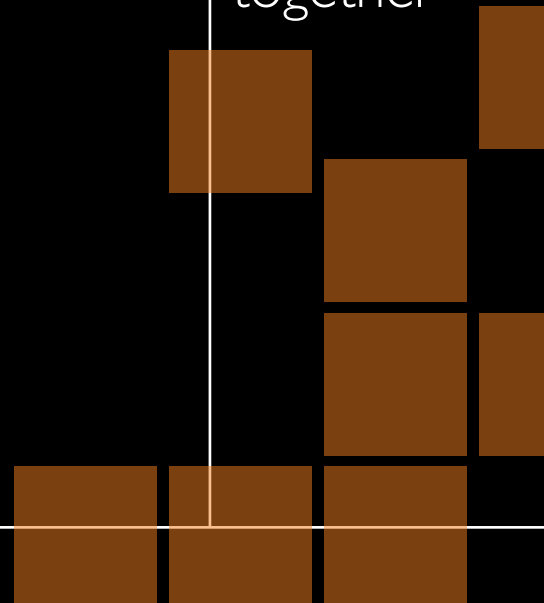
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Foreword by the Minister



Mr Richard Baloyi, MP
Minister for the Public
Service and Administration

Over the last sixteen years, our newly democratic, developmental government has used policy and legislation to strengthen the functioning of the state and to promote the constitutional values of being accountable, development oriented, professional and ethical. The 1995 White Paper on Education and Training, the 1997 White Paper on Human Resource Management in the Public Service and the 1998 White Paper on Public Service Training and Education provide guidelines on service delivery improvement, institutional change and building professional capacity.

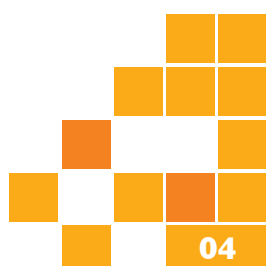
The Public Service Act and associated regulation were introduced to transform the public service and ensure effective integration of public administration practices. Significant legislation to support effective public administration in financial management and local government was also introduced. Our efforts to improve coordination of state functions, and develop an integrated public service with uniform human resource norms and standards, are reflected in the draft Public Administration Management Bill. The debate on the Integrated Public Service is still located within the structures of the ruling party. At the right time, it will then be referred to the Ministry of Public Service and Administration to conclude the process.

Harmonising norms and standards between different spheres of government will also support public service training and development. This capacity development must translate into increased delivery of services to all of our communities and citizens. The building of a democratic, developmental state and meeting the expectations of all our citizens is central to the aims of the new administration voted into power in April 2009. We need to develop the technical capacity and ethos that will ensure these aims and objectives are translated into action.

Government is committed to five priorities: education, health, rural development and land reform, creating decent work, and fighting crime. Two additional priorities include improving the effectiveness of local government, and infrastructure development and human settlements. We commonly refer to these as the five plus two priorities. The ten priorities of the Medium Term Strategic Framework (2009-2014) have been translated into twelve outcomes that will be driven by key activities undertaken by all government departments.

Outcome 12, which relates to an efficient, effective and development-oriented public service, is central to our portfolio. PALAMA, as the custodian of public service training, must develop public service cadres who will support this outcome by caring, leading, serving and delivering. Such public servants will support, build and enable citizens to engage and receive good quality, relevant services. The expectations of PALAMA are high. We require public servants with high standards of professional ethics, who use resources effectively, are development-oriented and who provide services impartially, fairly, equitably and without bias.

We also envision these cadres to be: creative innovators capable of breaking new ground; self-motivated motivators inspiring service success; continuous standard raisers giving their best regardless of the challenge; solution finders salvaging impossible situations through turnaround strategies; difference makers committed to meeting citizens' expectations; team workers operating in collaboration with stakeholders and partners; on board, responsible, accountable deliverers of services; and international activists advancing the public service agenda on the continent and in the world.



We have committed to putting in place norms and standards, which include minimum levels of training in specific competency areas, targeted mandatory training programmes, a comprehensive funding model linked to skills development legislation, and a national integrated public sector training system covering the three spheres of government to support the development of the public service cadre.

We can safely argue that the policy foundation has been laid for us to continue on our journey of good governance and effective service delivery and realise an effective and responsive developmental state.



Mr Richard Baloyi, MP

Minister for the Public Service and Administration



Introduction by the Director-General



Prof. LS Mollo
Director-General

This report covers a financial year that has seen many internal and external influences on the Academy. One of the defining factors has been the global economic and financial crisis. We have seen many countries being deeply impacted by this crisis, but in South Africa, the firm foundation of our economic and financial policies and systems have seen our country weather this storm. It did, however, require a curb on the allocation of resources to government departments, and PALAMA had to undertake stringent measures to minimise its expenditure and introduce cost-cutting mechanisms.

A second factor was the election of a new President in April 2009, and the announcement of a new administration in May 2009. The government introduced a new Medium Term Strategic Framework (2009-2014) with ten strategic priorities based on the election manifesto of the ruling party. PALAMA has a key role to play in the strategic priority of building a developmental state, including the improvement of public services and strengthening democratic institutions. This has required PALAMA to customise its training programmes in support of building the developmental state. The President has also called on PALAMA to train and develop a public sector cadre that is able to meet the capacity development needs of the government and, in so doing, improve service delivery to citizens.

The Academy has aligned itself to government's newly introduced outcomes-based approach by developing the knowledge, skills and attitudes of public servants. It has ensured that this alignment is based not only on the delivery of training interventions, but also on removing the barriers of entry into the public service through the development of specific programmes.

During this financial year, the Academy has once again progressively increased its training outreach with 39 844 public service officials trained compared to 38 482 officials trained in 2008/9.

Gender mainstreaming remains a critical area of our work and we have been able to provide, support and encourage dialogue on this pertinent issue through the establishment of a virtual social discussion forum which has more than 1 300 registered participants.

The delivery model which the Academy has adopted in order to intensify and maximise training and development has been one of collaboration with relevant partners and providers. We introduced appropriate recruitment and selection mechanisms to ensure high quality on-board providers, and safeguard against the recruitment of unsuitable providers.

Continentially and internationally, the Academy has played a significant role in the capacity building arena. The Pan African Ministers for Capacity Development forum has appointed our Minister to champion and lead capacity development initiatives for Africa. In supporting such initiatives, the Academy has made significant contributions to our sister countries in Africa. The Regional Capacity Building Project funded by CIDA, for example, has provided an opportunity for the three partners - Rwanda, Burundi and Southern Sudan - to work together as post-conflict countries to strengthen institutional systems and capacity for better service delivery.

Notwithstanding our performance during this financial year, we still believe that through improved processes and mechanisms, the impact of our training and development initiatives will lead to better service delivery. Going forward into the new financial year, we will finalise processes and structures for the further transformation of PALAMA.

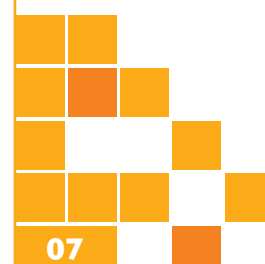
Finally, as we present this report of our performance for the 2009/10 financial year, I would like to acknowledge the contributions and commitment of PALAMA staff. Since taking office in October 2009, as the Acting Director-General, I have enjoyed the full support of all staff and I believe that this team will continue to make further positive contributions towards public service training and development.

I would also like to acknowledge our Minister, Mr Richard Baloyi, and Deputy Minister, Mr Radhakrishna Padayachie for their continued support, leadership and guidance as we continue on our journey of realising a better life for all our people through public service leadership and management training and development.



Prof. LS Mollo

Director-General of PALAMA





Part I

I. Constitution and Legislative Mandate

- I.1 The Constitution of the Republic of South Africa, 1996
- I.2 Public Service Amendment Act 30 of 2007
- I.3 Draft Public Administration Management Bill of 2008
- I.4 Medium-Term Strategic Framework (2009-2014)
- I.5 South African Developmental State
- I.6 Further Transformation of PALAMA

2. Strategic Overview and Service Delivery Environment

- 2.1 Strategic Objectives
- 2.2 Overview of PALAMA Programmes
- 2.3 Overview of Sub-programmes
- 2.4 Strategic Outputs and Key Performance Highlights
- 2.5 Sub-Programme Performance and Organisational Environment

I. Constitution and Legislative Mandate

I.1 The Constitution of the Republic of South Africa, 1996

The Constitution envisages a public service that promotes a high standard of professional ethics, is development oriented, accountable, and maximises human potential. It envisages the building of the human capacity of the state by establishing uniform and high entrance requirements and standards, emphasising professionalism, discipline and commitment to serve, and ensuring adequate numbers of personnel to ensure delivery. The Constitution specifies principles that must underpin public administration and public service. It defines public administration as “all spheres of Government, organs of state and public enterprises (governed by the democratic values and principles enshrined in the Constitution)”. Furthermore, it defines public service as a public space within public administration which must promote and maintain a high standard of professional ethics. Such professional ethics entail efficient, economic and effective use of resources as well as impartial, fair and equitable provision of services.

In order to build a developmental state, the Constitution enjoins public administration to be development-oriented, transparent and responsive. The Constitution also calls for public administration to be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

I.2 Public Service Amendment Act 30 of 2007

The legislative mandate for the provision of training in the public service is outlined in the Public Service Amendment Act 30 of 2007 which states that there shall be a training institution listed as a national department, and which shall provide such training or cause such training to be provided. However, this Act is only applicable to the national and provincial governments, thus excluding the local sphere of government. This situation is rectified through the Public Administration Management Bill which defines a government component as a national, provincial or municipal government component. If the Bill is enacted, the Academy would be legislatively mandated to provide training and development across the public sector.

I.3 Draft Public Administration Management Bill of 2008

In its current form, the draft Public Administration Management Bill reinforces the mandate of a Public Administration Leadership and Management Academy towards enhancing the quality, extent and impact of human resource capacity in institutions through education and training programmes.

The Bill provides for interacting with and fostering collaboration among training institutions, higher education institutions, further education and training institutions, and private sector training providers in furtherance of such public service education and training.

The Bill also provides for compulsory training programmes that shall be prerequisites for specified appointments or transfers and those compulsory to meet the development needs of any category of public service employees. The enactment of this Bill in its current form mandates the Academy to facilitate education and training interventions for all spheres of government provided through collaborative initiatives offered by a combination of selected suitable institutions.

1.4 Medium-Term Strategic Framework (2009-2014)

In April 2009, the current government was elected into office, guided by five plus two priorities for the next five year period of government. The five priorities are education; health; rural development and land reform; creating decent work; and fighting crime. An additional two priorities have been included towards improving the effectiveness of local government; and infrastructure development and human settlements.

The forenamed additional two priorities of government are critical in that their success or failure will impact on the key five priorities that form a social compact between the state and the people of South Africa. Training and development is at the core of both priorities, with PALAMA central to its delivery.

Informed by these seven priorities of government, the Medium Term Strategic Framework (MTSF) seeks to realise the undertakings made by the current administration to the people of South Africa. The MTSF not only identifies specific government deliverables in pursuance of the priorities highlighted above but also alludes to the capacity requirements of government for these priorities to be realised.

Key amongst the capacity requirements of government in pursuance of these priorities is the need for the public sector to have the capacity for:

- Technical planning and interpretation of policy for implementation;
- Programme and project management;
- Human resource management and development;
- Leadership and management;
- Monitoring and evaluation;
- Transparent government and access to information (PAIA);
- Culture of fairness and administrative justice (PAJA);
- Financial management and performance management;
- The Constitution – institutions, values, rights, and responsibilities;
- Communication, frontline services, and societal partnership building; and
- Anti-corruption and ethics management.

In his first State of the Nation Address as the President of South Africa, Mr JG Zuma underlined the importance of an effective and efficient public service. The President reiterated this fact in his 2010 State of the Nation Address when he indicated that “The defining feature of this administration will be that it knows where people live, understands their needs, and responds faster”. It is “a state that responds to the needs and aspirations of the people, and which performs better and faster”. These pronouncements point to the centrality of the public service in the delivery of the government mandate, but more importantly, the need to capacitate the public sector in pursuance of the aforementioned mandate.



1.5 South African Developmental State

Overarching the government priorities referred to above, the Medium Term Strategic Framework of government, arising from the electoral mandate of the fourth democratic elections of 2009, identifies as key amongst its objectives the need for a developmental state including improvement in public services. A developmental state shapes, guides, and implements the growth trajectory of a country by setting key strategic parameters for mobilising society, and intervening in a manner which requires a strong public sector. Central to the capacity of the public sector, in a social compact with society, is the ability to plan the country's growth trajectory in the context of a globalised and interdependent world economy; to implement and coordinate such a growth trajectory in the context of competing interests; and simultaneously monitor and evaluate its implementation of intervention programmes and the implications thereof in support of a developmental state.

South Africa has defined its developmental state as centred around four key attributes. The first key attribute is of a developmental state whose strategic orientation is people centred and driven. Such an attribute requires the state to put people first in everything that it does – including responding to people's needs efficiently and effectively in a caring manner. The second key attribute is of a developmental state whose leadership capacity is capable of defining a national agenda and similarly mobilising society for its buy-in and implementation. It acknowledges that for it to succeed, it will require the support and involvement of all of society in moving forward. It accepts the responsibility to lead in the developmental agenda it has defined whilst similarly ensuring that society at large is on-board.

The third key attribute is of a developmental state whose organisational capacity, including its systems and structures, will allow for it not only to define the national agenda and mobilize society around its implementation, but will also allow the state to become an active player in the economic trajectory of the country. The fourth and last key attribute is of a developmental state whose technical capacity is willing and able to translate aims and objectives into action and deliverables in a manner serving the national interests of the country. Training and development of public servants to realise these attributes of South Africa's developmental state is consequently critical, and the role of PALAMA is indispensable.

1.6 Further Transformation of PALAMA

The launch of the Public Administration Leadership and Management Academy on the 1st August 2008 was the result of an intense interactive process that culminated in a new organisation with improved systems and processes. One of the strategic objectives of the Academy was to support a smooth transition from the former South African Management Development Institute (SAMDI) to PALAMA, as part of the overall transformation. Building on achievements reported in 2008/9, in 2009/10, the Academy has commenced with a process to align its focus to the policy developments as outlined above. This process is referred to as the Further Transformation of PALAMA. The process will lead to an organisation that is better aligned to government priorities and outcomes as reflected in the outcomes-based planning and performance monitoring approach framework applicable across government. Resulting from this process, PALAMA will soon emerge with a new vision, mission, objectives, and strategic goals. These will inform a curriculum model, a financial model, and ultimately the final organisational form that will allow for the Academy to be appropriately resourced and capable of developing a public sector cadre required by South Africa's developmental state.



2. Strategic Overview and Service Delivery Environment

2.1 Strategic Objectives

The strategies by the reconstituted Academy are to facilitate public service training rather than being a provider; collaborate with other service providers rather than being a competitor; and provide comprehensive training coverage rather than a selective coverage.

In order to achieve these strategies, the current five strategic objectives have been adopted by the Academy and are reflected in the 2008/9 to 2010/11 strategic plan (updated in 2009 to include 2011/12) as follows:

- **Service delivery**, with a focus on delivery of Academy training outputs
- **Stakeholder relations**, with a focus on formation of strategic relationships with relevant partners and providers for capacity building
- **Lateral contribution**, with a focus on creating synergies and improving systems and processes within the Academy
- **Corporate governance**, ensuring compliance and conformance to the regulatory environment
- **Transformation**, supporting a smooth transition from the former SAMDI to PALAMA.

2.2 Overview of PALAMA Programmes

There are two programmes under the PALAMA vote:

Programme 1: Administration

The aim of the Administration Programme is to facilitate the overall management of PALAMA and to provide for the policy formulation and the management responsibilities of the Minister; Director-General, Deputy Directors-General and other members of PALAMA management. Other functions of Administration include: organising the Department; providing centralised administrative, legal and office support services; managing staff and financial administration; determining work methods and procedures; and exercising internal control.

Programme 2: Public Sector Organisational and Staff Development

The aim of the Public Sector Organisational and Staff Development Programme is to facilitate transfer payments to the Training Trading Account for management development and the training of public sector employees.

2.3. Overview of Sub-programmes

2.3.1 Executive Development

The core function of the Executive Development (ED) branch is to develop members of the Senior Management Service (SMS), executives and elected officials into leaders who care, serve and deliver through the design, development and delivery of innovative programmes in collaboration with government departments, higher education institutions, and other partners. The branch also undertakes research for quality assurance, evaluation and to reflect on trends and public administration practice.

The Executive Development branch works collaboratively to develop and deliver a package of research, programmes and activities that meet the management and leadership development needs of the current and emerging SMS so that they have the skills to deliver on government objectives. In addition to instilling a common developmental culture and ethos, these programmes focus on leadership, contextual understanding, analytical skills, technical management and interpersonal competencies.

2.3.2 Curriculum and Materials Design

The Curriculum and Materials Design branch leads, manages and conducts the planning, design and development of high quality curricula spanning across the spectrum of practical management training needs, as well as a developmental and *Batho Pele* orientation and ethos for junior and middle managers.

The core business of this branch is to manage the development of both generic and functionally specific curricula for junior and middle managers that are quality assured and accredited where relevant, using a mix of training delivery approaches within an integrated national learning framework for the public service.

In alignment with the overall strategy of the Academy, this branch works in teams with other branches within the Academy, and collaboratively with provincial public and private training entities, as well as national and international experts to achieve its objectives.

The branch also provides a steering and oversight role with regard to generic JMMS curriculum governance for provincial academies, develops and manages eLearning programmes within a blended approach and as stand-alone options, and develops and implements a quality management system for learning provision within the JMMS learning framework.

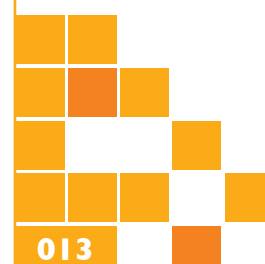
2.3.3 Partner and Provider Mobilisation

This branch recruits, contracts, monitors and assures the quality of the providers and partners for the implementation of the Academy's training and development programmes.

The branch ensures that providers recruited by PALAMA to deliver training and development programmes are suitably qualified to do this work and are fully appraised on PALAMA's training methodology. To this end a rigorous vetting process is conducted on eligible providers.

The monitoring and evaluation unit of the branch ensures programme quality ranging from delivery to how the end-users of PALAMA view its training. As a consequence all input received is translated into action points for programme managers towards further improvement.

In terms of partnering, the branch convenes quarterly Inter-Governmental Workshops (IGW) with provincial academies or training entities including sectoral national departments with local training capacity. The workshops are aimed at sharing good practices in training and development and undertaking collaboration projects on the development of tools in this area to promote common approaches to public sector training, amongst others. The branch is responsible for organising the annual Public Sector Trainers' Forum (PSTF) where training and development practitioners meet to



participate in workshops based on relevant topics in the field of training, and gain knowledge of international benchmarks on training and development.

2.3.4 Training Coordination

The JMMS Training Coordination branch connects departmental users to training, by booking candidates on training courses at the scale of training delivery demanded of PALAMA at national, provincial and local government spheres.

The branch is responsible for the user-oriented contact centre; logistical arrangements for training interventions; administration of post-course processes such as certification; and the development and maintenance of an integrated training management system.

2.3.5 Business Development

The Business Development branch ensures that opportunities for training, development and support offered by PALAMA are proactively marketed to public servants at national, provincial and local government spheres on the significantly expanded scale envisaged by PALAMA. Research undertaken by the Department of Public Service and Administration (DPSA) has shown that many government departments do not actively pursue training opportunities for their staff unless prompted to do so. In response, PALAMA's current outreach strategy is based on training partnerships with provinces where 80% of officials are located. Building relationships with provinces and local government has resulted in improved access to HRD planning and increased opportunities for training partnerships.

2.3.6 International Relations and Special Projects

Guided by the government's foreign policy objectives and the Ministry for the Public Service and Administration, the branch seeks to forge strategic international partnerships and mobilise resources from the donor community. The branch facilitates the Academy's engagement in the global knowledge exchange network through mutually beneficial partnerships with institutions around the world and on the African continent. In the context of globalisation and the concomitant challenges faced by a developmental state, the branch forges strategic international partnerships; coordinates bi- and multi-lateral international projects; and ensures the initiation and management of efficient donor projects designed to support the strategic objectives of PALAMA.

In pursuit of achieving these objectives, the branch conceptualises and is currently busy with the implementation of the Regional Capacity Building (RCB) Project with partners from post-conflict countries (Rwanda, Burundi and Southern Sudan) that support the capacity development initiatives on the African continent. PALAMA has also engaged in multi-lateral relationships such as the India-Brazil-South Africa (IBSA) Management Development Institute's partnership which added value to the MDI's through the sharing of knowledge by means of conferences and exchange programmes.

2.3.7 Governance and Strategic Support

The Governance and Strategic Support branch is responsible for a range of activities which include management of the strategic cycle, knowledge management, communications, brand marketing, legal

and contractual matters. The branch also provides strategic and allied support functions to position the Academy and drive through its transformation and development.

2.3.8 Corporate Services

The Corporate Services branch is constituted by three units, namely; Information Technology (IT), Buildings and Operations and Human Resources Management. These three units play the strategic role of enabling and supporting branches within the Academy to meet or exceed their strategic objectives by offering IT solutions, logistics and facilities management and HR support respectively. The functions relating to IT and facilities management are outsourced to enhance and provide more efficient and modern services to the Academy.

2.3.9 Corporate Finance

The Corporate Finance branch provides innovative financial management accounting systems, and control environment as well as supply chain services to PALAMA. This also covers the establishment and continuous improvement of effective systems for the management and safeguarding of PALAMA assets.

2.4 Strategic Outputs and Key Performance Highlights

PALAMA's key output to user departments is training and management development through services directly implemented by PALAMA, using partner training providers. The model is centred on a system that ensures delivery of high quality, practical training relevant to government's purpose and individuals' development potential.

2.4.1 Person Training Days

One key indicator is the extent of training delivered measured in person training days (PTDs). The original target for PTDs for 2008/9 financial year in the Estimates of National Expenditure to National Treasury was 120 000 (as adjusted). During the 2009/10 financial year, the target for PTDs was set at 185 000. The year-on-year comparison of PALAMA's performance measured in PTDs is presented as follows:

Table 1: Year-on-Year PTDs: 2007/8-2009/10

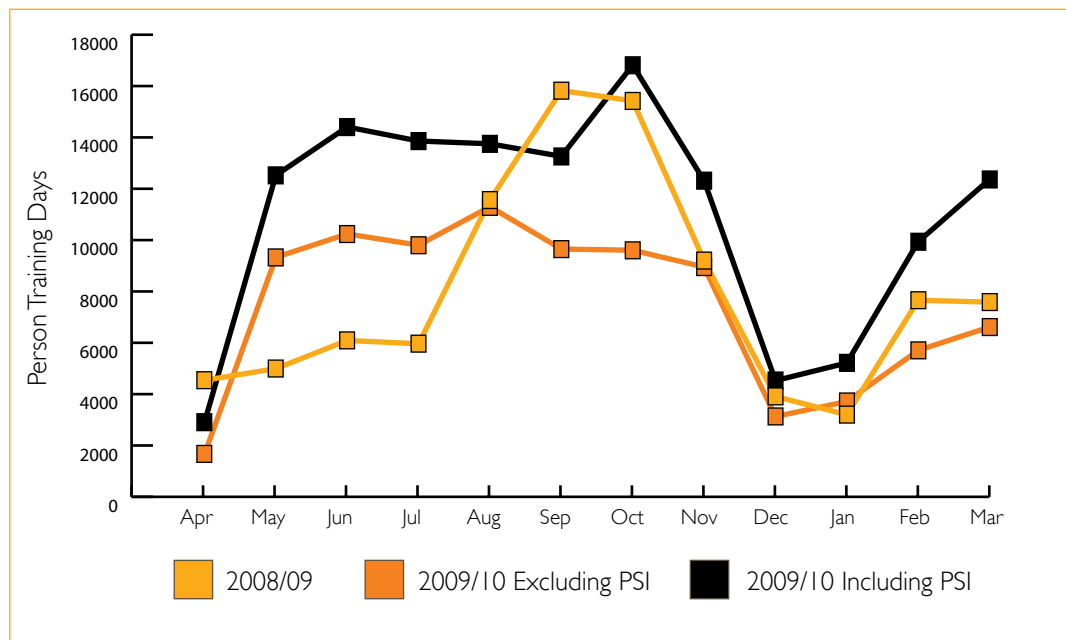
Period	2007/8	2008/9	2009/10
Target	113 000	120 000	185 000
Actual	104 292	134 375	130 927

The above comparison translates to 26 490 officials trained in 2007/8, 38 482 officials trained in 2008/9 and 39 844 officials trained in 2009/10.

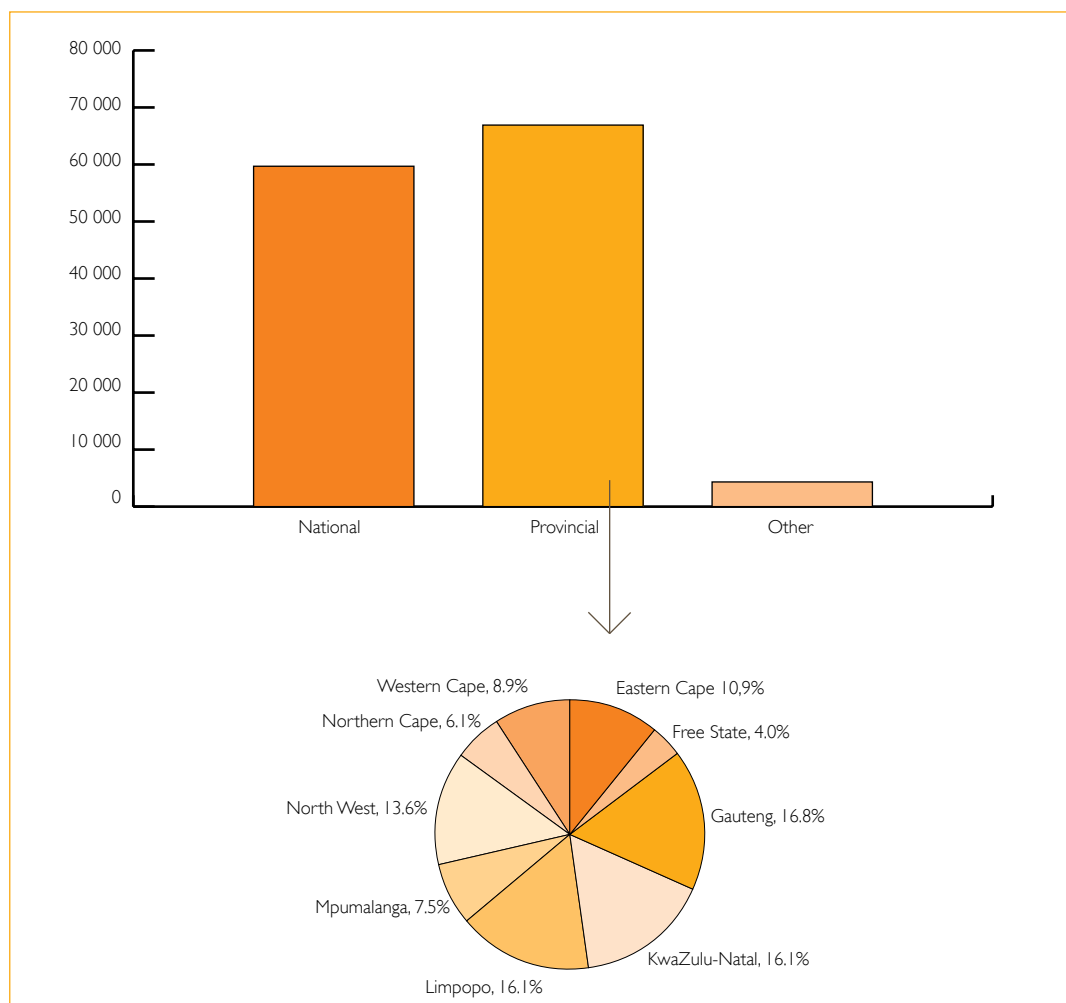
The following table is a reflection of the PTDs achieved in 2009/10 as compared with the 2008/9 financial year.



Graph 1: Year-on-year PTD comparison



Graph 2: Breakdown of 2009/10 PTDs



2.4.2 Rollout of programmes to senior managers

The Academy set out to roll out training programmes to 900 SMS participants in the 2009/10 financial year. The breakdown below indicates the attendance of participants to the different programmes, and based on 142 training events that were held:

Table 2: Executive Development Programmes Rollout

Programme	Attended
Executive Development Programme	579
SMS Induction	125
Khaedu Core Skills	764
Khaedu Deployment	319
Protocol and Diplomacy for SMS	26
Protocol and Diplomacy Seminar	19
Executive Support Staff Programme	114
Gender Mainstreaming	299
Public Private Partnerships Seminar	65
Monitoring and Evaluation Seminar	40

2.4.3 Graduation Ceremony hosted by the Minister for the Public Service and Administration

Seventy Executive Development Programme (EDP) participants graduated on 29 May 2009. Of these, 55 middle managers had completed the Accelerated Development Programme (ADP), aimed at fast-tracking equity groups into senior management. These participants, many of whom have already been promoted, were admitted to the sustainable pools database, located with the DPSA.

2.4.4 Gender Mainstreaming

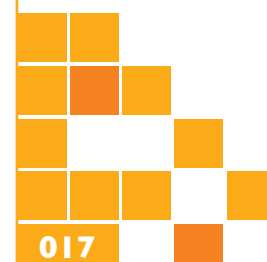
The rollout of gender mainstreaming initiatives has been quite phenomenal. In order to provide support and encourage dialogue on gender mainstreaming issues, the Academy established a Virtual Social Discussion Forum. During the 2009/10 financial year, more than 1 300 participants registered on this forum.

2.4.5 eLearning

In order to deliver training programmes using new learning and development methodologies, multimodal strategies were introduced and some of the programmes being offered are using eLearning. There was a high percentage of participation on the eLearning scan from different government departments, including the foreign offices in Canada, France, USA, Turkey and Chile, through the Department of International Relations and Cooperation. Also, more than 50% of participants in the Supply Chain Management: Bid Committee online course have successfully completed their courses.

2.4.6 Calibre of Training Providers

The Academy introduced recruitment and selection mechanisms to improve the calibre of training providers contracted to the Academy, and safeguard against the recruitment of unsuitable providers.

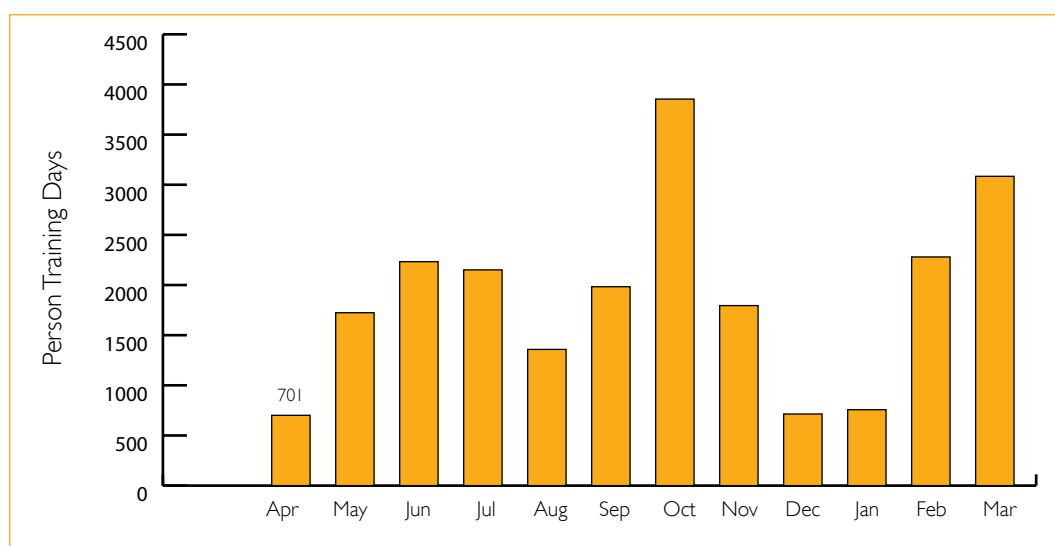


These mechanisms also include the vetting of providers to avoid reputational damage to PALAMA. A Trainer Professional Development Framework was also developed, aimed at the professionalisation of public sector trainers.

2.4.7 Induction of New Public Servants

The Academy has continued with the rollout of the Public Service Induction Programme in 2009/10 with 22 632 new public servants being inducted. Working in collaboration with provinces, the Academy has been able to roll-out this programme and has given practical expression to PALAMA's legislative mandate of providing training directly and causing it to happen through effective partnering arrangements.

Graph 3: Public Service Induction Programme



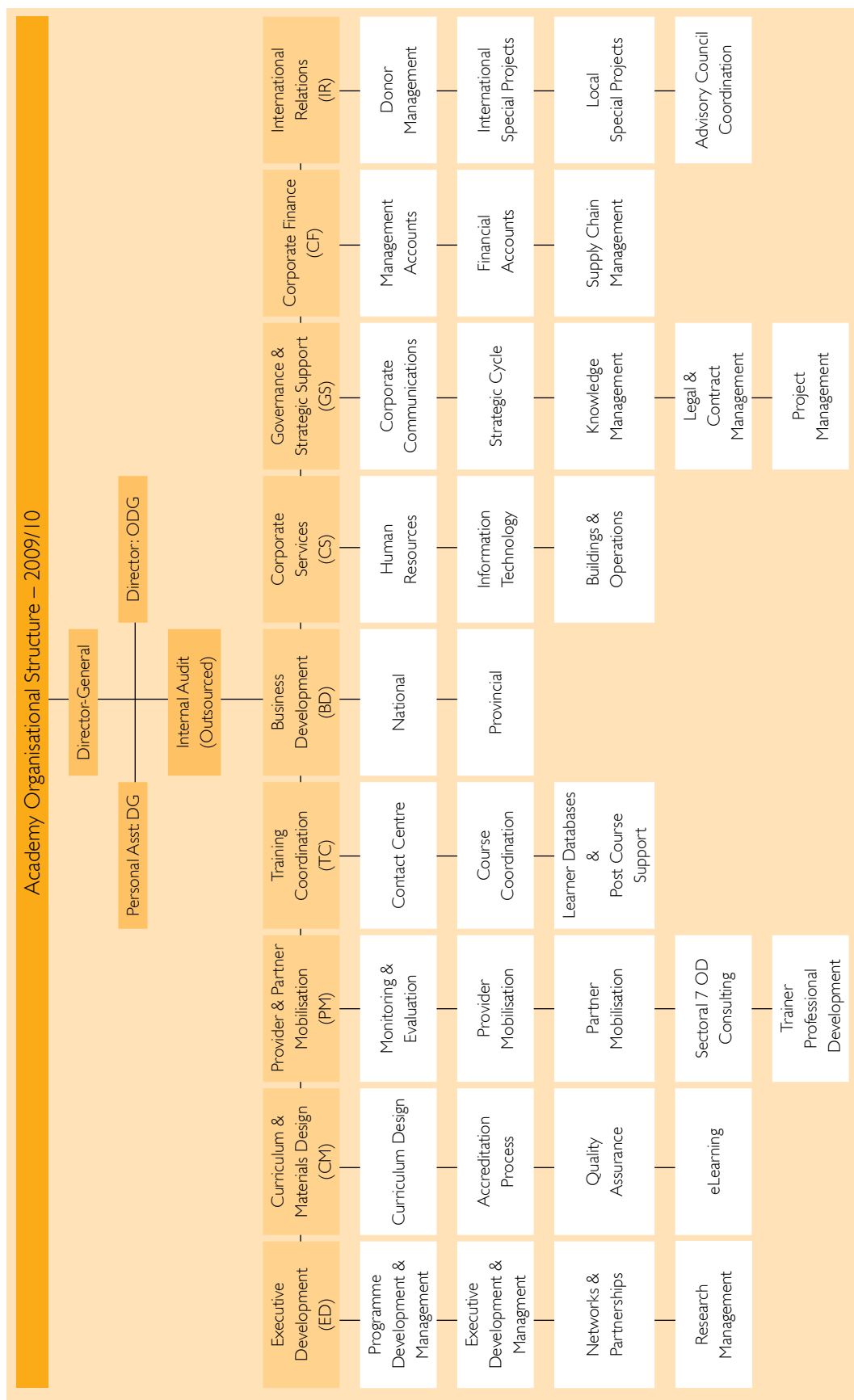
2.4.8 Regional Capacity Building

The Academy has also ensured a presence and contribution at a continental level. Through initiatives facilitated by PALAMA, the Regional Capacity Building Project provided the opportunity for the first time for all three partners (Rwanda, Burundi and Southern Sudan) to meet as post-conflict countries to strengthen institutional systems and capacity building for better service delivery.



2.5 Sub-Programme Performance and Organisational Environment

2.5.1 PALAMA's Organogram



2.5.2 Executive Development

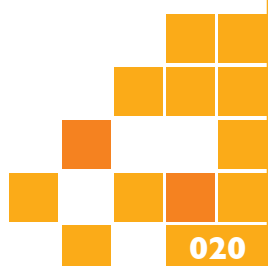
The Executive Development branch has had a successful 2009/10 year, having met most of its targets, and in many cases, exceeding them. This is due to the tireless efforts of a highly innovative, committed and determined team. Executive Development provides a comprehensive service to its executive clients from needs analysis to programme development, marketing, rollout and evaluation. A quick review of the numbers show that 14 courses/modules were designed, reviewed and/or updated, over 200 providers were contracted and 142 courses were presented to 2 350 participants, which is more than 23 percent of the SMS.

Following a successful pilot and extended pilot of the Executive Development Programme (EDP), planning for the full-scale rollout of the programme to entry level senior managers began. This involved the review and update of ten modules, as well as the establishment of project management and learning systems across the country. The EDP is rolled out in partnership with Higher Education Institutions (HEIs) in four regions and was also on the 2009 Government Programme of Action. By March 2010, 579 senior managers had attended the EDP, exceeding the set target of 500. Participants in the programme found it challenging and useful, enabling them to improve their performance as well as to establish new peer support networks. As more entry level managers enrol for the EDP, a new cadre of professional, value driven and technically competent senior managers will be formed.

As most programme evaluations involve learner reaction assessments only, Executive Development has sought to develop an evaluation methodology which will enable PALAMA to assess the impact of programmes on manager performance. The methodology workshop took place in March 2010 and the multi-year longitudinal evaluation is in place. If this is successful, it will provide a methodology to assess training impact in qualitative terms.

In 2004, Cabinet decided that all SMS should complete a 5-day compulsory deployment to experience service delivery challenges at the coal face and make recommendations for the unblocking of such challenges. In order to equip SMS with the necessary skills to add value during these deployments, the DPSA introduced Project Khaedu. In 2007 PALAMA took over the programme, managing the rollout of a 4.5-day Core Skills module and a 5-day Deployment module. During this year, Executive Development developed the Terms of Reference to redesign and accredit the Project Khaedu Programme. Two bids for design and development and rollout respectively were advertised in February 2010. Over forty institutions tendered and the evaluation process is being finalised. This process will enable PALAMA to ensure that it is well positioned to provide practical skills development programmes that enable managers to contribute to service delivery by improving critical delivery sites.

Executive Development has developed a number of strategic partnerships to develop new programmes. Collaboration with the Speakers' Forum has led to the development of the Legislative Sector Capacity Building Programme for members of Provincial Legislatures and Parliament. A training needs analysis was undertaken in September and October 2009 and used to inform the development of an Introductory Programme. This will be followed by a postgraduate certificate programme in 2011/12. Executive Development has also worked with the Department of Cooperative Governance and Traditional Affairs (CoGTA), the Local Government Leadership Academy (LOGOLA), HEIs, Development Bank of Southern Africa (DBSA) as well as representatives from various municipal districts, to develop a leadership learning pathway for local government.



Human resources has been a challenge for the branch and staff work under extreme pressure to meet targets. The costing of programmes has limited rollout as many departments perceive courses as expensive. These costs impacted significantly on the rollout of the redesigned ADP as departments have struggled to afford the fast tracked programme. Marketing and recruitment to ensure signed up course participants is important. The branch continues to market through email, advertising and direct engagement.

2.5.3 Curriculum and Materials Design

In the period under review, the branch successfully reviewed and upgraded ten courses, while another ten new courses were developed.

The Quality Assurance division of the branch developed the Education, Training and Development (ETD) Quality Management System (QMS) policies and toolkits and finalised the instructive guidelines for course development. The following courses have been approved by relevant Education and Training Quality Authorities (ETQAs):

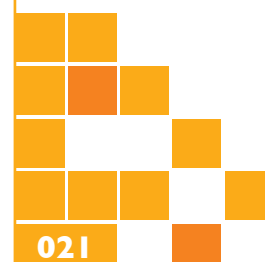
- Foundation Management Development
- Grievance and Disciplinary Action Procedures
- Supply Chain Management for the Public Service.

The following courses have been submitted to relevant ETQAs for approval:

- Project Management, (Basic) NQF level 5
- Designing Curriculum Learning Materials for the Public Service
- Developing HRD Implementation Plans for the Public Service
- Strategic HR Planning to achieve Organisational Results
- Apply Monitoring and Evaluation Principles in the Public Service – A Programme for Monitoring and Evaluation Practitioners.

The branch has also been instrumental in obtaining approval from the relevant Sector Education and Training Authorities (SETAs) for training programmes. The Public Sector Education and Training Authority (PSETA) approved training programmes in: Excellent Customer Service for Frontline Staff; Integrated HIV & AIDS and TB Treatment; and Managing HIV & AIDS in the workplace. The Local Government Sector Education and Training Authority (LGSETA) approved the following six National Treasury programmes for local government: Strategic Management: Budgeting, Implementation and Performance Management; Municipal Accounting and Risk Management; Governance and Legislation; Cost and Capital Planning; Municipal IT Support and Project Management; and Supply Chain Management and Private and Public Partnerships.

In line with the Governance and Administration (G&A) Cluster 2009 Programme of Action, one of the activities was the rollout of training on the Government-wide Monitoring and Evaluation System. In this regard, PALAMA was tasked to develop and pilot six Monitoring and Evaluation (M&E) courses. During this reporting period, 62 Basic Monitoring and Evaluation training sessions were rolled out, offering one-day training sessions to 1 750 officials.



The branch has also been pivotal in promoting gender mainstreaming in the public service, through training and development initiatives. During the period under review, six courses were reviewed for gender sensitivity, in the areas of HIV and AIDS, the Public Service Induction Programme, Human Resource Planning and Monitoring and Evaluation. In addition to these review processes, the branch managed the rollout of 67 training sessions, in which 1 492 officials participated. In order to provide support and encourage dialogue on gender mainstreaming issues, a Virtual Social Discussion Forum was established and more than 1 300 participants registered on this forum.

One of the deliverables of this branch was the development of the draft Public Service Qualifications Framework. The challenge in finalising this deliverable has been delayed due to institutional challenges experienced by key external stakeholders. The branch will endeavour to undertake work in the 2010/11 financial year and beyond towards the finalisation of this framework document.

2.5.4 Provider and Partner Mobilisation

The Provider and Partner Mobilisation branch continued with the good performance in the period under review, accomplishing the majority of the outputs set for the 2009/10 financial year. In cases where outputs were not met entirely, these were the result of challenges born of external dependencies. However, alternative strategies were pursued where possible.

The mobilisation of partners and providers drives the collaboration and forging of partnerships, which needs to be planned, coordinated and monitored to ensure the quality of organisations and individuals to provide training. During the period under review, the contracts of providers who served PALAMA with distinction were successfully renewed to ensure continued training delivery. Twenty Individual Independent Contractors (IICs) were recruited for critical fields such as Assessment and Moderation for accredited JMMS programmes. In addition, the branch conducted a training of trainers' session for African Management Development Institutes Network (AMDIN) in November 2009 in order to build training capacity for deployment to various African regions. Two additional facilitators for the AMDIN Training of Trainers (ToT) were selected in the last quarter of the 2009/10 financial year.

In order to further improve on the capacity of trainers, the branch conducted nine workshops successfully on the Trainer Professional Development (TPD) Framework with national and provincial trainers. This sought to ensure that providers are inducted prior to being approved and that ongoing professional opportunities are available for refresher courses in training. This programme covers the induction of new providers as well as the reorientation of existing providers.

Capacity building for trainers was also successfully achieved through the thirteenth PSTF conference in September 2009 hosted by PALAMA and attended by approximately 500 delegates from all provinces and national departments. This conference also comprised international presenters on training related matters and deliberated on issues such as attributes of public servants for a developmental state. The latter have since been successfully incorporated into PALAMA's compulsory induction programme and will be a feature of other mandatory programmes.

Given the wide array of courses being provided across the spectrum of government and other organs of state, it is important for the Academy to ensure that there is extensive user consultation in order to improve the planning processes and services of PALAMA. It was therefore critical to ensure that

training programmes are monitored and evaluated effectively. It is for this reason that the monitoring and evaluation function has gained prominence during the reporting period. A total of seven training interventions including workshops and conferences, have been evaluated on site. In addition, four onsite evaluations were conducted on the Emerging Management Development Programme (EMDP) and Advanced Management Development Programme (AMDP) courses for junior and middle managers. The instruments for conducting interviews with the facilitators and participants have been developed and implemented to ensure that data gathered during the training interventions are of a more qualitative nature. Reports for all these interventions were completed and presented to various programme managers to infuse improvement and quality in the further rollout of these programmes. The drafts of the M&E strategy and impact evaluation framework have been developed and it is intended to finalise and ensure full rollout in 2010/11.

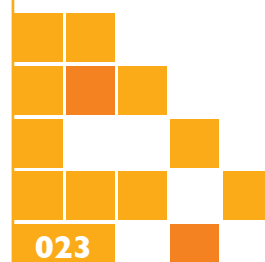
Building the culture, values and ethos of public servants is critical in ensuring that there is commitment towards service delivery and in government programmes. Supported by the principles of *Batho Pele*, the branch has the responsibility of ensuring that all new public servants are inducted and that there is an understanding of the culture, values and ethos expected of a public servant. Through the Induction Programme, the branch has ensured that 22 632 new employees were inducted during this reporting period. This consolidated the previous achievement of training 22 533 employees in the 2008/09 financial year. The branch successfully conducted the first review of the induction manuals in November 2009 as a build up to the introduction of the new manuals in the first quarter of 2010/11 financial year. The first lead trainer programme for the induction programme was successfully conducted in March 2010 to ensure effective and sustainable training capacity in selected national departments and provinces.

Some of the challenges experienced by the branch were mainly regarding outputs such as signing of formal working agreements with departments and provinces, establishment of accredited lead trainer programme for the JMMS courses and consulting work. Although these outputs could not be accomplished as conceptualised due to external influences beyond the branch's control, alternative strategies were pursued to achieve similar objectives.

2.5.5 Training Coordination

The envisaged scale of operations of the wide array of training programmes across the spectrum of government and in the terrain of other organs of state has necessitated that processes are reliable, documented and extensively computerised. Some of the operations relating to the provision of training include the handling of logistics by providers with regard to course materials, certification and suitable venues for training programmes.

The activities of this branch are pivotal to PALAMA achieving the intended reach of its capacity-building programmes. In this regard, the branch has made a continuous contribution to the results of the Academy being the coordinator of training interventions by partners on a greatly increased scale. The branch reviewed and improved the work processes and recordkeeping systems, and has improved efficiency significantly. The training management system facilitates an automated process that includes: streamlined processes and workflow for training delivery; the reallocation of responsibilities and audit tracking; recordkeeping of training delivery for management and control purposes; the capturing of and reporting on contracts; and management information and reporting on training.





The PALAMA contact centre was fully operational by September 2009, and provides information and issues quotations to clients on an ongoing basis. Statistics are kept regarding the number of quotations confirmed out of those generated by the contact centre. The reasons for non take-up have been collated and shared with the Business Development branch to inform their marketing initiatives. This technologically enabled mode of engagement is essential for PALAMA to realise the scale of training expected. The training calendar continues to be an important tool for expanding training outreach. The procurement of a Customer Relations Management (CRM) system will be taken forward as part of the broader enterprise resource project for PALAMA in 2010/11.

The training management system has been maintained and the reporting functionality extended to ensure quick and easy access to data and statistics of training delivered. The efficiency of controls and processes for training delivery transactions has been greatly improved and the year-end closure was finalised well in time.

A venue management policy was developed and subsequent contracts secured for the venue finding providers to streamline the securing of venues for training and to assist PALAMA with the sourcing of suitable and affordable venues for training purposes.

A total of 25 691 attendance certificates and 1 911 competency certificates were issued.

Human resources have been a challenge in the branch, resulting in the staff having to continuously perform under pressure to deliver on expected outputs. The current system provides limited integration into other training and learner related systems and a new updated system is key to the successful implementation of the PALAMA strategy. A plan will be developed to update and enhance the existing system within the parameters of the available resources, providing improved efficiency in business processes.

Another challenge is the need to increase the participation in PALAMA training interventions to the scale required. In order to achieve the targets, the branch has been working closely with other delivery branches to ensure coherence in process to maximise the quality of the interventions available to learners.

2.5.6 Business Development

The strategy adopted by the Academy was to shift from being a provider of training to a facilitator, and from being a competitor to collaborating with other service providers. In order to achieve this, it is important that there is a maximum outreach of PALAMA's training programmes through assertive marketing.

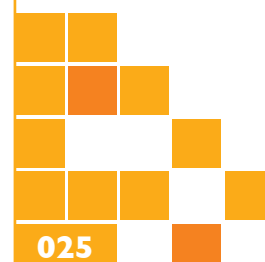
During the past year, the Business Development branch continued to expand its reach into other organs of state, such as the legislatures at national and provincial levels. In collaboration with other branches within PALAMA, there was a successful rollout of training on the Standard Chart of Accounts (SCOA) in partnership with the National Treasury, with 4 869 officials participating in SCOA training. Funded training was also offered to 1 750 officials on government's monitoring and evaluation programme supported by Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). The partnership with the Speakers Forum has impacted positively on the mandatory role of PALAMA as government's training Academy.

In order to ensure more focused strategic relationship building and marketing, the branch has organised itself in a manner that addresses the needs of (i) national departments and sectors (e.g. security) and (ii) provinces and local government. This approach has seen a marked improvement in PALAMA's visibility. For instance, engagements on training needs and training offerings took place with 24 national departments. In addition, a second round of visits to seven provinces was undertaken. This has resulted in emerging and ongoing training partnerships with key stakeholders such as the National Treasury, Government Communication and Information System (GCIS) and South African Local Government Association (SALGA). These strategic relationships at provincial and local government levels will no doubt provide future training opportunities for PALAMA.

For effective relationship building, the branch has split the provinces into three regions: south (Eastern, Western and Northern Cape), central (Free State, KwaZulu-Natal and North West) and north (Limpopo, Mpumalanga and Gauteng). Through this arrangement, dedicated account managers ensure that relationship building in provinces remains focused and productive. PALAMA has also established two regional offices – in Cape Town (south region) and Polokwane (north region).

Business Development continues to work in conjunction with other branches towards optimising synergies for improved business intelligence and communication efforts. A new Training Needs Analysis methodology and tools have been developed. It is being piloted at various PALAMA events and in selected provinces.

The most significant challenge is the decline in PALAMA training against targets set for the year. It achieved 1 30 927 person training days (PTDs), which is 71% of the total target set at 1 85 000 PTDs. Of these PTDs, 82 014 are linked to courses paid for by participants. This partial achievement may be ascribed to: the general lower uptake of training by departments in the first and third quarters of



the financial year; reorganisation of government departments at national and provincial levels following the 2009 elections; significant cutbacks in departmental training budgets in response to cost cutting measures; perceived exorbitant costs of PALAMA training; lack of coordination in capacity building, particularly in provinces where there are no academies or management institutes; lack of adequate human resource capacity within PALAMA, given the number of vacancies existing as well as a resultant impact from the curriculum review process which necessitates that courses be temporarily suspended from offer whilst being reviewed and upgraded.

2.5.7 International Relations and Special Projects

The International Relations and Special Projects branch ensures that the Academy has a continental and international footprint in the field of public service training and development. It supports government's foreign policies, the MPSA programmes and PALAMA activities by forging strategic international partnerships, and initiating and managing donor projects.

In the period under review, the branch facilitated the Regional Capacity Building (RCB) project, funded by CIDA to the value of R70 million. Given that South Africa has been appointed by the Pan African Ministers for Capacity Development to champion capacity development initiatives for Africa with the Minister for the Public Service and Administration assigned to take the lead, this project is significant towards leading in capacity development initiatives on the continent. Through this project, it was also an opportunity for all three partners (Rwanda, Burundi and Southern Sudan) to come together as post-conflict countries to strengthen institutional systems and capacity building for better service delivery.

The RCB Project was lauded for its innovative approaches to support aid effectiveness and models for South-South cooperation and capacity development. This was an indication that PALAMA, with the cooperation of partners in post-conflict countries, increased its capacity to engage meaningfully with countries on the African continent on capacity building initiatives.

The branch also steered the design and initiated the planning of the second IBSA Management Development Institute (MDI) Seminar and the Seminar on Decentralized Local Governance and Poverty Alleviation which was hosted in Hyderabad from 24 – 26 August 2009 and Thiruvananthapuram from 27 – 28 August 2009 respectively. The IBSA MDI Seminar was the second in a series of three seminars with the main MDIs of the three countries – the Administrative Staff College of India (ASCI), Escola Nacional de Administração Pública (ENAP) and PALAMA. Valuable lessons from South-South leadership and service delivery models were shared to inform MDIs of the delivery of their training and development programmes.

The branch also facilitated a five-day workshop on “The Use of Case Study Methods and Pedagogy in Training Programmes”, which was facilitated by three internationally recognised presenters, Prof. John Benington from the University of Warwick, United Kingdom; Mr Peter Stoyko from the Canadian School of Public Service; and Ms Claire Beswick from the University of the Witwatersrand. The workshop was attended by participants from PALAMA, partner Management Development Institutes from the region, and representatives from the Provincial Academies. A Monitoring and Evaluation Report confirmed that the international case study workshop was well received and some of the excerpts provided by participants were the following:

- *“John Benington is excellent. Claire was great. She is friendly and was hands on. Great training PALAMA! The exposure to Africans from Mozambique, Sudan, Rwanda and Burundi was GREAT!!”*
- *“Well organized workshop with international experts on Case Studies - the kind of events to put PALAMA on the map. Accolades for this initiative. Repeat it with more public service trainers. Good idea to create an on-line sharing forum. ”*
- *“... An excellent workshop! Well done! This adds value to what has to be the critical aspect of HRD in South Africa. The interaction with other African countries was valuable. Thanks!”*

The benefits of the workshop were optimised through a virtual discussion forum that was set up to enable workshop participants to continue the conversation regarding case study writing and teaching; provide easy access to relevant knowledge resources; and provide a space for discussion related to the RCB curriculum development process, using case study methodology.

Through the facilitation of the branch, PALAMA also provided assistance to the National School of Public Administration (ENA) in the Democratic Republic of Congo (DRC) with training and development support to the public servants in the DRC. Training was provided to 750 people during the reporting period. The Academy also assisted ENA with a process and templates to develop their strategic plan and was requested to assist with the finalisation of the strategic plan for printing purposes. The Training of Trainers (ToT) course was developed and nine out of the ten lead trainers were declared competent. The trainers will be considered for co-presentations during the forthcoming training interventions and to support ENA as part of its final establishment.

A Curriculum Development Workshop for ENA officials was also conducted in Kinshasa from 15 – 17 September 2009. The workshop did not only focus on curriculum development but also capacitated ENA officials on the roles of an MDI with a focus on the comprehensive learning cycle developed for the PALAMA Regional Capacity Building Project for Post-Conflict Countries, which includes key components such as: carrying out baseline studies, undertaking training needs analysis, curriculum development, quality assurance and monitoring and evaluation.

The PALAMA-AMDIN-JICA Training-of-Trainers Course was facilitated from 12 – 23 October 2009. This project is implemented through the 5 year MOU between PALAMA and JICA that will expire in 2010. Thirty-five participants from fifteen African Anglophone countries participated in the course. JICA provided funding for the travel and accommodation costs. PALAMA provided training facilities and trainers as well as logistical support through the branch International Relations and Special Projects (IR&SP) for the training to take place.

One of the major challenges of the DRC project is that ENA has not yet received any funding from the DRC government. All the work that has been done for ENA since 2007, was funded by the PALAMA donor funded project. ENA's training activities are constrained due to lack of sufficient funding. The sustainability of this project is a major challenge.

Risk factors for utilising donor funding in PALAMA were identified at a workshop on 25 November 2009. The branch will engage further on the risk mitigation strategies and will also inform the broader risk management plan for PALAMA.

2.5.8 Governance and Strategic Support

The Governance and Strategic Support branch provides support to the Director-General and the Executive Management of the Academy, through a range of activities including corporate governance, strategic cycle management, legal and contractual matters. In addition, the branch is positioned to ensure effective internal and external communication, building the knowledge base within the Academy and marketing PALAMA offerings, mainly through exhibitions.

During the period under review, the branch was tasked with the development and implementation of a governance and strategic support cycle. The branch developed an Annual Planning Framework and a PALAMA Corporate Diary in order to support the strategic planning and reporting cycle. The system of performance reporting has been institutionalised and reports are submitted by branches on a quarterly basis for analysis and further reporting. A draft policy on managing organisational performance planning, monitoring and reporting has been developed and will be implemented in the 2010/11 financial year. During the period under review, the branch also ensured permanent representation on the FOSAD G&A Cluster, thus ensuring that the work of the cluster is included in the work of PALAMA. This also included the coordination of inputs for updating the 2009 Programme of Action report cards.

In terms of risk management, a risk matrix was developed, which reflects the main risks facing the Academy. A Risk Management Committee was established, which met on a quarterly basis. The Academy also appointed Deputy Risk Officers and Risk Champions within branches to manage organisational risk.

As a learning organisation, it is critical that the systems, mechanisms and processes are put in place to support the PALAMA staff in building the knowledge base. As a tool to support knowledge management, the PALAMA intranet was developed and launched. A draft Intranet policy has also been developed and will be implemented in 2010/11. Processes commenced in 2009/10 to undertake knowledge needs analysis in PALAMA, develop a knowledge management framework, and establish a resource centre. This will be completed in 2010/11.



To support the Academy in the management of contracts, the branch has undertaken a situational analysis in order to consolidate and monitor all contracts and agreements. Service providers have been engaged to develop a contracts management database and this will be implemented in 2010/11.

One of the major challenges of the branch has been resource capacity, especially given the fact that it is a newly established branch. As a result of this constraint, there are significant activities that have not been provided with the requisite attention. The communication strategy has not been brought to completion and full implementation. Be that as it may, within the current constraints, the branch was able to implement certain critical elements of the draft strategy such as continuous current website update; develop and launch of the intranet; completed communication plan for 2010/11 aligned to the national communication strategy and a draft internal communication policy.

The branch has also not been able to undertake a comprehensive assessment and monitoring of mandatory policies affecting the Academy. However, an initial assessment of policies in the Academy was undertaken and further assessment and monitoring to ensure compliance with regulatory requirements will be undertaken in 2010/11.

2.5.9 Corporate Services

The Corporate Services branch is responsible for the functions related to the provision of internal human resource capacity and systems, information technology systems and support, and adequate facilities through the buildings and operations.

During the period under review, the Corporate Services branch reviewed the human resources delegations of the Director-General and further delegated to Branch Heads in a manner that allowed the decentralisation of human resource powers to operations such as the recruitment, selection and appointment of non-SMS staff members. During the same period, the Performance Management and Development Policy was revised, in order to synchronise the performance agreements and appraisals of non-SMS and SMS staff members, thereby ensuring alignment with the strategic objectives of the Academy.

Through the branch's efforts and facilitation, PALAMA submitted financial disclosures of all Senior Managers by the prescribed due date in compliance with corporate governance requirements in the Public Service. In addition, all Senior Managers compiled and signed performance agreements by May 2009.

In the Information Technology environment, the focus was to achieve stability and reliability of the IT systems. To this end, the branch initiated an infrastructure upgrade which has ensured continued availability of systems and processes. In addition, the Virtual Private Network was installed to ensure direct and continuous access to the Internet.

One of the key deliverables during this period was the negotiation and conclusion of the IT service provider contract and Service Level Agreement (SLA). The Academy entered into a 3-year contract with GijimaAst to provide a wide range of business critical IT services.

During the previous financial year, the Academy experienced unpleasant IT systems disruptions that had the possible impact of rendering the operations of the Academy non-functional. During the first quarter of this financial year, a server infrastructure upgrade project was initiated, resulting in the installation, amongst others, of a more advanced server exchange system. In addition, the 3-year outsource agreement concluded with GijimaAst ensured that the stability and reliability of the IT systems become sustainable. During September 2009, FM Solutions was appointed as the new Facilities Management (FM) service provider for PALAMA.

In support of the Academy's regional model strategy, the branch secured appropriate regional offices in Polokwane and renovated and upgraded security arrangements for the Cape Town parliamentary office, which also serves as PALAMA's regional office. In order to reduce on travel and accommodation costs, video conferencing facilities were installed in both offices.

In terms of challenges facing the branch, one of the key outputs was the procurement and installation of an Enterprise-wide Resource Planning (ERP) system which was central to the Enterprise Architecture strategy for the Academy. This project was not implemented due to financial constraints.

2.5.10 Corporate Finance

Given the cost recovery approach of the Academy, coupled with the contracting of training and other service providers, the Finance branch has a critical role to play in relation to financial and supply chain management.

During the 2009/10 financial year, the branch utilised a financial management improvement plan to remedy the deficiencies identified by the Auditor-General during their 2008/9 annual audit. These concerned the understatement of trade and other payables, incorrect ageing of debt, incomplete policies and procedures, and the incorrect calculation of implicit interest on the debtor's balances. As a result, particular attention was given to the process of the monitoring of and control over commitments, which were redesigned to accommodate the change in business processes. The notable changes to the process were increasing the volume of transactions initiated through orders and providing a central point for the submission of invoices for payment.

Attention was also given to the finalisation and implementation of the PALAMA Financial Instructions which hold all the financial policies and procedures for the department. The report to calculate the fair value adjustment for debtors to comply with (IAS 39) has been redesigned and the interest fluctuations were incorporated. The debt collection process was enhanced to reduce the average debtor days from 135 to 101 days.

During the period under review, a further enhancement to the budget process was achieved. The budget was piloted on a "bottom-up" approach. This allowed the branches to compile their budgets for inputs into the consolidated budget review process. It was successfully achieved and the budgets were completed with minor adjustments between branches.

Monthly financial review meetings were instituted to assist branches in improving their budgetary controls and to assist with the efficient, effective and transparent financial allocation of resources.

During the reporting period, the supply chain management internal controls were enhanced, thus improving compliance to legislation. The revision of processes and procedures enabled more accurate and timeous management reporting, efficient procurement and better management of warehousing.

Given the materiality of assets coupled with the high risk of loss and the decentralised locations thereof, quarterly verification of assets was performed resulting in increased accountability and adequate safeguarding thereof.

The branch once again had the responsibility to ensure effective and efficient audit coordination. Given the growth of the organisation, the audit scope increased for the 2009/10 financial year.

2.5.11 Office of the Director-General

The Director-General is responsible for leading the executive team to ensure that the mandate of the department is fulfilled under the guidance of the Minister for the Public Service and Administration. The Director-General represents PALAMA domestically and abroad. The office of the Director-General is also key to the management of process to ensure that PALAMA meets the expected standard for its oversight and compliance programme, as well as the functioning of statutory structures within the organisation, particularly the audit structures, executive management committee, and risk management committee for PALAMA. The Director-General also represents the Academy in key stakeholder forums, for example, the government clusters as well as in the AMDIN for which he also serves as the Treasurer and member of the Governing Committee.

Following the end of employment contract of the former Director-General, Dr FM Orkin, PALAMA has been under the leadership of Prof. LS Mollo since October 2009. Prof. Mollo was appointed by the Minister for the Public Service and Administration to act as the Director-General from October 2009 until the end of the financial year, and his permanent appointment as the Accounting Officer and Head of the Academy was confirmed with effect from April 2010.



A group of people are seated around a large conference table in a meeting room. The scene is overlaid with a grid of squares in various shades of orange and white. The text 'Part 2' is written in a large, white, serif font in the upper right area.

Part 2

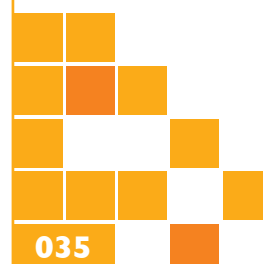
1. Executive Development
2. Curriculum and Materials Design
3. Partner and Provider Mobilisation
4. Training Coordination
5. Business Development
6. International Relations and Special Projects
7. Governance and Strategic Support
8. Corporate Services
9. Finance

I. Branch: Executive Development

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Services to be delivered	Coordination of service delivery	Two executive offerings designed, developed and delivered and two special events hosted	<p>The Protocol and Diplomacy for Senior Managers was developed and rolled out.</p> <p>The Innovation Management material has been developed and piloted.</p> <p>Executive Mentoring was developed and rollout will commence in May 2010.</p> <p>Two special events hosted:</p> <ul style="list-style-type: none"> • PALAMA – GIBS seminar on “Public-Private Partnerships” • “Reflections on the South African government’s approach to monitoring and evaluation in the public sector”. 	Achieved
		Executive training programmes delivered to 900 participants	<p>A total of 2 246 participants, exceeding the target of 900, were trained in the following programmes:</p> <ul style="list-style-type: none"> • EDP; • SMS Induction; • Khaedu Core Skills; • Khaedu Deployment, Protocol and Diplomacy and • Gender Mainstreaming. 	
	External service providers selected and appointed	Contracts in place with 18 service providers, which include four consortia of HEIs for EDP, 12 IICs, and two private organisations.	<p>External service providers were also appointed to undertake academic research, and to undertake a comprehensive evaluation of the EDP.</p>	Achieved

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Stakeholders	Build and maintain relationships with national and international stakeholders	Network of role players within government, HEIs, international partners and others instituted to contribute to design, delivery and research	<p>A database of role players has been developed and populated.</p> <p>PALAMA hosted successful engagements with HEIs which committed to working with PALAMA to build capacity for the developmental state.</p> <p>Desktop research combined with visits to international partners has enabled exploration of different modalities for establishing various networks resulting in a proposal to establish a panel of "eminent persons" or "senior fellows".</p> <p>PALAMA hosted an information sharing session with post graduate students of Warwick University in April, in collaboration with VITS.</p> <p>Two senior officials, one from PALAMA, the other from the Office of Public Service Commission (OPSC) attended a two week training course at ENA, France.</p> <p>The databases for alumni of EDP and ADP are in place.</p>	<p>Achieved</p> <p>The proposal for 'Senior Fellows' will be taken forward in 2010/11. The Senior Fellows proposal was put on hold for consideration after the completion of the further transformation plan of PALAMA.</p>
		Post-course follow-up programmes and support in place for mentoring and coaching and alumni networks	<p>Alumni details from other Executive Development programmes are included as these are completed. A proposal to establish an SMS Alumni was presented to EMC.</p> <p>A draft concept paper mapping out possible options for post course programmes, support and coaching has been developed.</p> <p>A draft concept document for coaching has been developed and put on hold due to internal capacity constraints.</p>	<p>Partially achieved</p> <p>The launch of SMS Alumni will be taken forward in 2010/11 after it was postponed to allow a broader discussion on Alumni to take place in PALAMA.</p>
	SMS learning framework and programme portfolio	Integrated executive development strategy completed	An integrated executive development strategy incorporating the SMS learning framework and programme portfolio has been completed and will be used as a baseline for a planned workshop in 2010.	Achieved
Lateral contribution				

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Lateral contribution	SMS learning framework and programme portfolio	Lateral support between branches instituted and expanded Executive development branded and marketed	A series of meetings has been held with other branches to foster close collaboration on various issues related to training management, course coordination and delivery. Executive Development brochure was developed and distributed. Ongoing marketing is being undertaken through information sharing, meetings, e-adverts and better branding of course materials.	Achieved Achieved
Corporate governance	Operationalise research component for the Academy	Adapt approved PALAMA quality guidelines and criteria for the planning, design, development and evaluation of SMS learning programmes Two major research projects designed, operationalised and reported	The process has been initiated through a review of evaluation methods and techniques. The quality and evaluation guidelines for PALAMA are being used for Executive Development programmes. The tendering, evaluation and selection of providers for the comprehensive evaluation of the EDP took place and the research began in March 2010. Chapters were commissioned and written for the environmental scan book project entitled: "Building the developmental state: the role of the public service". Training needs analysis for legislators was initiated and completed.	Achieved Achieved
Corporate governance	Operationalise research component for the Academy	Presentation of two research papers at public management conferences	The following five papers were presented: <ul style="list-style-type: none"> A joint presentation on leadership development at the Winelands Conference, Stellenbosch, March 2010 A presentation on HRD at a conference on Africa-India ties, India, February 2010 A presentation on management development at the PSTF Conference, Johannesburg, September 2009 A joint presentation on curriculum change at the International Association of Schools and Institutes of Administration (IASIA) conference, Brazil, August 2009 A presentation on gender and leadership to the Commonwealth Association of Public Administration and Management (CAPAM) Conference, Malaysia, June 2009. 	Achieved



Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Transformation	Design and deliver eLearning programmes for SMS	eLearning components in support of two SMS training modules developed and piloted	An EDP eLearning portal has been established and is operational. This supports ten SMS training modules. An eLearning structure for the ADP has also been developed and is operational. An online Change Management programme has been developed.	Achieved
		New learning and development methodologies for executive development introduced	An online portal for the Alumni discussion forum has been created, and put on hold, subject to the launch of the Alumni in 2010/11. There is an ongoing process of exploring new methods for ensuring effective executive management and leadership development. A number of meetings on different methodologies were held over the year, and a two-day innovative methodologies pilot on simulation techniques took place in February 2010. These learning strategies have been introduced into executive development programmes.	Achieved
		Executive level train-the-trainer programme developed and piloted	The Executive Development strategies and offerings were presented at the Trainer Professional Development Road Shows. The Executive Train the Trainers (ToT) on 'Getting to know Government' will take place early in 2010/11 financial year.	Partially achieved The Executive ToT was postponed as too few providers could confirm their availability for the dates set.

2. Branch: Curriculum and Materials Design

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Services to be delivered	Learning programmes for JMMS	Upgrade ten reviewed JMMS courses	<p>The following three courses have been completed:</p> <ul style="list-style-type: none"> • Supply Chain Management (SCM) for the Public Service; • Diversity Management; and • Promotion of Administrative Justice Act. <p>The following three courses have been completed and submitted for programme approval:</p> <ul style="list-style-type: none"> • Human Resource Planning • AMDIN Training of Trainers • Foundation Management Development Programme for Local Government. <p>The following four SCM courses have been completed and are awaiting National Treasury validation:</p> <ul style="list-style-type: none"> • Contract Management • Demand Management • Advance Acquisition Management • Logistics Management. 	Achieved
		Review three priority JMMS courses for gender sensitivity	<p>The following three HIV and AIDS courses have been reviewed:</p> <ul style="list-style-type: none"> • Understanding HIV & AIDS and its impact in the Workplace • Integrated HIV & AIDS and TB Management • Managing HIV & AIDS in the Workplace. <p>The following three courses have been reviewed:</p> <ul style="list-style-type: none"> • Massified Induction Programme (MIP) • Human Resource Planning • Basic Orientation to Monitoring and Evaluation. 	Achieved

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
	Learning programmes for JMMS	Design and development of ten new priority JMMS courses	<p>The following nine courses have been completed and submitted for programme approval:</p> <ul style="list-style-type: none"> • Developing HRD implementation plans for the public service; • Basic orientation to M&E • Using M&E to manage performance • Information management for M&E • Quantitative methods for M&E • Qualitative methods for M&E • Data analysis and report writing for M&E • Designing curriculum and learning materials for the public service • Project Management (Basic) NQF level 5. <p>The following two courses are in the final editing phase:</p> <ul style="list-style-type: none"> • Breaking Barriers to Entry: Public Service Graduate Internship Programme (Orientation) • Project Management for the Public Service (Advanced) NQF level 6. 	Achieved
Stakeholders	Collaboration and partnerships for seamless service delivery	Establish internal curriculum governance and approval process by September 2009	<p>A revised curriculum and governance approval process has been developed and monthly curriculum development project meetings are taking place for quality assurance.</p> <p>The approval process is being applied to all new and upgraded courses/ programmes.</p> <p>The ETD QMS policies have been completed and toolkits for course development have been finalised.</p>	Achieved
		Collaborate with provincial academies on Quality Management Systems including accreditation	<p>The ETD QMS resource pack has been prepared and presented at the inter-governmental forum.</p> <p>QMS capacity building workshops for Curriculum Developers were undertaken.</p>	Achieved

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Stakeholders	Collaboration and partnerships for seamless service delivery	Pilot application of curriculum framework in two provinces	<p>A Human Resource Framework was completed and applied to the development of the following courses:</p> <ul style="list-style-type: none"> • HR Planning • HRD Implementation Plans • Disability Management for the Public Service. <p>Four provinces (KwaZulu-Natal, Western Cape, Limpopo and Gauteng) were involved in the course development process.</p> <p>Two provinces (Limpopo and Gauteng) were part of the implementation pilot of the above developed courses.</p>	Achieved
Lateral contribution	National integrated JMMS learning framework for the public service and accreditation of courses	Develop a draft Public Service Qualifications Framework	<p>The draft MoU and joint implementation agreement between PALAMA, South African Qualifications Authority (SAQA) and the PSETA was completed.</p> <p>A concept paper preceding the development of the Public Service Qualifications Framework was also completed.</p>	<p>Partially achieved</p> <p>Due to lack of participation by key external stakeholders, the process of completing the draft qualifications framework without the said stakeholders has commenced.</p>



Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Lateral contribution	National integrated JMMS learning framework for the public service and accreditation of courses	Develop integrated curriculum framework for functional areas	Completed six HRM&D training frameworks to inform the course material.	Achieved
		Facilitate approval of four Academy learning programmes	Facilitated the approval of two HIV/AIDS programmes with PSETA. Obtained approval for the FMDP from Services SETA. Obtained approval for two programmes from PSETA: <ul style="list-style-type: none"> Grievance and Disciplinary Action Procedures Supply Chain Management for Public Service. Submitted five programmes for approval to the respective SETAs: <ul style="list-style-type: none"> Project Management, (Basic)NQF level 5 (Services SETA) Designing Curriculum Learning materials for Public Service (ETDP SETA) Developing HRD implementation plans for the Public Service Strategic HR Planning to achieve organisational results Apply M&E principles in the Public Service – A programme for M&E Practitioners. 	Achieved
Corporate governance	Quality Management System for curriculum and learning materials design and delivery	Monitor and review implementation of Quality Management Systems in PALAMA	The revised ETDP QMS policies have been approved. The comparative analysis of PALAMA's QMS policies and processes in collaboration with the Gauteng City Regional Academy, KwaZulu-Natal Provincial Public Service Training Academy, Diplomatic Academy of DIRCO and Learning Academy of the Department of Water Affairs has been completed. Conducted focus group interviews with PALAMA process owners.	Achieved

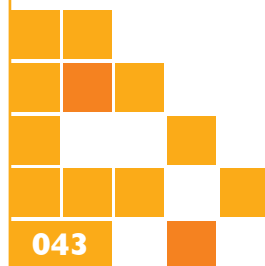
Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Corporate governance	Quality Management System for curriculum and learning materials design and delivery	Promote existing gender mainstreaming suite in the public service	Through the rollout of the Gender Mainstreaming training sessions, 67 sessions were facilitated in which 1 492 officials participated.	Achieved
		Develop a strategy for gender mainstreaming within PALAMA	A session on engendering programmes at the capacity-building workshop for Curriculum Developers was also facilitated. The strategy and action plan have been completed and inputs provided in the setting up of the PALAMA gender focal point.	
Transformation	Strategy for the design and development of learning programmes for JMMS using multimodes of delivery	Develop a multimode delivery strategy by September 2009	An eLearning implementation strategy and action plan has been developed.	Achieved



Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Transformation		Identify and develop two priority learning programmes for multimode delivery	Designed and developed three M&E courses for blended delivery. Developed complementary eLearning course materials for M&E, SCM, FMDP for Local Government, and Grievance and Disciplinary Action Procedures. Registered 42 participants out of 139 users from the North West Provincial Supply Chain Management Office for the Supply Chain Management: Bid Committee (PFMA) course.	Achieved
	Strategy for the design and development of learning programmes for JMMS using multimodes of delivery	Establish a virtual social discussion forum for gender mainstreaming	Technical support has been provided to assist current participants in the Supply Chain Management: Bid Committee - PFMA eLearning course. Gender awareness is facilitated through the virtual discussion forums. A total of 1 312 participants are registered on the Virtual Social Discussion Forum.	Achieved

3. Branch: Provider and Partner Mobilisation

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Services to be delivered	Mobilisation of providers for massification of the JMMS programmes	Review of legacy contracts conducted	The ILC database has been updated. Twenty ILCs were registered to become Assessors and/or Moderators with the PSETA and other relevant ETQAs. Contracts of the National, Northern and Central Regions for the delivery of the EMDP and AMDP were extended. Additional courses were added to PALAMA ILCs facilitating HRD courses. Provider recruitment was undertaken mainly in the area of SCOA and Job Evaluation.	Achieved
		Initiate accredited lead-trainer pool for JMMS courses	Contracts of ILCs and organisations (trainers) were renewed for 2010/11. The funding proposals and Log Frame Workshops were completed. The MIP lead trainer programme has been conducted.	Partially achieved
		Establishment of 15 MIP lead trainers in selected provinces	The full scale lead trainer project for JMMS programmes will be pursued in the 2010/11 financial year.	The donor funding earmarked for this project was delayed.
		Convene partner/provider consultative forum for 500 attendees	Two successful lead trainer sessions were conducted with 20 and 32 participants respectively. Participants were drawn from sectoral national departments and provinces which have trained MIP trainers. The 13 th PSTF Conference was successfully hosted in September 2009 and the conference report finalised in March 2010.	Achieved



Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Stakeholders	Recruitment, contracting and professionalisation of providers and partners	Enter into working agreements with ten sectoral partners	<p>A draft Collaboration Framework was developed. However, collaboration occurred mainly through the MIP and project-based agreements with other units in PALAMA. For example, the training of MIP trainers in the South African Police Service (SAPS) took place in January – February 2010.</p> <p>New pools of MIP coordinators were established in the Departments of Defence and Correctional Services in March 2010.</p> <p>Nominated lead trainers from Education and Justice and Constitutional Development were trained in March 2010.</p>	<p>Partially achieved</p> <p>No formal agreements were entered into as sectoral partners preferred project-based service agreements.</p>
Stakeholders	Recruitment, contracting and professionalisation of providers and partners	Enter into working agreements with the nine provincial academies or training entities	<p>Generic working agreements were developed but the provinces did not support the idea of formal agreements. However, working relationships continued through the Inter-Governmental Workshop (IGW) on training and development.</p>	<p>Partially achieved</p> <p>The working agreements were not entered into but relations continued through the IGW on training and development.</p>
		Initiate framework on trainer professional development, achieve 50% of providers compliant	The ILCs were inducted on the new TPD framework	Achieved
		Monitor and organise training-of-trainer sessions with in two months of appointment of each provider	<p>A total of nine provincial and national workshops, attended by 429 officials, were conducted to communicate and workshop TPD Framework and ETD tools.</p> <p>A Train the Trainer model was piloted as part of enhancing trainer professional development.</p> <p>Assessment tools were developed and piloted in the training of trainers for SCOA and Job Evaluation.</p> <p>All newly appointed trainers have attended induction sessions on PALAMA's training methodology and code of practice as facilitators.</p>	Achieved

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Lateral contribution	Provide support for identification of providers for provincial training programmes and consultation	Assist development of capacity in the various regions through AMDIN ToT programmes for sustainability	The ToT programme was held in order to build training service provider capacity for appointment to various African regions.	Achieved
		Implement the strategy on sectoral consultation	Twenty one ILCs were trained in the development of Service Delivery Improvement Plans to render training/ consultancy services to national and provincial departments when requested.	Partially achieved A strategy on sectoral consultation was not developed due to the fact that the directorate for Organisational Development (OD) Consulting remained unfunded.
Lateral contribution	Provide support for identification of providers for provincial training programmes and consultation	Monitor implementation of provider deployment guidelines and apply to all other post-conflict countries on the continent	Two provinces, Limpopo and Free State, were assisted to align the processes of recruitment and selection of service providers in line with PALAMA framework on provider mobilisation. AMDIN ToT was held from 9-12 November 2009 in order to build training service provider capacity for appointment to various African regions. Two additional facilitators for the AMDIN ToT were selected in the last quarter of the 2009/10 financial year. Consultation done and agreement reached between PALAMA and the PSETA to share training provider databases.	Partially achieved

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Corporate governance	Implement a programme and participant-based M&E system	Plan and pilot massified M&E system for expanded operations	<p>The M&E function has been piloted across all branches that are involved in the rollout of training programmes.</p> <p>Seven training interventions have been evaluated on site and four of these onsite evaluations have been conducted on the EMDP and AMDP.</p> <p>Drafts of M&E strategy and impact evaluation framework have been developed along with evaluation instruments on the EMDP and AMDP training.</p> <p>The participant based framework has been developed for use in the reworking of the M&E instruments as well as the development of new instruments.</p>	Achieved
Transformation	Implement transformation programmes and new strategy/ guidelines and procedures for provider mobilisation	Implement new guidelines and procedures for provider recruitment	<p>Twenty applications were registered with the PSETA for assessment and moderation against the eight accredited programmes.</p> <p>A new template for the recruitment and selection of IICs has been developed, and the vetting of new and existing IICs is continuing.</p>	Achieved

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Transformation	Implement transformation programmes and new strategy/ guidelines and procedures for provider mobilisation	Train 85% of new public servants on MIP	22 632 employees out of a possible 25 200 (85%) were inducted in the period under review despite cuts in training budgets of many provincial and national departments. This reflects performance of more than half of the total PTDs recorded by the Academy and indicated an improvement on the previous performance of 22 533.	Partially achieved
		Develop trainer professional development framework monitoring tools and guidelines	The approved TPD Framework was presented to the Intergovernmental Forum of national and provincial stakeholders. This was followed by a series of provincial roadshows on good practice toolkits in March 2010. The monitoring tools were integrated with the tools used by the M&E unit. These tools are currently being used during on site evaluation of facilitators as well as during the facilitation assessment sessions conducted as part of provider selection processes at PALAMA.	Achieved



4. Branch: Training Coordination

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Services to be delivered	Coordination of training activities	Approximately 2900 training interventions delivered to PALAMA clients when needed and in line with agreed upon service standards	1 682 training interventions were presented to PALAMA clients.	Partially achieved
		Review and streamline training coordination practices and implement automated confirmations of events	<p>The content of booking form, nomination list, attendance register and automated confirmation of training events was reviewed.</p> <p>Appropriate eLearning administrative processes were implemented.</p> <p>The branch continued to send confirmation of training events to service providers and attendees whose e-mail addresses were known.</p>	Achieved
Stakeholders	Establishment of a high-tech customer contact centre	Implement a full-scale contact centre by December 2009	<p>The Contact Centre functions were centralised and have been fully implemented.</p> <p>The branch continued to provide information and quotations to PALAMA clients through the Contact Centre.</p> <p>The Contact Centre's requirements for a Customer Relations Management system will be taken forward as part of the procurement of a broader enterprise application system for PALAMA.</p>	Achieved
		Develop and pilot relevant provider management databases	<p>The policy for venue management was developed.</p> <p>Two venue finding providers were appointed to assist PALAMA with the sourcing of suitable venues for training purposes.</p>	Achieved

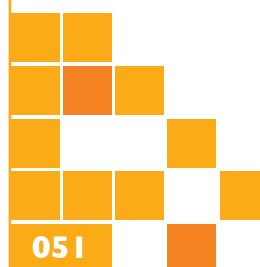
Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Lateral contribution	Implementation of an electronic training calendar	Review and update an electronic training calendar	The electronic training calendar was compiled and published on PALAMA's website.	Achieved
Corporate governance	Development and maintenance of training management systems	Maintain the existing training management system	The approved course fees were loaded on the Training Management System (TMS). Control measures related to processing invoices and certificates were also improved.	Achieved
		Update the Learner Records Database	Standardised monthly and specialised <i>ad hoc</i> reports were generated. The project to align the data on the PALAMA database with the needs of the PSETA was finalised.	Achieved
Transformation	Optimisation of business practices for training delivery	Well-defined relationships, interfaces and boundaries between delivery units	The relationships, interfaces and boundaries between delivery units were defined.	Achieved
		Scoping and costing an enterprise-wide training management system	The scoping and costing of the system was undertaken. However, this project was put on hold due to lack of funding. The branch continued to maintain the structure of information in the existing Training Management System and Learner Records Database to ensure the effective delivery of training and management of reporting and statistics.	Partially achieved



5. Branch: Business Development

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Services to be delivered	Growth in PTDs through business development	Implementation of a Business Development Strategy	The Business Development Strategy was developed and implemented.	Achieved
		Expand and maintain the Academy's client database	The client database has been updated on a regular basis with client information.	Achieved
		Achieve 185 000 PTDs in national, provincial and local government	Total actual PTDs achieved for the period was 130 927 which amounts to 71% of target.	Partially achieved
		Fully operational sites established in two regions	Regional offices in Cape Town and Polokwane have been established.	Achieved
Stakeholders	Improvement of visibility of the Academy in the public sector	Reports and publications on perception survey by September 2009	Project plan developed and agreement reached to work in collaboration with the M&E Unit. Survey tool prepared and implemented in six forums: HRD Forum in Mpumalanga and Limpopo; Train the Trainers' Forum; Inter-Governmental Workshop and Gauteng Provincial Capacity Building Forum and in two departments, namely the Department of Human Settlements and the Department of Economic Development in Mpumalanga.	Partially achieved
		In-depth consultations with ten key stakeholders to enhance relations	Roadshows were completed in all provinces, and also covered ten key national departments. Presentations made to LGSETA and SALGA forums in Eastern Cape, Limpopo and Mpumalanga.	Achieved
		Marketing plan conceived and piloted for Academy services	Business marketing plan developed and reviewed at branch planning session in November 2009 and January 2010. Communication and branding elements aligned to the corporate communications strategy.	Achieved
Lateral contribution	Promotion of training opportunities to users			

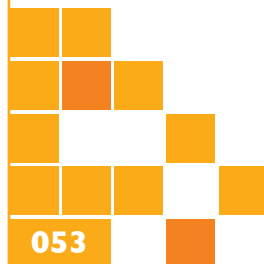
Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Lateral contribution	Promotion of training opportunities to users	Organise and foster monthly communications and rotating visits to client departments	Monthly communication has been implemented with provinces through Key Account Managers.	Achieved
		Convene four indaba gatherings for Human Resource Development Practitioners, Skills Development Facilitators and Trainers	Presented at HRD forums of Gauteng Limpopo, Mpumalanga, Northern Cape and Eastern Cape. Individual meetings were also held with twelve provincial and ten national departments.	Achieved
Corporate governance	Develop and implement Training Needs Analysis (TNA) model	Pilot the new TNA model in one national and one provincial department	An internal TNA workshop was conducted in June 2009 and the model was piloted in PALAMA in September 2009. Discussions are ongoing in piloting TNA model with Western Cape Academy, HRD forums and departments in Limpopo and Mpumalanga.	Partially achieved
		Implement the TNA model with five key stakeholders by August 2009	Developed TNA tools for Parliamentary Management Development programme. Developed tools for people with disabilities, for DPSA competency and for junior and middle managers. Piloted the TNA model and tools in Mpumalanga Department of Human Settlements and the Department of Economic Development & Environmental Affairs.	Partially achieved



Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Transformation	Alignment of training plans with provincial Academies	Pilot implementation of joint training plan with two provincial Academies	Ongoing consultations and engagements with all nine provinces on rollout of their training needs. Workshops held with Eastern Cape, Northern Cape, North West and Western Cape to discuss their Workplace Skills Plan. Presentation to the Skills Development Facilitators Forum in the Western Cape. Consultations with KwaZulu-Natal Training Academy to maintain good working relationship with PALAMA.	Partially achieved
		Implement joint training marketing plan with two provincial Academies	Roadshows completed and presentations to HRD Forums in all nine provinces.	Partially achieved

6. Branch: International Relations & Special Projects

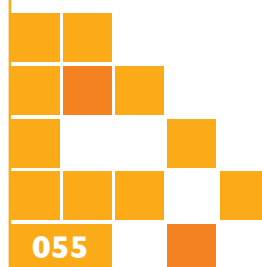
Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Services to be delivered	Bilateral and multilateral international programmes with identified countries	International capacity building programmes designed and consulted with three post-conflict MDIs in East Africa	International programmes established in four countries on the African continent namely: Burundi, Rwanda, Southern Sudan (with support from CIDA funding), and the DRC (with support from the African Renaissance Fund).	Achieved
		Exchange programmes (including training and visiting scholars) with two countries implemented	Two visiting scholars, from the United Kingdom (UK) and Canada, conducted a 5-day training workshop on the Development of Case Studies. The second IBISA seminar on South-South practices in Management, Leadership Training and Public Service Delivery was held.	Achieved
		International programme with MDI in DRC concluded by December 2010	The CIDA RCB Project Steering Committee and stakeholders meetings took place in Burundi and Southern Sudan. Post-conflict countries (Burundi, Rwanda and Southern Sudan) participated in the meetings and shared information for improved knowledge on capacity development in the countries represented. Training in the DRC concluded in June 2009. The outstanding activity on this project, which is the refurbishment of the ENA premises, is the responsibility of the Department of Public Works (DPW).	Achieved
Services to be delivered	Bilateral and multilateral international programmes with identified countries	AMDIN: Programme designed and piloted for capacity development of educational design specialists	A training of trainers course, involving 25 participants from the francophone African countries to develop capacity on the continent, was held.	Achieved



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Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Stakeholders	Development and management of external relations	One special local project involving three provincial Academies established	Discussions with 4 provincial Academies to strengthen capacity were initiated.	Partially achieved
		Curriculum developed for training needs through TNA in post-conflict countries	A project proposal was developed. However, the project has been put on hold.	
			The TNA model was developed.	Achieved
Lateral contribution	International Relations & Special Projects (IR&SP) established	Update IR&SP policy, protocols and systems	A Curriculum Framework document has been developed for the Regional Capacity Building Project that will end in March 2013.	Partially achieved
			The Official Donor Assistance policy has been implemented and will be reviewed with the further transformation of PALAMA.	
			An M&E plan and reporting tools were developed for donor funding. M&E Workshops took place to operationalise M&E System.	
			A draft IR&SP policy has been completed.	The review of ODA policy is in the process of being completed.

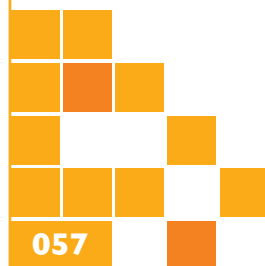
Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Lateral contribution		Donor funding operational procedures and financial reporting system established in the Academy	<p>A financial manual for Gender Mainstreaming Programme was developed and customized for donor funded projects.</p> <p>Financial reports on all donor funded projects are prepared regularly. A financial procedure manual has been also developed.</p> <p>A risk assessment workshop on the management of donor funding was facilitated. An assessment of the current status of donor management within PALAMA was completed, and risk register action plan developed for improved management of donor funded projects.</p>	Achieved
		Identification and sourcing of donor funding for two Academy special projects	<p>Funding was received from GTZ for the design and development of:</p> <ul style="list-style-type: none"> • A new Financial Management Programme for Public Service • the Evaluation of the Executive Development Programme • Review of the AMDIN ToT Curriculum • Professional Development of Mentors for Public Service • PSTF Conference • Development and piloting of a Public Service Graduate Internship Programme for Unemployed Graduates. 	Achieved
		AMDIN: Hosting of second Biannual Knowledge Exchange Conference and General Members Meeting	No conferences or meetings were held during the reporting period.	Not achieved
Corporate governance	Advisory Council established	Criteria and membership for establishment of Advisory Council developed	A concept note on the Advisory Council was developed. In view of the further transformation of PALAMA the decision was taken that the establishment of the Advisory Council be placed on hold.	Not achieved as a result of the further transformation of PALAMA.



Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Transformation	Partnership established with private sector to implement special projects	Public-Private Partnership established in line with Joint Initiative for Priority Skills Acquisition (JIPSA) to deliver two training interventions at provincial and local government levels	Due to the fact that JIPSA was approaching the end of its lifespan and migrating to the Human Resource Development Strategy of South Africa (HRDS-SA) in 2010, alternative options have been explored through the InWEnt project which would address the capacity development needs of provincial and local government.	Not achieved
		Management and leadership training provided with donor funding at three municipal districts	Training on FMDP has commenced in three municipal districts (Bojanala, Ilembe and Chris Hani), and is scheduled to continue into the next financial year.	Achieved

7. Branch: Governance & Strategic Support

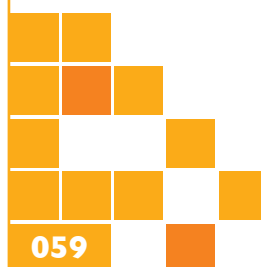
Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Services to be delivered	Strategic management of the components of the governance and strategic support cycle	Strategic planning and reporting cycle strategy and system implemented on an ongoing basis	An Annual Planning Framework as well as a PALAMA Corporate Diary was developed in order to support the strategic planning and reporting cycle.	Achieved
			A template for quarterly branch performance reporting was developed and implemented, and has been used for the preparation of quarterly performance reports.	
			The branch has ensured continuous representation and participation of PALAMA in the G&A Cluster. Coordination of inputs for updating the POA report cards has been managed throughout the year.	
			An updated policy document on managing organisational performance planning, monitoring and reporting has been developed and will be implemented in the 2010/11 financial year.	Achieved
			The PALAMA Annual Report for 2008/09 was finalised and tabled on time to the Minister, Parliament and National Treasury. The report has also been distributed to all stakeholders.	
			The PALAMA Strategic Plan (2010/11-2012/13) was finalised and tabled in Parliament within set timelines.	



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Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Services to be delivered	Strategic management of the components of the governance and strategic support cycle	Management of the risk management cycle and associated reporting with outsourced provider	<p>A risk management framework for the Academy was fully implemented.</p> <p>A risk register reflecting priority strategic risks to be closely monitoring and management action plan was developed and updated on a quarterly basis.</p> <p>A Risk Management Committee is functional and meets on a quarterly basis.</p> <p>The Academy also appointed Deputy Risk Officers and Risk Champions within branches to facilitate implementation of organisational risk action plans.</p> <p>Risk reviews and management workshops conducted.</p> <p>Audit Committee and Internal Audit structures are functional and an internal audit plan for 2009/10 is fully implemented.</p>	Achieved
Stakeholders	Develop and implement a comprehensive communications strategy	<p>Comprehensive communication strategy implemented by September 2009</p> <p>Academy branding and corporate identity strategy implemented</p> <p>PALAMA stakeholder database fully developed and functional</p>	<p>The draft communication strategy was developed and the following elements were implemented: current website updates; development and launch of the intranet; communication plan for 2010/11 aligned to the national communication strategy.</p> <p>Two draft policies – Intranet policy and Internal Communication policy – were developed and will be implemented in 2010/11.</p> <p>New marketing material has been designed and ten new concept products designed and developed for information flyers; banners, adverts and website templates.</p> <p>Concepts for additional products designed and will be implemented in 2010 upon approval by PALAMA management.</p> <p>The stakeholder database is in place and is updated regularly.</p>	<p>Partially achieved</p> <p>Partially achieved</p> <p>Achieved</p>

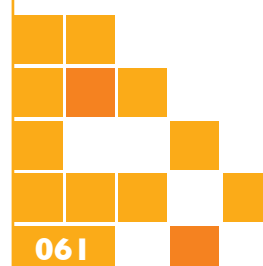
Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Lateral contribution	Development and implementation of a knowledge management system	Strategic knowledge management strategy and system consulted, developed and piloted	As a tool to support knowledge management, the PALAMA intranet was developed and launched. Processes commenced in 2009/10 to undertake knowledge resource support needs analysis in PALAMA, develop a knowledge management framework, and establish a resource centre. This will be completed in 2010/11. An Operations Committee (OpCo) was established. However, the operational functions of the committee have been placed on hold, and matters for consideration by OpCo are included in the Executive Management Committee meetings.	Partially achieved KPA implementation delayed due to internal capacity constraints (unfunded posts).
Lateral contribution	Development and implementation of a knowledge management system	Development of a framework for strategic and administrative support to the Ministry and PALAMA branches by December 2009		Partially achieved
Corporate governance	Development of a legal and contract management framework	Legal and contract management framework developed Contract database scoped	Contract based risk review conducted to determine critical considerations in the design and development of the framework. A contracts and agreements register was established and an analysis of processes to be undertaken in order to manage records on PALAMA contracts, harmonise drafting of contracts and monitor updating of records on all contracts and agreements has been implemented. Service providers have been engaged to develop an interactive contracts management database and reporting system. This will be implemented in 2010/11. An initial assessment of policies in the Academy was undertaken. Further assessment and monitoring to ensure compliance with regulatory requirements will be undertaken in 2010/11.	Partially achieved Partially achieved
Transformation	Establishment of project management capability	Monitor and initiate upgrades of mandatory policies on a rolling basis Project management needs researched and scoped	Given the budgetary and capacity constraints within the branch, this output has been given lesser priority. However, in 2010/11, processes to institutionalise project management capability within the Academy will be implemented.	Not achieved Related human resource positions not funded.



8. Branch: Corporate Services

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Services to be delivered	Delivery of strategic, flexible corporate services to the Academy	Phase one enhancements to HR processes in terms of HRD Strategy Checklist	The HR delegations were finalised and implemented. PDMS policies were reviewed. Workplace Skills Plan annual report submitted to PSETA.	Achieved
		Refinement of outsourced delivery model in relation to IT services	Verification of qualifications conducted for all PALAMA staff. The IT Service Level Agreement with the outsourced service provider was concluded in September 2009.	Achieved
		Refinement of outsourced delivery model in relation to facilities management	The monthly monitoring of the IT SLA commenced in January 2010. The facilities management SLA with the outsourced service provider was concluded in September 2009.	Achieved
			The monthly monitoring of the performance of the facilities management services takes place in accordance with the tender specifications.	
Stakeholders	Development of SLAs with users and service providers	Conclusion of IT service contract and SLA by December 2009	A three-year contractual relationship with the IT service provider was concluded in September 2009.	Achieved
		Conclusion of facilities management contract and SLA by September 2009	The contractual relationship with the new facilities management service provider was finalised in September 2009.	Achieved

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Lateral contribution	Delivery of proactive services in respect of buildings and facilities to the Academy	Securing of appropriate facilities and premises for two further provincial operations	Regional offices have been established in Polokwane and Cape Town.	Achieved
		Introduction of personalised security system	The personalised security system was implemented in September 2009.	Achieved
Corporate governance	Enhanced systems/ procedures implemented	Refinement of HR delegations	The security parameter settings on the file server has been implemented.	Achieved
		Scoping of electronic document and archive management system as part of the enterprise resources planning system	The HR delegations were refined and implemented with effect from 01 April 2009.	Achieved
			The IT Enterprise Architecture (EA) strategy was approved in September 2009. The strategy proposes the procurement of a modular based Enterprise-wide Resource planning (ERP) system. However, due to financial constraints, the project has been deferred to the new financial year.	Partially achieved

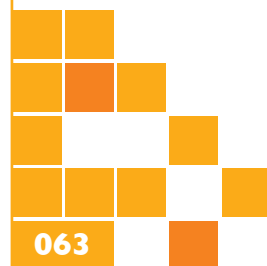


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Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Transformation	Implementation of infrastructure and processes to promote the integration of transverse systems	Implementation of IT infrastructure and processes to support the integration of transverse systems	<p>The server upgrade project was implemented during April to June 2009 to support the integration of transverse systems.</p> <p>The IT equipment procurement and disposal guidelines were approved.</p> <p>The Virtual Private Network was implemented and tested.</p> <p>Basic Accounting System (BAS) users moved over to the Virtual Local Area Network (VLAN) to increase efficiency.</p> <p>The EA phase two could not be implemented due to financial constraints. This will form part of the ERP and will be carried over to the next financial year.</p>	Achieved
		Scope and design an electronic performance management module of intended enterprise system	The IT EA strategy was approved in September 2009. The project was not completed due to financial constraints. This will be carried over to the new financial year.	Not achieved

9. Branch: Corporate Finance

Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Services to be delivered	Provision of innovative financial and supply chain services to the Academy	Refinement of financial and charging models	The new tariffs for 2009/10 were approved.	Achieved
		Refinement of supply chain management systems and user-friendly procedures by September 2009	The SCM processes and internal controls were revised and implemented.	Achieved
		Provide training on supply chain and asset management systems and procedures	Two training sessions held for PALAMA staff. Training was provided to travel bookers on travel service management.	Achieved
	Submission of statutory reports and Annual Financial Statements	Delivery of insightful statutory monthly reports and Annual Financial Statements by August 2009	Cases above R100 000 were reported to National Treasury on the contract management system. The Early Warning System (EWS) and the compliance certificate were submitted to National Treasury by the 15 th of each month. The Adjusted Estimate Chapter was submitted to National Treasury at the end of October 2009.	Achieved
		Delivery of Estimates of National Expenditure by January 2010	The ENE was submitted to the National Treasury.	Achieved
		Pilot of "bottom-up" budgeting with branch heads	The budget model was presented to PALAMA executive management. The budget process was completed and the pilot was successful.	Achieved



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Strategic Objective	Output	Indicator	Actual Performance against Target	Reasons for Variance
Lateral contribution	Provision of management information to colleagues to guide informed decision making	Enhancement of management information to branches heads and colleagues Monitor effective use of financial "dashboard"	Access and training on BAS was provided to management The Monthly Report Renderer (MRR) is circulated to all SMS. Detailed expenditure reports are issued to Branch Heads. Monthly financial review meetings were held with the Branch Heads on the expenditure trends.	Achieved
	Enhanced systems/ procedures implemented	Refinement of effective financial delegations Refinement of internal controls in the light of internal audit reviews and management letter	Approved financial delegations were implemented in April 2009.	Achieved
		Review of financial and supply chain systems in the light of risk register	The annual financial statement and audit preparation plan was revised and updated. PALAMA financial instructions were implemented.	Achieved
Transformation			A checklist was developed to effect compliance to internal controls. The financial and supply chain systems were reviewed.	Achieved
	Integration of financial systems	Scoping of financial, supply chain, debtors and asset management modules of intended enterprise system	A monthly financial review process was implemented with Branch Heads to ensure all transactional posting errors are rectified for financial reporting on a monthly basis. The integration between Course Management System (CMS) and Pastel was enhanced and new approved course tariffs were loaded.	Partially achieved
		Scoping of interface between transverse systems and intended enterprise system	The ERP has not yet been approved; hence the scoping of the integration could not be carried out. The ERP has not yet been approved; hence the scoping of the integration could not be carried out.	Not achieved

The background of the page is a warm-toned photograph of several people in a meeting or conference setting. Overlaid on this image is a grid of squares in various shades of orange, brown, and white. The grid is composed of 12 columns and 6 rows. The text 'Part 3' is positioned in the upper right area, partially overlapping the grid and the background image.

Part 3

REPORT OF THE AUDIT COMMITTEE

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2010.

Audit Committee Members and Attendance

The Audit Committee (AC) consists of the members listed hereunder and should meet four times per annum as per its approved terms of reference. During the year under review five meetings were held.

Name of Member	Number of meetings attended
Dr DP van Der Nest (Chair)	5
Ms S Hari	5
Mr MM Molefe	1 – Mr Molefe resigned subsequent to the July 2009 AC meeting
Dr FM Orkin	2 – Dr Orkin ceased to be a member subsequent to the July 2009 AC meeting due to the fact that his contract as DG ended
Prof. LS Mollo	1 – new appointment as Director-General)

Audit Committee Responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of Section 38(1)(a) of the Public Finance Management Act, No. 1 of 1999 and Treasury Regulation 3.1. We further report that our affairs were conducted in compliance with this charter.

The Effectiveness of Internal Control

The system of internal control applied by PALAMA over financial and risk management is effective, efficient and transparent.

In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with the assurance that 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, the Audit Report on the Annual Financial Statements and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations there from. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The quality of in year management and monthly/quarterly reports

We are satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review. These are in line with the prescripts of PFMA and the Division of Revenue Act.

Evaluation of Financial Statements

We have:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General South Africa and the Accounting Officer
- Reviewed the Auditor-General South Africa's management report and management's response thereto
- Reviewed changes in accounting policies and practices
- Reviewed the department's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General South Africa.

Internal Audit

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the department in its audits.

Auditor-General South Africa

We have met with the Auditor-General South Africa to ensure that there are no unresolved issues.



Closure

The Audit Committee wishes to thank the former Director-General, Dr Orkin, for his support of the Audit Committee. The Audit Committee also wishes to welcome Professor Solly Mollo as the new Director-General and thank him for his already visible support of the committee. Our gratitude is extended to the Chief Financial Officer, his team and all managers and staff members of PALAMA. Their commitment and constant strive towards excellence has resulted in the department once again receiving an unqualified audit report for the 2009/10 financial year.



Dr DP van der Nest
Chairperson of the Audit Committee

30 July 2010



Part 4

VOTE 8

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Report of the Accounting Officer

Report of the Auditor-General

Appropriation Statement

Notes to the Appropriation Statement

Statement of Financial Performance

Statement of Financial Position

Cash Flow Statement

Accounting Policies

Notes to the Annual Financial Statements

Disclosures Notes to the Annual Financial Statements

Annexures to the Annual Financial Statements

I. General Review of the State of Financial Affairs

I.1 Background

In November 2006, Cabinet approved the establishment of a public service academy, subsequently launched in 2008 as PALAMA, to replace SAMDI. Cabinet envisioned this new academy to play a key role in the overall transformation of the public service and enhance government's capacity to deliver services to the public. The Academy would also address issues such as values, ethos, skills and knowledge required for a developmental state. In terms of the Public Service Amendment Act 30 of 2007, the Academy has been established as a schedule 1 department that legally replaces the former SAMDI.

The launch of PALAMA established a new organisation with improved systems and processes to support a smooth transition from the former SAMDI to PALAMA, as part of the overall transformation. Building on successes achieved in 2008/9, the Academy has in 2009/10 commenced with the process of further transformation. This further transformation will result in an organisation that is better aligned to government priorities, as outlined in the 2009-2014 Medium Term Strategic Framework, and the outcome-based approach towards government performance. In this context, PALAMA has to be a more focused and appropriately resourced organisation, capable of developing a public sector cadre required by South Africa's developmental state.

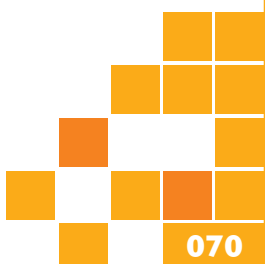
Overall, PALAMA's 2009/10 stakeholder engagements have focused within the organisation and with the MPSA, aimed at finalising the further transformation and in the development of a new strategic framework. This work will be finalised in 2010/11.

I.2 Performance Information

The Academy interventions have to reach the collective of approximately 10 000 senior management officials across the three spheres of government targeted with executive development programmes; about 250 000 junior and middle management officials at the coalface of delivery targeted with capacity development programmes; and close to 30 000 new permanent appointees every year targeted with induction programmes.

The executive development programmes of the Academy are designed and developed to respond to the needs of current and emerging senior managers in the public service, as well as executives and elected political members for their development into leaders who care, serve and deliver. Executive programmes developed include offerings such as Protocol and Diplomacy, Executive Mentoring, Executive Development Programme that includes the Khaedu Deployment to the coalface of service delivery challenges, and Leadership Development Programme for Legislators. In the year under review, 2 350 participants have attended Executive Development Programmes. The Academy also convened several seminars including two that focused on public-private partnerships and the government's approach towards M&E in the public sector.

The second stream of activity of the Academy relates to the capacity development of staff in the JMMS of the public service. In terms of curriculum and materials design, the Academy is on track with the achievement of the targets. Processes are underway in finalising the design and development of



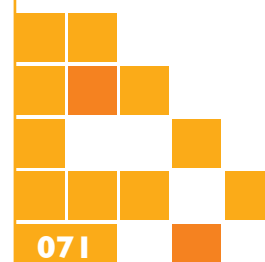
new courses, and the upgrade and review of some of the existing courses. New courses ready for implementation from the 2010/11 financial year include the Breaking Barriers to Entry: Public Service Graduate Internship Programme. The Academy has also completely developed eLearning course materials for M&E; Supply Chain Management; Financial Management Development Programme for Local Government; and Grievance & Disciplinary Action Procedures. In facilitating and collaborating training with service providers, the Academy is also managing the mobilisation of partners and providers of training, including the establishment of induction trainers in provinces. The Academy has inducted 22 632 new employees during the year under review. Notable is that the induction programme is also offered to officials below the JMMS as part of probation support programmes. The quality of the training offerings are also monitored and evaluated through the implementation of a programme and participant-based M&E system. An improved training needs analysis programme has also been finalised for rollout in the following year to support departments with the proper diagnosis of training requirements of their officials in relation to their workplace competency requirements.

The success of the work of PALAMA draws support from a number of partners, particularly a global network of partners. Domestically, these include other government departments and organs of state, the higher education institutions and private sector training and development as well as research experts. Internationally, these include the donor community and peer public sector training and development institutions. International programmes are coordinated through the IR&SP branch. This branch draws from PALAMA's training capability to support the foreign policy objectives of the South African Government through capacity building and training focused on strengthening the institutional capacity in targeted countries in Africa through support in establishing or strengthening the MDIs network. It also facilitates the Academy's engagement in the global knowledge network through forging mutually beneficial strategic linkages and partnerships with management and development institutions around the world. These partnerships and linkages contribute to benchmarking PALAMA's performance and programmes with international standards and practices, as well as global debates on improving service delivery.

Emanating from PALAMA's International Relations and Special Projects initiatives, the following achievements are noted:

Ongoing programme and accountable management of funding from the CIDA to the amount of R70 million secured in April 2008 for the implementation of the RCB Project in three post-conflict countries, namely: Rwanda, Burundi and Southern Sudan over a five-year period. The project has been receiving acknowledgements for its innovative approaches to support aid effectiveness, developing models for South-South cooperation and capacity development. The programme has focused on strengthening the capacity of these countries to engage meaningfully on the African continent on capacity building initiatives.

The Gender Mainstreaming Programme is also funded by CIDA for a period of four years and commenced in November 2006. This programme is at an advanced stage of implementation with a Virtual Social Discussion Forum being established in the 2009/10 financial year, and with more than 1 300 participants having registered.



Report of the Accounting Officer (continued)

For the year ended 31 March 2010

The full appropriation for the 2009/10 financial year of R121.1 million was spent, with a saving of R2 000. Within the total spending of R121.1 million:

- Compensation of employees increased by 55.2 per cent, from R11.8 million to R18.3 million, due to vacancies in the new approved organisational structure that were not filled. The average number of employees in the Vote increased from 41 to 50.
- Goods and services decreased by 12.4 per cent from R44.5 million to R39.0 million, mainly due to the reduction in the operating lease payments.
- Expenditure on capital assets decreased by 11.9 per cent from R6.7 million to R5.9 million as the costs of procuring the computer equipment for employees decreased.
- Transfer payment from the Vote to the Training Trading Account was reduced by R5.6 million. This reflects the once-off costs approved by National Treasury incurred by the Academy during the year that were unavoidable and unforeseeable consequences of the reconstitution process.

It should be noted that during the financial year 2006/07, R28 million was transferred in advance and earmarked for use for the Public Sector Induction (PSI) programme. This amount is being treated as a payment in advance and has been reclassified accordingly. It is being drawn on as required by the PSI programme.

1.3 Any Other Material Matter – FIFA 2010 Soccer World Cup clothing and tickets

No expenditure was incurred relating to the FIFA 2010 Soccer World Cup for clothing or tickets.

2. Service Rendered by the Department

2.1 Training and Other Outputs

The Academy set a target of achieving 185 000 PTDs in the 2009/10 financial year. A total of 130 927 PTDs was achieved, representing an achievement rate of 71 per cent.

2.2 Tariff Policy

Course fees are determined on a cost-recovery basis in accordance with Treasury Regulation 19.5.2. The tariffs are revised annually as part of the ongoing financial activity and in accordance with Treasury Regulation 19.5.3.

2.3 Free Services

No free services were rendered for the period under review.

Report of the Accounting Officer (continued)

For the year ended 31 March 2010

2.4 Inventory

The inventories on hand, based on the weighted average costing method, was R0.2 million (2008/09: R0.1 million) as at 31 March 2010. Inventory consists mainly of stationery and printing supplies and maintenance material.

3. Capacity Constraints

The cost recovery strategy is still hampered by late payments from user departments, although PALAMA's new proactive invoicing and collection strategy has improved on the average debtor's days, reducing it to 121 days. The major recruitment drive which commenced at the start of this financial year has resulted in the number of permanently filled posts on the total establishment (Vote and Trade) increasing from 129 to 172.

4. Utilisation of Donor Funds

Country/ Donor	Programme and Objectives	Progress/Status of the Project
Canadian International Development Agency (CIDA)	<ul style="list-style-type: none"> • Project title: Gender Mainstreaming Programme (GMP) • Project period: November 2006 to May 2011 • Budget: CAD 3.84 million • Project objective: To improve gender equality in the public service in line with sections 9.1 to 9.4 of the Bill of Rights in the South African Constitution and to have government service being more responsive to the needs of women and men. 	<p>The GMP is expected to exceed targets set for the project. PALAMA's capacity was increased and mechanisms were established to provide a gender equality training service to government departments. The following outputs reflect on the progress:</p> <ul style="list-style-type: none"> • Programme piloted and accredited with PSETA • The programme is currently under revision • An online follow up and support virtual forum for participants was established • Guidelines for developing gender-responsive and inclusive learning material were developed • 22 facilitators were recruited and ToT was provided • Fourteen assessors were trained and registered with the PSETA and three of these are also registered as moderators • 72 Gender Mainstreaming courses were conducted by the end of March 2010, through the GMP and fifteen through cost recovery • An integrated gender strategy and action plan was developed for PALAMA • Selected PALAMA courses and policies were engendered for gender responsiveness and inclusivity.

Report of the Accounting Officer (continued)

For the year ended 31 March 2010

Country/ Donor	Programme and Objectives	Progress/Status of the Project
The Royal Netherlands Embassy (RNE)	<ul style="list-style-type: none"> • Project title: Local Government Capacity Building • Project period: April 2007 to May 2010 • Budget: R2 397 645 • Project objective: To equip municipal managers with core management skills for improved service delivery and better utilisation of resources 	<ul style="list-style-type: none"> • Contribution agreement with the Royal Netherlands Embassy was extended for one year to end May 2010 to allow for delays due to reconstitution of the Academy. • Learning material has been developed for FMDP and approved by PSETA. Training for FMDP started while learning material for Advance and Emerging Management Development Programmes is to be submitted in the next budget cycle for recognition by universities. • IICs appointed to roll out training.
Canadian International Development Agency (CIDA)	<ul style="list-style-type: none"> • Project title: Public Sector Training and Development in Post-Conflict Countries • Project period: April 2008 to March 2013 • Budget: CAD 10.5 million • Project objective: To improve the management and leadership capability of the public service 	<ul style="list-style-type: none"> • Implementing the learning cycle and strengthening the management development institutes (MDIs) required innovative approaches. Four MDIs (SA, Rwanda, Burundi and Southern Sudan) have been involved in all aspects of project implementation. A series of capacity building and planning workshops have been held. • A baseline study, training needs analysis and monitoring and evaluation plan has been finalised. • International case study workshop presented will inform the curriculum design and development which is the next step in the learning cycle that will be implemented in the next budget cycle. Institutional strengthening of partner MDIs has started.
Department of International Relations and Cooperation	<ul style="list-style-type: none"> • Project title: African Renaissance Fund (ARF) for Capacity-building in the DRC • Project period: February 2007 to December 2009 • Budget: R20 million • Project objective: To support the DRC in the establishment of the DRC National School for Public Administration (ENA) 	<ul style="list-style-type: none"> • The project required PALAMA to provide assistance with the establishment of ENA and increase the numbers of public servants trained. • This has been accomplished and a total of 1 885 DRC public servants were trained between May 2007 and June 2009. • ENA is now a proclaimed government entity by a Ministerial Decree with a Board of Directors appointed. Trainers were developed through the ToT Course & Coaching Programme. • The DPW will review the feasibility to refurbish the ENA's premises.

Report of the Accounting Officer (continued)

For the year ended 31 March 2010

Country/ Donor	Programme and Objectives	Progress/Status of the Project
Japan International Cooperation Agency (JICA)	<ul style="list-style-type: none"> • Project title: Training of Trainers Programme for Capacity building of Management Development Institutes in Africa • Project period: April 2006 to March 2010 • Budget: In-kind contribution for 2008/09 is R1 014 508 • Project objective: To provide Training of Trainers Programme for at least 200 trainers from regions of the African continent 	<ul style="list-style-type: none"> • PALAMA developed quality training material which was also translated into French for francophone countries. • To date 72 participants from 31 African countries have been trained as trainers. • Funding was obtained from the Technical Assistance Fund through the National Treasury for two French-speaking facilitators from the Canada School of Public Service (CSPS) to present the course to francophone countries.
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	<ul style="list-style-type: none"> • Project title: Public Sector Reform Programme (PSRP) Monitoring and Evaluation (M&E) • Project period: April 2005 to March 2009 (extended to 30 June 2010). • Budget: Grant €291 667 • Project objective: To strengthen the capacities of the public service of South Africa to monitor and evaluate its performance against set targets 	<ul style="list-style-type: none"> • Ten integrated customised courses that cover the Government-wide M&E capacity-building programme for different levels of public sector officials have been developed and are at varying stages of rollout. • During 2009/10 financial year, 1 500 officials have been trained.

Report of the Accounting Officer (continued)

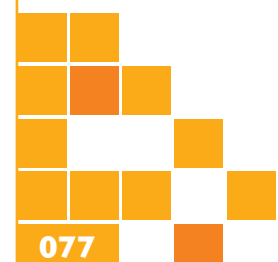
For the year ended 31 March 2010

Country/ Donor	Programme and Objectives	Progress/Status of the Project
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	<ul style="list-style-type: none"> • Project title: Human Resource Management Curriculum Framework (HRMCF) • Project period: November 2008 to June 2009 • Budget: Contributions in-kind R53 203 • Project objective: To provide standardised HRM training in the public service 	<ul style="list-style-type: none"> • An HRMCF was developed through a consultative workshop conducted with HR practitioners (November 2008). HRMCF focus groups were held in March 2009.
	<ul style="list-style-type: none"> • Project title: MIP (now Public Service Induction) • Project period: April 2009 to March 2010 • Budget: R 378 220 • Project objective: To provide a two-day Public Service Induction programme targeting new incumbents joining the public service on a yearly basis 	<ul style="list-style-type: none"> • A provincial progress review workshop was held in May 2009, and a national progress review workshop was held in July 2009. • Agreement based on Director-General signing ToR for ETU's appointment to review and update materials • A MIP materials review workshop was held November 2009.
	<ul style="list-style-type: none"> • Project title: Inter-Government Training and Development Stakeholder Workshops (Provincial Stakeholder Workshops) • Budget: R343 764 • Project period: April 2009 to March 2010 	<ul style="list-style-type: none"> • An inter-provincial forum was established to enhance HRD and coordination of training provided to government officials: • Three workshops were held between July 2009 and February 2010.

Report of the Accounting Officer (continued)

For the year ended 31 March 2010

Country/ Donor	Programme and Objectives	Progress/Status of the Project
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	<ul style="list-style-type: none"> • Project title: Public Sector Trainers' Forum (PSTF) • Project period: 27 – 30 September 2009 • Budget: R500 000 • Project Objective: To assist PALAMA in hosting a national HRD conference 	<ul style="list-style-type: none"> • The PSTF conference was successfully held on 27-30 September 2009. • The conference speeches and presentations and a video recording are currently posted on the PALAMA web page.
	<ul style="list-style-type: none"> • Project title: Disability Management for the Public Service • Project Period: November 2009 to May 2010 • Budget: R 203 000 (GTZ) in kind • PALAMA contribution: R 10 060 • Project objective: Design and develop a course on the Public Service JobACCESS Strategic Framework, Guidelines and Plan for the selection, appointment and retention of persons with disabilities in the public service. 	<ul style="list-style-type: none"> • Programme Strategy and Learner Matrix approved. • Learning materials piloted. • Version 6 of learning materials developed and currently being implemented. • Learning materials to be submitted to the SABPP on 22 June 2010 for purposes of programme approval.
	<ul style="list-style-type: none"> • Project title: ToT course for Public Service • Project period: January 2010 to April 2010 • Budget: R 72 000 (GTZ) • PALAMA contribution: R 39 000 • Project objective: To develop a course for Public Service trainers 	<ul style="list-style-type: none"> • Programme Strategy and Design Matrix approved. • Draft 1 of learning materials being developed.



Report of the Accounting Officer (continued)

For the year ended 31 March 2010

Country/ Donor	Programme and Objectives	Progress/Status of the Project
	<ul style="list-style-type: none"> • Project Title: Evaluation of the EDP • Project Period: From March 2010 to April 2010 • Budget: GTZ Contract amount: R 1 000 000 • PALAMA contribution: R 3 000 000 • Project objective: To strengthen the capacity of the South African public service, in particular senior management, by evaluating the EDP 	<ul style="list-style-type: none"> • The project was approved in March 2010. A service provider to conduct the evaluation has been contracted.
	<ul style="list-style-type: none"> • Project Title: Redevelopment of Financial Management Courses • Project Period: March 2010 to June 2011 • Budget: R 1 600 000 • Project Objective: Re-develop the financial management courses in line with the PFMA 	<ul style="list-style-type: none"> • Letter of commitment received. Budget and ToR being drafted for a financial agreement. • Project Steering Committee formed and first meeting held. Projected time frame of the project activities - June 2011.

PALAMA spent R26.8 million of donor funding on projects in 2009/10. An amount of R21.5 million was received in 2009/10 for donor-funded projects and R5.3 million was spent from the unutilised funds of the 2008/9 year of R16.5 million. The surplus of R11.2 million will be utilised in the following year as per the project implementation plans agreed upon with the relevant donors.

5. Trading Entities and Public Entities

5.1 General Review of Affairs for the PALAMA Training Trading Account

The Department submits separate Financial Statements for the PALAMA Training Trading Account (TTA), a trading entity established in terms of the Public Finance Management Act (PFMA), Act No. 1 of 1999, as amended. The statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP).

To achieve full compliance with accrual accounting requirements, the prescribed financial accounting system of the trading entity is supplemented by additional manual procedures.

5.2 Spending Trends

Total revenue (including the augmentation from the Vote) increased by R34.1 million from R124.9 million in 2008/09 to R158.0 million in 2009/10, an increase of 27.3 per cent. Income from course fees rose by 22.1 per cent, or R18.2 million, from R82.3 million to R100.5 million due to appreciable increase in training activities and a financial recovery model. The augmentation increased by R14.9 million from R42.6 million in 2008/09, to R57.5 million in 2009/10 to fund the new financial model. During the financial year 2007/08, R28 million was transferred as part of the augmentation for use by MIP (the programme will later be referred to as PSI following its review and renaming in the last quarter of 2009/10 financial year). The programme is being rolled out successfully and the cost incurred for the current financial year was R4.7 million (2008/09: R8.4 million). The augmentation received was reduced by R5.6 million. This reflects the once-off costs approved by National Treasury incurred by the Department on the Vote during the year. These costs were an unavoidable and unforeseeable consequence of the reconstitution process.

The total expenditure in the TTA increased by R31.5 million from R137.1 million in 2008/09 to R168.6 million in 2009/10, representing an increase of 23 per cent. This was mainly due to the 11.4 per cent increase in training activity and notably in expenditure on outsourced training partner organisations and related costs, in accordance with the new Academy strategy.

The deficit for the year amounts to R1.492 million and as a result of the net asset holders of the controlling department – PALAMA Vote 8. The deficit in the current year is funded from the accumulated surplus of the entity in prior years. The main contributing factor was the reduction in the transfer payment from Vote 8 to fund the reconstitution process.

6. Organisations to Whom Transfer Payments Have Been Made

Vote 8 made transfer payments to the Training Trading Account as an augmentation to the amount of R57.5 million.

7. Public-Private Partnerships (PPPs)

PALAMA did not enter into any Public-Private Partnerships during the 2009/10 financial year.

8. Corporate Governance Arrangements

8.1 Risk Management

During the period under review, PALAMA revised and amended its strategic risk register of 2008/09, aligning it to the strategic objectives of the Academy. This process was facilitated by an internal audit (see Section 8.2 below). The results were documented in a strategic risk assessment report and risk register with control actions implemented and monitored by PALAMA's Risk Management and Audit Committee structures throughout the year.



Report of the Accounting Officer (continued)

For the year ended 31 March 2010

Overall, the Risk Management Committee's activities for the year included the following:

- reviewing the Risk Management Strategy, Risk Management Plan and Risk Committee Charter that were previously approved for SAMDI and aligning all the aforementioned into a comprehensive 2009/10 Enterprise Risk Management Framework for PALAMA
- reporting to the Audit Committee on risk findings and activities related to the implementation of the Risk Management Plan
- translating the risk-based management framework into a 3-year rolling plan and detailed annual internal audit action plan covering new internal audit reviews
- progress monitoring of management actions plans based on internal audit reviews carried out in the previous year
- continuous monitoring and identification of solutions for operational and strategic risks facing the organisation.

The Risk Management Committee held regular meetings during the year to ensure that risks identified were appropriately addressed. The Risk Management Committee operates as a regular and separate part of the Branch Heads Workshop and is supported by the outsourced internal auditors (see Section 8.2).

8.2 Effectiveness of the Internal Audit Function

The Audit Committee approved the Internal Audit Operational Plan for the 2009/10 financial year.

The critical success factors for PALAMA's effective internal audit plan are that it:

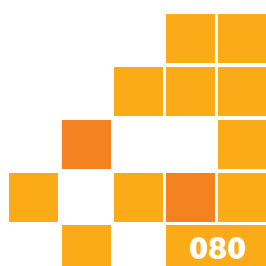
- is aligned with the strategic objectives of the organisation
- covers the strategic risk areas facing the organisation, not just the financial risks and controls
- is risk based and addresses the key risk areas and risk concerns of management as discussed in the Risk Committee reports
- is prepared in cooperation with the Risk Committee structures, the Audit Committee and external auditors
- matches assurance needs with available resources
- is objective in its work, which enables it to identify other key risk areas without entirely depending on management guidance.

In the previous financial year, both the Vote and the Training Trading Account received unqualified audit reports, this being a continuation on a trend record of the previous five financial years from SAMDI. Even so, a concerted effort to enhance the systems of internal control and financial management continued during the financial year under review. This improvement was guided by the management letters received from the Auditor-General and by internal audit findings.

8.3 Fraud Prevention

In conjunction with Internal Audit, PALAMA has revised the following documents with regard to fraud management:

- a fraud policy and prevention plan; which also cover an action response framework to combating, identifying and handling of fraud related reports and investigations.



The fraud policy and prevention plan has been reviewed and updated. The review has been informed by the changing content of PALAMA business environment and business approaches and to ensure alignment with the National Treasury guidelines.

Building staff awareness on PALAMA's strategic fraud risk areas and providing guidance on how to respond when suspicious of, or with evidence on, fraudulent activities is central to PALAMA's fraud management activities. This is in addition to the management of strategic fraud risk review activities as part of the functions of the executive management and Risk Management Committee functions. In this regard, PALAMA's fraud management strategy includes workshops on the fraud prevention and fraud risk identification.

8.4 The Effectiveness of the Audit Committee

PALAMA's Audit Committee was appointed in terms of Sections 76 and 77 of the Public Finance Management Act. An Audit Committee Charter setting out the purpose, authority and responsibilities of the Audit Committee guides the activities of the Committee.

The Committee consists of three non-executive members (including the Chair). The Director-General as the Accounting Officer of PALAMA serves as the Chair of the Risk Management Committee as well as Chair of PALAMA's Executive Management Committee, and therefore is an ex-officio member of the Audit Committee.

Five Audit Committee meetings were held in the course of the financial year under review. The separate Report of the Audit Committee provides additional information.

8.5 Safety, Health and Environment Issues Facing the Organization

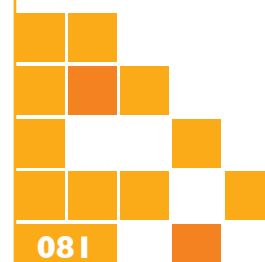
The Safety, Health, Environment and Risk Programme was implemented during the financial year. The Director-General has been formally appointed in terms of Section 16.1 of the Occupational Health and Safety Act, No. 85 of 1993. The relevant delegations required in terms of the Act have also been made. The programme includes a safety plan, policy, administrative and operational requirements relating to the establishment of the Occupational Health and Safety Committee, and emergency procedures relating to evacuation, bomb threats, and any emergencies. The programme is being implemented. Safety, health and risk audits were conducted during the period under review.

9. Discontinued Activities

Notwithstanding activities deferred for full rollout or completion in the following year due to 2009/10 resource constraints, no significant activities were discontinued during the year under review.

10. New/Proposed Activities

Notwithstanding proposals for the further transformation plan for PALAMA, no significant new activities were commenced or proposed during the year under review.



Report of the Accounting Officer (continued)

For the year ended 31 March 2010

11. Asset Management

All assets have been captured in the asset register.

12. Events after the Reporting Date

No new activities were started or proposed during the year under review.

13. Inventories

The inventories on hand, based on the weighted average costing method, was R0.2 million (2008/09: R0.1 million) as at 31 March 2010. Inventory consists mainly of stationery and printing supplies and maintenance material.

14. Performance Information

PALAMA has adopted a policy on planning, monitoring and reporting which clearly articulates the processes for strategic cycle. These are all aligned and include:

- strategic planning
- budgeting linked to strategic planning processes (in cooperation with Finance)
- quarterly reporting
- operational planning
- performance management, development and monitoring, linked to the Strategic Plan
- mid-term performance review and updating of the Strategic Plan
- annual reporting (including reporting on programme performance).

The reporting process is handled by the Office of the Director-General with all branch heads having to report in the prescribed formats.

Approval

The Annual Financial Statements of Vote 08 set out on pages 70 to 120, and the Annual Financial Statements of the Training Trading Account set out on pages 122 to 154, have been approved by the Accounting Officer:



Prof. LS Mollo
Accounting Officer
31 May 2010

REPORT ON THE FINANCIAL STATEMENTS**Introduction**

I have audited the accompanying financial statements of the Public Administration Leadership and Management Academy Vote 8, and which comprise the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and the accounting officer's report, as set out on pages 70 to 115.

Accounting Officer's Responsibility for the Financial Statements

The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2009 (Act No. 12 of 2009) (DoRA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's Responsibility

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

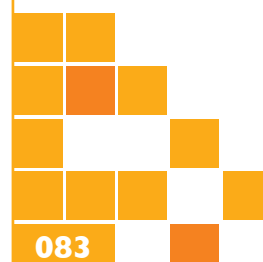
I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Public Administration Leadership and Management Academy Vote 8 as at 31 March 2010, and its



financial performance and its cash flows for the year then ended in accordance with the modified cash basis of accounting determined by the National Treasury and in the manner required by the PFMA and DoRA.

Emphasis of Matter

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

Basis of Accounting

The financial statements of the Public Administration Leadership and Management Academy Vote 8 have been prepared on modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements.

Unaudited Supplementary Schedules

The supplementary information set out on pages 116 to 120 does not form part of the financial statements and is presented as additional information. I have not audited these annexures and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009, I include below findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

Findings

Predetermined objectives

Non-compliance with regulatory and reporting requirements

The strategic plan of the PALAMA Vote and TTA did not include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets for all of the entity's objectives, as required by Treasury Regulation 5.2.3(d).

Usefulness of reported performance information

The following criteria were used to assess the usefulness of the planned and reported performance:

- Consistency: Has the department reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

For the selected objectives, 31 per cent of the planned and reported targets were not:

- specific in clearly identifying the nature and the required level of performance
- measurable in identifying the required performance.

Compliance with laws and regulations

No matters to report.

INTERNAL CONTROL

I considered internal control relevant to our audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and DoRA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

Leadership

Implementation of appropriate key controls (policies and procedures): the internal policies and procedures of the PALAMA Vote 8 do not adequately address the processes pertaining to the planning and monitoring of predetermined objectives at the overall performance management level.



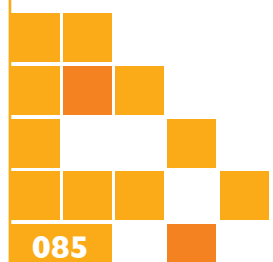
Pretoria

30 July 2010



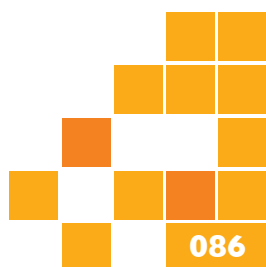
**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence



Appropriation Statement

For the year ended 31 March 2010



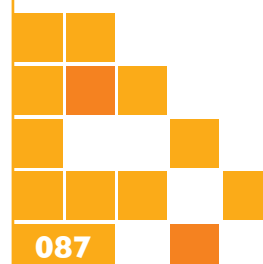
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Appropriation per programme									
2009/10					2008/09				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Administration									
Current payment	56 168	(1 783)	3 238	57 623	57 621	2	100.0%	56 454	56 292
Transfers and subsidies	-	9	-	9	9	-	100.0%	-	-
Payment for capital assets	1 729	1 774	2 435	5 938	5 938	-	100.0%	6 473	6 473
2. Public Sector Organisational and Staff Development									
Transfers and subsidies	63 218	-	(5 673)	57 545	57 545	-	100.0%	42 600	42 600
TOTAL	121 115	-	-			2	100.0%	105 527	105 365
Reconciliation with Statement of Financial Performance									
Add: Departmental revenue				313				196	
Aid assistance				21 509				34 439	
Actual amounts per Statements of Financial Performance (Total Revenue)				142 937				140 162	
Add: Aid assistance					26 779				17 659
Actual amounts per Statements of Financial Performance (Total Expenditure)					147 892				123 024

Appropriation Statement (continued)

For the year ended 31 March 2010

Appropriation per economic classification									
	2009/10					2008/09			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	23 561	(5 304)	-	18 257	18 255	2	100.0%	11 988	11 826
Goods and services	32 607	3 228	3 238	39 073	39 073	-	100.0%	44 466	44 466
Interest and rent on land	-	59	-	59	59	-	100.0%	-	-
Financial transactions in assets and liabilities	-	234	-	234	234	-	100.0%	-	-
Transfers and subsidies									
Departmental agencies and accounts	63 218	-	(5 673)	57 545	57 545	-	100.0%	42 600	42 600
Households	-	9	-	9	9	-	100.0%	-	-
Payments for capital assets									
Machinery and equipment	1 671	1 088	2 435	5 194	5 194	-	100.0%	5 945	5 945
Software and other intangible assets	58	686	-	744	744	-	100.0%	528	528
Total	121 115	-	-	121 115	121 113	2	100.0%	105 527	105 365



Appropriation Statement (continued)

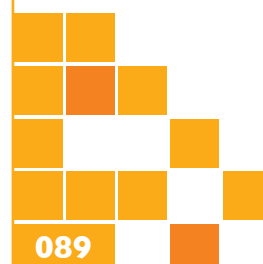
For the year ended 31 March 2010

Programme per sub programme	Detail Per Programme I – Administration							2008/09	
	2009/10							Final Appropriation R'000	Actual expenditure R'000
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %		
I.1 Management									
Current payment	15 638	(5 730)	-	9 908	9 906	2	100.0%	8 833	8 671
Payments for capital assets	-	7	-	7	7	-	100.0%	-	-
I.2 Corporate Services									
Current payment	36 090	4 487	3 238	43 815	43 815	-	100.0%	42 015	42 015
Transfers and subsidies	-	9	-	9	9	-	100.0%	-	-
Payments for capital assets	1 729	1 767	2 435	5 931	5 931	-	100.0%	6 473	6 473
I.3 Property Management									
Current payment	4 440	(540)	-	3 900	3 900	-	100.0%	5 606	5 606
Total	57 897	-	5 673	63 570	63 568	2	100.0%	62 927	62 765

Appropriation Statement (continued)

For the year ended 31 March 2010

Detail Per Programme 1 – Administration									
Economic Classification	2009/10						2008/09		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payment:									
Compensation of employees	23 561	(5 304)	-	18 257	18 255	2	100.0%	11 988	11 826
Goods and services	32 607	3 228	3 238	39 073	39 073	-	100.0%	44 466	44 466
Interest and rent on land	-	59	-	59	59	-	100.0%	-	-
Financial transactions in assets and liabilities	-	234	-	234	234	-	100.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	9	-	9	9	-	100.0%	-	-
Payment for capital assets:									
Machinery and equipment	1 671	1 088	2 435	5 194	5 194	-	100.0%	5 945	5 945
Software and other intangible assets	58	686	-	744	744	-	100.0%	528	528
Total	57 897	-	5 673	63 570	63 568	2	100.0%	62 927	62 765



Transfers and subsidies to:

Notes to the Appropriation Statement

For the year ended 31 March 2010

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 1A 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 can be viewed in note 7 to the Annual Financial Statements.

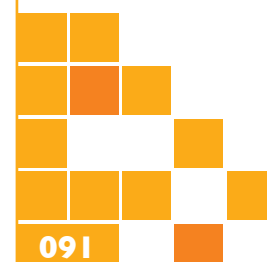
4. Explanations of Material Variances from Amounts Voted (after Virement):**4.1 Per Programme**

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Administration	63 570	63 568	2	0.0%
Organisational and staff development	57 545	57 545	-	0.0%
Total	121 115	121 113	2	0.0%

The variance is not material.

4.2 Per Economic Classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Current payment:				
Compensation of employees	18 257	18 255	2	0.0%
Goods and services	39 073	39 073	-	0.0%
Interest and rent on land	59	59	-	0.0%
Financial transactions in assets and liabilities	234	234	-	0.0%
Transfers and subsidies:				
Departmental agencies and accounts	57 545	57 545	-	0.0%
Households	9	9	-	0.0%
Payments for capital assets:				
Machinery and equipment	5 194	5 194	-	0.0%
Software and other intangible assets	744	744	-	0.0%
Total variance	121 115	121 113	2	0.0%



Statement of Financial Performance

For the year ended 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
REVENUE			
Annual appropriation	1	121 115	105 527
Departmental revenue	2	313	196
Aid assistance	3	21 509	34 439
TOTAL REVENUE		142 937	140 162
EXPENDITURE			
Current Expenditure		84 400	73 736
Compensation of employees	4	18 255	11 826
Goods and services	5	39 073	44 466
Interest and rent on land	6	59	-
Financial transactions in assets and liabilities	7	234	-
Aid assistance	3	26 779	17 444
Transfers and Subsidies			
Transfers and subsidies	8	57 554	42 600
Expenditure for Capital Assets		5 938	6 688
Tangible capital assets	9	5 194	6 140
Software and other intangible assets	9	744	548
TOTAL EXPENDITURE		147 892	123 024
SURPLUS/(DEFICIT) FOR THE YEAR		(4 955)	17 138
Reconciliation of Surplus/(Deficit) for the year			
Voted funds	13	2	162
Departmental revenue	14	313	196
Aid assistance	3	(5 270)	16 780
SURPLUS/(DEFICIT) FOR THE YEAR		(4 955)	17 138

Statement of Financial Position

as at 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
ASSETS			
Current Assets			
Cash and cash equivalents	10	7 794	8 114
Prepayments and advances	11	197	896
Receivables	12	3 469	7 783
Aid assistance receivable	3	4 242	318
TOTAL ASSETS		15 702	17 111
LIABILITIES			
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund	13	2	162
Departmental revenue to be surrendered to the Revenue Fund	14	15	1
Payables	15	155	72
Aid assistance unutilised	3	15 530	16 876
TOTAL LIABILITIES		15 702	17 111

Cash Flow Statement

For the year ended 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Annual appropriated funds received	1	121 115	105 527
Departmental revenue received	2	313	193
Aid assistance received	3.3	21 509	34 439
Total receipts		142 937	140 159
Net decrease/(increase) in working capital		5 096	9 562
Surrendered to the Revenue Fund		(461)	(579)
Current payments		(84 400)	(73 736)
Transfers and subsidies paid		(57 554)	(42 600)
Net Cash Flows from Operating Activities	16	5 618	32 806
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(5 938)	(6 688)
Proceeds from sale of capital assets	2.2	-	3
Net Cash Flows from Investing Activities		(5 938)	(6 685)
Net increase/(decrease) in cash and cash equivalents		(320)	26 121
Cash and cash equivalents at the beginning of the period		8 114	(18 007)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17	7 794	8 114

Accounting Policies

For the year ended 31 March 2010

The 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 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), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. Presentation of the Financial Statements

1.1 Basis of Preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid.

1.2 Presentation Currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative Figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

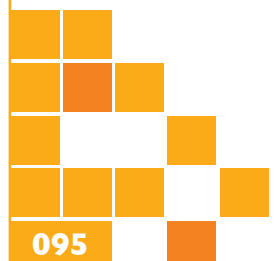
1.5 Comparative Figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated Funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).



Accounting Policies (continued)

For the year ended 31 March 2010

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

The total appropriated funds received during the year are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

2.2 Departmental Revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

2.3 Direct Exchequer Receipts / Payments

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and subsequently paid into the National/Provincial Revenue Fund, unless otherwise stated.

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Aid Assistance

Aid assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year).

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Accounting Policies (continued)

For the year ended 31 March 2010

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year).

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of Employees

3.1.1 Short-Term Employee Benefits

The cost of short-term employee benefits are expensed in the statement of financial performance when financial authorisation for payment is effected on the system (by no later than 31 March each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts must not be recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Post Retirement Benefits

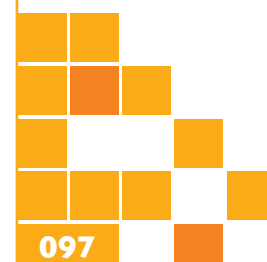
Employer contributions (i.e. social contributions) are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Social contribution (such as medical benefits) made by the department for certain of its ex-employees are classified as transfers to households in the statement of financial performance.

3.1.3 Termination Benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).



Accounting Policies (continued)

For the year ended 31 March 2010

3.1.4 Other Long-Term Employee Benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the statement of financial performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements.

3.2 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 (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5,000). All other expenditures are classified as current.

3.3 Interest and Rent on Land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial Transactions in Assets and Liabilities

Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and Subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised Expenditure

When confirmed, unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular Expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4. Assets

4.1 Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Bank overdrafts are shown separately on the face of the statement of financial position. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other Financial Assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and Advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and where the goods and services have not been received by year end. Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.



Accounting Policies (continued)

For the year ended 31 March 2010

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8 Capital Assets

4.8.1 Movable Assets

Initial Recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register at fair value.

Subsequent Recognition

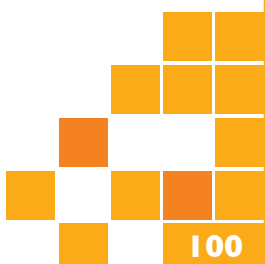
Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.2 Immovable Assets

Initial Recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.



Accounting Policies (continued)

For the year ended 31 March 2010

Subsequent Recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset”. On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

5. Liabilities**5.1 Payables**

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent Liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent Assets

Contingent assets are included in the disclosure notes to the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

5.4 Commitments

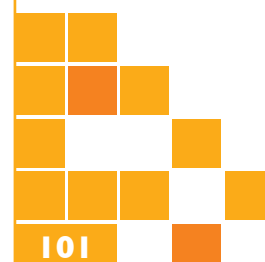
Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee Benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.



Accounting Policies (continued)

For the year ended 31 March 2010

5.7 Lease Commitments

Finance Leases

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating Leases

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for Departmental Revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Capitalisation Reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

7.2 Recoverable Revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written off.

Accounting Policies (continued)

For the year ended 31 March 2010

8. Related Party Transactions

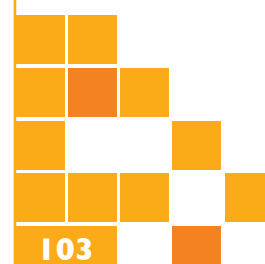
Specific information with regard to related party transactions is included in the disclosure notes.

9. Key Management Personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. Public-Private Partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.



Notes to the Annual Financial Statements

For the year ended 31 March 2010

1. Annual Appropriation

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

	Final Appropriation 2009/10 R'000	Actual Funds Received 2009/10 R'000	Appropriation Received 2008/09 R'000
Administration	63 570	63 570	62 927
Organisational and staff development	57 545	57 545	42 600
Total	121 115	121 115	105 527

2. Departmental Revenue

		2009/10 R'000	2008/09 R'000
Description of revenue	Note		
Sales of goods and services other than capital assets	2.1	67	177
Sales of capital assets	2.2	-	3
Financial transactions in assets and liabilities	2.3	246	16
Departmental revenue collected		313	196

2.1 Sales of Goods and Services other than Capital Assets

Sales of goods and services produced by the department

Sales by market establishment – parking	42	53
Other sales – assets less than R5,000	-	114
Other sales – commission	25	10
Total	67	177

2.2 Sales of Capital Assets

Machinery and equipment	-	3
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2.3 Financial Transactions in Assets and Liabilities**Nature of Recovery**

Receivables	-	1
Other Receipts including Recoverable Revenue	246	15
Total	246	16

3. Aid Assistance**3.1 Foreign Aid Assistance Received in Cash from the RDP**

Opening balance	1 734	(222)
Revenue	21 509	10 742
Expenditure	(22 254)	(8 786)
Current	(22 254)	(8 571)
Capital	-	(215)
Closing balance	Annex IB 989	1 734

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

3.2 Local Aid Assistance Received in Cash from Other Sources

	2009/10 R'000	2008/09 R'000
Opening balance	14 824	-
Revenue	-	23 697
Current expenditure	(4 525)	(8 873)
Closing balance	Annex 1B 10 299	14 824

3.3 Total Aid Assistance

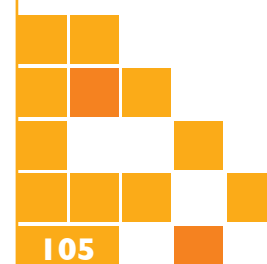
Opening balance	16 558	(222)
Revenue	21 509	34 439
Expenditure	(26 779)	(17 659)
Current	(26 779)	(17 444)
Capital	-	(215)
Closing balance	11 288	16 558

3.4 Analysis of Balance

Aid assistance receivable – RDP	(4 242)	(318)
Aid assistance unutilised – RDP	5 231	2 052
Aid assistance unutilised – other sources	10 299	14 824
Total	11 288	16 558

4. Compensation of Employees**4.1 Salaries and Wages**

Basic salary	11 494	7 207
Performance award	299	253
Service based	290	151
Compensative/circumstantial	446	837
Periodic payments	-	5
Other non-pensionable allowances	3 671	2 032
Total	16 200	10 485



Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

		2009/10 R'000	2008/09 R'000
4.2 Social Contributions			
Employer contributions			
Pension		1 440	903
Medical		613	437
Bargaining council		2	1
Total		2 055	1 341
Total compensation of employees		18 255	11 826
Average number of employees		50	41
5. Goods and Services	Note	2009/10 R'000	2008/09 R'000
Administrative fees		820	34
Advertising		775	677
Assets less than R5,000	5.1	927	1 386
Bursaries (employees)		84	160
Catering		408	873
Communication		1 025	2 163
Computer services	5.2	5 613	3 268
Consultants, contractors and special services	5.3	16 418	22 706
Entertainment		98	119
Audit cost – external	5.4	1 338	850
Inventory	5.5	2 574	1 748
Operating leases		4 621	7 787
Owned and leasehold property expenditure	5.6	448	21
Travel and subsistence	5.7	2 278	1 637
Venues and facilities		801	431
Training and staff development		494	173
Other operating expenditure	5.8	351	433
Total		39 073	44 466

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

		2009/10 R'000	2008/09 R'000
5.1 Assets Less than R5,000	5		
Tangible assets – machinery and equipment		697	894
Intangible assets		230	492
Total		927	1 386
5.2 Computer Services	5		
SITA computer services		1 280	903
External computer service providers		4 333	2 365
Total		5 613	3 268
5.3 Consultants, Contractors and Agency/ Outsourced Services	5		
Business and advisory services		6 887	9 444
Legal costs		1 186	-
Contractors		154	5 353
Agency and support/outsourced services		8 191	7 909
Total		16 418	22 706
5.4 Audit Cost – External	5		
Regularity audits		1 338	850

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

		2009/10 R'000	2008/09 R'000
5.5 Inventory	Note		
Learning and teaching support material		9	8
Other consumable materials		406	126
Maintenance material		251	462
Stationery and printing		1 907	1 150
Medical supplies		1	2
Total		2 574	1 748
5.6 Owned and Leasehold Property Expenditure	5		
Municipal services		53	-
Other property expenditure		395	21
		<u>448</u>	<u>21</u>
5.7 Travel and Subsistence	5		
Local		1 761	1 030
Foreign		517	607
Total		2 278	1 637
5.8 Other Operating Expenditure	5		
Professional bodies, membership and subscription fees		84	143
Resettlement costs		4	23
Other		263	267
Total		351	433
6. Interest and Rent on Land			
Interest on finance leases of machinery and equipment		59	-
7. Financial Transactions in Assets and Liabilities			
Debt written off – private enterprises and staff in programme I		234	-
8. Transfers and Subsidies			
Departmental agencies and accounts	Annex 1A	57 545	42 600
Households	Annex 1A	9	-
		<u>57 554</u>	<u>42 600</u>

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

9. Expenditure for Capital Assets

		2009/10 R'000	2008/09 R'000
Acquired with Voted Funds	Note		
Tangible assets – machinery and equipment	24.2	5 194	5 945
Software and other intangible assets – computer software	25.1	744	528
Total		5 938	6 473

Acquired with aid assistance

Tangible assets – machinery and equipment	3	-	195
Software and other intangible assets – computer software	3	-	20
Total		-	215

		2009/10 R'000	2008/09 R'000
Analysis of expenditure for capital assets	Note		
Machinery and equipment		5 194	6 140
Software and other intangible assets – computer software		744	548
Total		5 938	6 688

10. Cash and Cash Equivalents

Consolidated Paymaster General Account	7 762	8 082
Cash on hand	32	32
Total	7 794	8 114

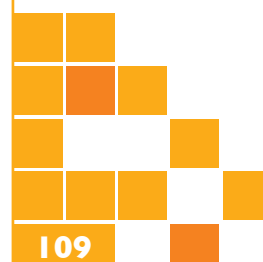
11. Prepayments and Advances

Staff advances	2	19
Travel and subsistence	49	236
Advances paid to other entities	146	641
Total	197	896

12. Receivables		Less than one year R'000	One to three years R'000	Older than three years R'000	Total 2009/10 R'000	Total 2008/09 R'000
Claims recoverable	Note					
	Annex 3	3 150	254	-	3 404	7 708
Staff debtors		33	19	13	65	75
Total		3 183	273	13	3 469	7 783

12.1 Analysis of Claims Recoverable

		2009/10 R'000	2008/09 R'000
National departments	Note	638	327
Provincial departments		182	378
Other government entities		2 584	7 003
Total		3 404	7 708



Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

13. Voted Funds to be Surrendered to the Revenue Fund

Opening balance	162	13
Transfer from Statement of Financial Performance	2	162
Paid during the year	(162)	(13)
Closing balance	2	162

14. Departmental revenue to be surrendered to the Revenue Fund

Opening balance	1	371
Transfer from Statement of Financial Performance	313	196
Paid during the year	(299)	(566)
Closing balance	15	1

			2009/10	2008/09
15. Payables – Current	Note	30 Days	R'000	R'000
Description				
Amounts owing to other entities	Annex 4	155	155	72

	2009/10	2008/09
16. Net Cash Flow Available from Operating Activities	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	(4 955)	17 138
Add back non cash/cash movements not deemed operating activities	10 573	15 668
Decrease/(increase) in receivables – current	4 314	10 275
(Increase)/decrease in prepayments and advances	699	(785)
Increase/(Decrease) in payables – current	83	72
Surrenders to Revenue Fund	(461)	(579)
Proceeds from sale of capital assets	-	(3)
Expenditure on capital assets	5 938	6 688
Net cash flow generated by operating activities	5 618	32 806

17. Reconciliation of Cash and Cash Equivalents for Cash Flow

Consolidated Paymaster General account	7 762	8 082
Cash on hand	32	32
Total	7 794	8 114

Disclosure Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

Disclosure Notes to the Annual Financial Statements

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

18. Commitments

Capital expenditure – approved and contracted	135	-
Current expenditure – approved and contracted	1 415	302
Current expenditure – approved not yet contracted	-	140
Total	1 550	442

19. Accruals

	30 Days R'000	Total R'000	Total R'000
19.1 Listed by Economic Classification			
Goods and services	1 787	1 787	884
Financial transactions in assets and liabilities	-	-	23
Total	1 787	1 787	907

19.2 Listed by Programme

Programme 1 – Administration	1 787	907
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20. Employee Benefits

Leave entitlement	431	524
Thirteenth cheque	491	377
Capped leave commitments	507	292
Total	1 429	1 193

21. Lease Commitments

	Buildings & Other Fixed Structures R'000	Machinery & equipment R'000	Total R'000
21.1 Operating Lease Expenditure			
2009/10			
Not later than 1 year	12 780	148	12 928
Later than 1 year not later than 5 years	23 620	106	23 726
Total present value of lease liabilities	36 400	254	36 654
2008/09			
Not later than 1 year	11 778	93	11 871
Later than 1 year not later than 5 years	36 400	115	36 515
Total present value of lease liabilities	48 178	208	48 386

21.2 Finance Lease Expenditure	2009/10	2008/09
	R'000	R'000
Machinery and equipment		
Not later than 1 year	1 268	1 268
Later than 1 year not later than 5 years	739	2 007
Total lease commitments	2 007	3 275
Less: finance costs	(109)	(279)
Total present value of lease liabilities	1 898	2 996

22. Related Party Transactions

PALAMA Vote 8 has a related party relationship with all the public sector entities falling within the portfolio of the Minister for the Public Service and Administration. During the period under review related party transactions were entered into with the following entities:

Entity	Nature of Transactions
State Information Technology Agency	Provision of IT communication services
Government Employees Medical Scheme	Provision of medical aid benefits
PALAMA Training Trading Account	Provision of training
PALAMA Training Trading Account	Administration and maintenance of records

22.1 Analysis of transactions with related parties

Amount due to related parties at the beginning of the year	101	89
Value of services rendered to PALAMA Vote 8	2 313	1 287
Payment made by PALAMA Vote 8 for services rendered	(2 274)	(1 275)
Amount due to related parties at the end of the year	140	101

23. Key Management Personnel	Number of Individuals	2009/10	2008/09
		R'000	R'000
Officials : Level 15 to 16	3	2 670	1 277
Level 14	3	3 255	1 879
Total		5 925	3 156

The increase in remuneration is due to the appointment of key management personnel during the year under review.

Disclosure Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

24. Tangible Capital Assets

24.1 Movement In Tangible Capital Assets Per Asset Register for the year ended 31 March 2010

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Machinery and equipment				
Transport assets	417	-	-	417
Computer equipment	12 029	4 346	(1 001)	15 374
Furniture and office equipment	5 333	362	(353)	5 342
Other machinery and equipment	931	81	-	1 012
Total	18 710	4 789	(1 354)	22 145

24.2 Additions to Tangible Capital Assets Per Asset Register for the year ended 31 March 2010

	Cash R'000	Finance Lease payments R'000	Paid current year, received prior year R'000	Total R'000
Machinery and equipment				
Computer equipment	4 367	-	(21)	4 346
Furniture and office equipment	746	(384)	-	362
Other machinery and equipment	81	-	-	81
Total	5 194	(384)	(21)	4 789

24.3 Disposals of Tangible Capital Assets Per Asset Register for the year ended 31 March 2010

	Transfer out or destroyed or scrapped R'000	Total Disposals R'000
Machinery and equipment		
Computer equipment	1 001	1 001
Furniture and office equipment	353	353
Total	1 354	1 354

24.4 Movement In Tangible Capital Assets Per Asset Register for the year ended 31 March 2009

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Machinery and equipment				
Transport assets	417	-	-	417
Computer equipment	8 109	4 669	(749)	12 029
Furniture and office equipment	4 539	1 059	(265)	5 333
Other machinery and equipment	701	238	(8)	931
Total	13 766	5 966	(1 022)	18 710

25. Intangible Capital Assets

25.1 Movement In Intangible Capital Assets Per Asset Register for the year ended 31 March 2010

	Opening balance R'000	Additions (Cash) R'000	Disposals (Scrap) R'000	Closing Balance R'000
Computer software	957	744	(102)	1 599

25.2 Movement In Intangible Capital Assets Per Asset Register for the year ended 31 March 2009

	Opening balance R'000	Additions R'000	Closing Balance R'000
Computer software	429	528	957

26. Minor Assets of the Department

	Intangible assets	Machinery and equipment	Total
Minor assets of the Department as at 31 March 2010			
Value of minor assets (R'000)	1 216	7 779	8 995
Number of minor assets	3 409	3 529	6 938
Minor assets of the Department as at 31 March 2009			
Value of minor assets (R'000)	2 858	7 801	10 659
Number of minor assets	5 286	3 957	9 243

Annexures to the Annual Financial Statements

For the year ended 31 March 2010

ANNEXURE 1A

STATEMENT OF TRANSFERS PAID

Recipient	Transfer Allocation				Transfer		2008/09
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Departmental							
Agency							
PALAMA	63 218	-	(5 673)	57 545	57 545	100.0%	42 600
Training Trading							
Account							
Households							
Social benefits	-	-	9	9	9	100.0%	-
Total	63 218	-	(5 664)	57 554	57 554	100.0%	42 600

Annexures to the Annual Financial Statements (continued)

For the year ended 31 March 2010

ANNEXURE 1B

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

Name of Donor	Purpose	Opening Balance	Revenue	Expenditure	Closing Balance
		R'000	R'000	R'000	R'000
1. Received in cash					
I.1 Local Aid Assistance:					
African Renaissance Fund	Training	14 824	-	(4 525)	10 299
I.2 Foreign Aid Assistance:					
Aid assistance unutilised		1 174	12 632	(8 575)	5 231
CIDA – Public Sector Training	Training	1 272	9 525	(8 262)	2 535
The Presidency	Training	192	-	-	192
Government of the Netherlands	Training	(69)	2 277	(313)	1 895
Government of Flanders	Training	(249)	830	-	581
Commonwealth	Training	28	-	-	28
Aid assistance receivable		560	8 877	(13 679)	(4 242)
CIDA – Gender Mainstreaming	Training	442	8 877	(11 816)	(2 497)
Government of Germany	Training	118	-	(1 363)	(1 245)
Government of Germany	Training	-	-	(500)	(500)
Total foreign aid assistance in cash		1 734	21 509	(22 254)	989
Total aid assistance received in cash		16 558	21 509	(26 779)	11 288
2. Received in kind					
German Technical Cooperation	Public Service Reform Programme	-	2 951	(2 951)	-
Total aid assistance received in kind		-	2 951	(2 951)	-

Annexures to the Annual Financial Statements (continued)

For the year ended 31 March 2010

ANNEXURE 2

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO CONTROLLED ENTITIES AS AT 31 MARCH 2010

Name of Entity	Nature of business	Cost of investment		Net asset value of investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
PALAMA Training Trading Account	Training	-	-	89 184	90 676	-	-	2 388	7 003
Total		-	-	89 184	90 676	-	-	2 388	7 003

Annexures to the Annual Financial Statements (continued)

For the year ended 31 March 2010

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
National Departments:						
Public Service and						
Administration	-	-	638	150	638	150
Foreign Affairs	-	-	-	16	-	16
Correctional Services	-	-	-	15	-	15
SA Police Service	-	-	-	1	-	1
Sub-total	-	-	638	182	638	182
Provincial Departments:						
Education (Eastern Cape)	-	-	168	168	168	168
Office of the						
Premier(Mpumalanga)	-	-	-	100	-	100
Transport (Western						
Cape)	-	-	9	95	9	95
Health (Limpopo)	-	-	-	15	-	15
Office of the Premier						
(North West)	-	-	1	-	1	-
Education (Mpumalanga)	-	-	4	-	4	-
Sub-total	-	-	182	378	182	378
Other Government						
Entities:						
PALAMA Training Trading						
Account	2 388	7 003	-	-	2 388	7 003
SARS: VAT input	-	-	196	145	196	145
Sub-total	2 388	7 003	196	145	2 584	7 148
Total claims recoverable	2 388	7 003	1 016	705	3 404	7 708

Annexures to the Annual Financial Statements (continued)

For the year ended 31 March 2010

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/ 2010	31/03/ 2009	31/03/ 2010	31/03/ 2009	31/03/ 2010	31/03/ 2009
	R'000	R'000	R'000	R'000	R'000	R'000
Other Government Entities SA Revenue Service	155	72	-	-	155	72
Total	155	72	-	-	155	72

ANNEXURE 5

INVENTORY

	Quantity	2009/10 R'000
Opening balance	9 271	135
Add/(Less): Adjustments to prior year balances	(1)	-
Add: Additions/Purchases - Cash	26 706	666
Add: Additions - Non-cash	(859)	8
(Less): Issues	(25 559)	(571)
Add/(Less): Adjustments	(95)	(11)
Closing balance	9 463	227

The background of the entire page is a photograph of four people sitting around a table in a meeting. The image is heavily overlaid with a semi-transparent orange filter. A grid of white and light gray squares is positioned in the upper left and center of the page, partially obscuring the background image. The text 'Part 5' is located in the top right corner, within a white rectangular area.

Part 5

TRAINING TRADING ACCOUNT (PALAMA TTA)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Statement of Responsibility

Report of the Auditor-General

Statement of Financial Performance

Statement of Financial Position

Statement of Changes in Net Assets

Cash Flow Statement

Accounting Policies

Notes to the Annual Financial Statements

Statement of Responsibility

For the year ended 31 March 2010

The Accounting Officer is responsible for the preparation and integrity of the financial statements and related information included in the annual report. In order for the Accounting Officer to discharge these responsibilities, as well as those bestowed on him in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and other applicable legislation, he has developed, and maintains, a system of internal controls.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions executed and recorded in accordance with generally accepted business practices, as well as the entity's policies and procedures. Monitoring of these controls includes a regular review of their operations by the accounting officer and independent oversight by an audit committee.

The Auditor-General, as external auditor, is responsible for reporting on the financial statements.

The financial statements are prepared in accordance with SA GAAP (the South African Statements of Generally Accepted Accounting Practice) and incorporate disclosure in line with the accounting philosophy of the entity and the requirements of the PFMA. The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer believes that the entity will be a going concern in the year ahead due to the government grant and its own generation of revenue. For this reason the Accounting Officer has adopted the going concern basis in preparing the annual financial statements. Refer to the Accounting Officer's Report of PALAMA Vote 8 for the operations of the PALAMA Training Trading Account.

The Accounting Officer hereby approves the annual financial statements of the PALAMA TTA for the year ended 31 March 2010, as set out on pages 122 to 154.



Prof. LS Mollo
Accounting Officer
29 May 2010

Report of the Auditor-General

For the year ended 31 March 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the the Public Administration Leadership and Management Academy Training Trading Entity, which comprise the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 126 to 154.

Accounting Officer's responsibility for the financial statements

The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

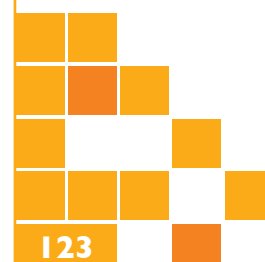
Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Report of the Auditor-General (continued)

For the year ended 31 March 2010

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Public Administration Leadership and Management Academy Training Trading Entity as at 31 March 2010, and its financial performance and its cash flows for the year then ended in accordance with SA Statements of GAAP, and in the manner required by the PFMA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009 I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

Findings**Predetermined objectives*****Non-compliance with regulatory and reporting requirements***

The strategic plan of the Public Administration Leadership and Management Academy Training Trading Entity did not include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets for all of the entity's objectives, as required by Treasury Regulation 5.2.3(d).

Usefulness of reported performance information

The following criteria were used to assess the usefulness of the planned and reported performance:

- Consistency: Has the department reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

For the selected objectives, 31 per cent of the planned and reported targets were not:

- specific in clearly identifying the nature and the required level of performance
- measurable in identifying the required performance.

Compliance with laws and regulations

No matters to report.

INTERNAL CONTROL

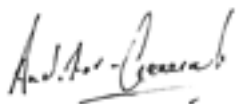
I considered internal control relevant to our audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

Report of the Auditor-General (continued)

For the year ended 31 March 2010

Leadership

Implementation of appropriate key controls (policies and procedures): The internal policies and procedures of the Public Administration Leadership and Management Academy Training Trading Entity does not adequately address the processes pertaining to the planning and monitoring of predetermined objectives at the overall performance management level.

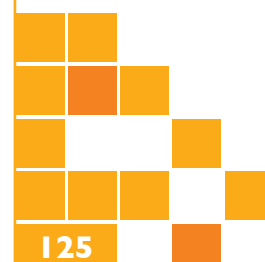


Pretoria
30 July 2010



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Statement of Financial Performance

For the year ended 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
REVENUE		158 030	124 860
Rendering of services - course fees		100 485	82 260
Operating grant received from PALAMA Vote 8		57 545	42 600
EXPENDITURE		168 605	137 126
Administrative expenses	5	14 606	12 986
Compensation of employees	6	49 462	32 917
Marketing costs	7	267	925
Audit fees	8	2 589	906
Amortisation and impairment	9	1 249	1 221
Operating expenses	10	100 432	88 171
DEFICIT FROM OPERATIONS	22	(10 575)	(12 266)
Interest received	4	9 083	14 084
(DEFICIT) / SURPLUS FOR THE YEAR		(1 492)	1 818

The (deficit) / surplus is attributable to the net asset holders of the controlling department – PALAMA Vote 8. The deficit in the current year is funded from the accumulated surplus of the entity in prior years.

The entity's adoption of IFRS on 1 April 2008 does not affect the recognition and disclosure of revenue and expenditure for the period under review as the entity conformed to IFRS in prior periods.

Statement of Financial Position

As at 31 March 2010

	Note	2010 31 March R'000	2009 31 March R'000	2008 1 April R'000
ASSETS				
Non-current assets				
Intangible assets	11	4 166	2 728	1 633
Current assets				
Cash and bank balances	12	102 689	105 150	108 660
Trade and other receivables	13	69 242	59 333	79 931
		33 447	45 817	28 729
TOTAL ASSETS		106 855	107 878	110 293
NET ASSETS AND LIABILITIES				
Net assets				
Accumulated surplus		89 184	90 676	88 858
Current liabilities				
Trade and other payables	14	17 671	17 202	21 435
Income received in advance	15	13 220	14 346	19 207
Employee benefit provisions	16	1 384	-	-
		3 067	2 856	2 228
TOTAL NET ASSETS AND LIABILITIES		106 855	107 878	110 293

The Statement of Financial Position as at 1 April 2008 reflects the entity's total assets, liabilities and net assets at the date on which the entity formally adopted IFRS (International Financial Reporting Standards). The entity conformed to IFRS in prior periods.

The disclosure of a second comparative period (1 April 2008), resulting in three columns of disclosure, is a requirement under IFRS that only affects current period disclosure. The entity will revert back to one comparative period (i.e. two columns of disclosure) in future financial years.

Statement of Changes in Net Assets

For the year ended 31 March 2010

ACCUMULATED SURPLUS**Balance as at 31 March 2008**

R'000

88 858

Surplus for the year from 1 April 2008 to 31 March 2009

1 818

Balance as at 31 March 2009**90 676**

Surplus for the year from 1 April 2009 to 31 March 2010

(1 492)

Balance as at 31 March 2010**89 184**

The accumulated surplus is attributable to the net asset holders of the controlling department – PALAMA Vote 8.

The entity's formal adoption of IFRS (International Financial Reporting Standards) on 1 April 2008 does not affect the accumulated surplus reported on that date as the entity conformed to IFRS in prior periods.

Cash Flow Statement

For the year ended 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
Cash flows from operating activities			
Cash receipts from customers		166 894	103 266
Cash paid to suppliers and employees		(163 381)	(135 632)
Cash generated from/(utilised in) operations	17	3 513	(32 366)
Interest received		9 083	14 084
Net cash generated from/(utilised in) operating activities		12 596	(18 282)
Cash flows from investing activities			
Payments for intangible assets	11	(2 687)	(2 316)
Net increase/(decrease) in cash and cash equivalents		9 909	(20 598)
Cash and cash equivalents at the beginning of the year		59 333	79 931
Cash and cash equivalents at the end of the year	12	69 242	59 333

Notes to the Annual Financial Statements

For the year ended 31 March 2010

1. Accounting Policies

The entity prepared its annual financial statements as an individual entity for the twelve months from 1 April 2009 to 31 March 2010 in accordance with South-African Standards of Generally Accepted Accounting Practice (SA GAAP) as required by Section 89 of Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), read with Treasury Regulation 19.8.4 and 18.2.

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 and the Treasury Regulations issued in terms of the Act.

The following are the principle accounting policies of the entity which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated. The principle policies have been applied for the first time for the year ended 31 March 2003 due to establishment of the entity with effect from 1 April 2002.

1.1 Statement of Compliance

The entity formally adopted IFRS (International Financial Reporting Standards) on 1 April 2008, having conformed to these standards in previous periods. The financial statements for the period under review have been prepared in accordance with International Financial Reporting Standards.

1.2 Basis of Preparation, Presentation Currency and Rounding

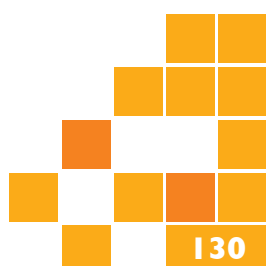
The annual financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the entity. Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.3 Comparative Information

Prior year comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior year financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

The Statement of Financial Position as at 1 April 2008 reflects the entity's total assets, liabilities and net assets at the date on which the entity formally adopted IFRS (International Financial Reporting Standards). The entity conformed to IFRS in prior periods.



Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

The disclosure of a second comparative period (1 April 2008), resulting in three columns of disclosure, is a requirement under IFRS that only affects current period disclosure. The entity will revert back to one comparative period (i.e. two columns of disclosure) in future financial years.

1.4 Revenue Recognition**1.4.1 Revenue Accruing to the Entity**

Revenue is measured at the fair value of the consideration received or receivable. Charges for services are determined in accordance with Treasury Regulation 19.5.

1.4.2 Rendering of Services

Revenue from the rendering of training services is recognised on the accrual basis over the period of instruction on a straight-line basis.

1.4.3 Transfers and Subsidies Received

Transfers and subsidies received represent the operating grant received from the controlling department - PALAMA Vote 8.

1.4.4 Interest Revenue

Interest revenue is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

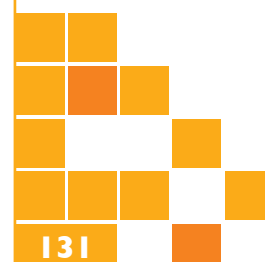
1.4.5 Government Grants

Government grants are assistance by government in the form of transfer of resources. Government grants are not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

Government grants whose primary condition is that the entity should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to the statement of comprehensive income on a systematic and rational basis over the useful life of the respective assets.

Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in surplus or deficit in the period in which they become receivable.



Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

1.5 Expenditure

1.5.1 Compensation of Employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the period in which the employee renders the related service.

Social contributions include the entity's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the period in which the employee renders the related service.

1.5.2 Short-Term Employee Benefits

Short-term employee benefits comprise leave entitlements, thirteenth cheques and performance bonuses. The cost of short-term employee benefits is recognised in the period in which the employee renders the related service.

Short-term employee benefits that give rise to a present legal or constructive obligation are recognised and provided for at reporting date, based on current salary rates.

1.5.3 Long-Term Employee Benefits

1.5.3.1 Termination Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The entity recognises termination benefits when it is demonstrably committed to either terminate the employment of the current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. If the benefit falls due more than 12 months after reporting date, they are discounted to present value.

1.5.3.2 Post Employment Retirement Benefits

The entity, through its controlling department - PALAMA Vote 8, provides retirement benefits (pension 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 charged to the statement of comprehensive income in the year to which they relate.

No provision is made for retirement benefits in the annual financial statements of the entity. Any potential liabilities are disclosed in the annual financial statements of the National Revenue Fund.

The entity does not contribute to the medical aid of retired employees.

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

1.6 Financial Assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL), which are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

1.6.1 Classification of Financial Assets

For the purposes of classifying financial assets an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32 Financial Instruments: Presentation) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

1.6.2 Financial Assets at Amortised Cost and the Effective Interest Method

The entity's principle financial assets are 'trade and other receivables' and 'cash and cash equivalents'. These financial assets are classified as 'loans and receivables' and designated at amortised cost.

Loans and receivables are measured initially at fair value plus transaction costs. Where the effect on the fair value at initial recognition of any extended payment terms is material an adjustment to the fair value is made to recognise the time-value of money.

Loans and receivables are subsequently measured at amortised cost using the effective interest method less any impairment (see 1.7.5 below), with interest revenue recognised on an effective yield basis in investment revenue (note 4).

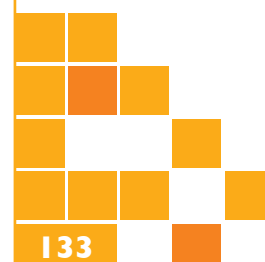
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.6.3 Financial Assets at FVTPL

No financial assets are designated at Fair Value Through Profit or Loss (surplus or deficit).

1.6.4 Financial Assets at FVTOCI

No financial assets are designated at Fair Value Through Other Comprehensive Income.



Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

1.6.5 Impairment of Financial Assets at Amortised Cost

Financial assets that are measured at amortised cost, including finance lease receivables, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

Objective evidence of impairment for a portfolio of receivables could include the entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of two years, as well as observable budget constraints that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, reflecting the impact of collateral and guarantees, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

1.6.6 Derecognition of Financial Assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in net assets is included in net surplus or deficit for the period.

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

1.7 Financial Liabilities and Equity Instruments

1.7.1 Classification of Financial Liabilities and Equity

The entity operates as a trading entity under the administration of PALAMA Vote 8. Upon closure of the entity, all the assets and liabilities shall be transferred to the controlling department and taken on record. Consequently, debt instruments are classified as financial liabilities.

All of the entity's financial liabilities are classified as 'other financial liabilities'.

1.7.2 Financial Guarantee Contract Liabilities

Financial guarantee contracts represent contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when they are contractually due. The entity provides guarantees to commercial banks on behalf of employees' housing loans.

Financial guarantee contract liabilities are initially measured at their fair values and are subsequently measured at the higher of the amount of the obligation under the contract (as determined in accordance with IAS37: 'Provisions, Contingent Liabilities and Contingent Assets') or the amount initially recognised.

1.7.3 Other Financial Liabilities

The entity's principal financial liability is 'trade and other payables'.

Other financial liabilities are initially measured at fair value, net of transaction costs. Where the effect on the fair value at initial recognition of any extended payment terms is material an adjustment to the fair value is made to recognise the time-value of money.

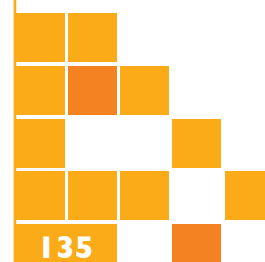
Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.7.4 Derecognition of Financial Liabilities

The entity derecognises a financial liability or a part thereof when, and only when, the entity's obligations are discharged, cancelled, or they expire.

On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in surplus or deficit for the period.



Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

1.8 Assets**1.8.1 Property, Plant and Equipment**

The entity does not recognise assets relating to items of property, plant and equipment as the controlling department, PALAMA Vote 8, holds all items of property, plant and equipment. The entity utilises property, plant and equipment belonging to the controlling department free of charge as part of the controlling department's administration function.

1.8.2 Intangible Assets**1.8.2.1 Intangible Assets Acquired Separately**

Intangible assets acquired externally are initially recognised at historical cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

1.8.2.2 Internally Generated Intangible Assets

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred.

1.8.3 Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets may have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit in those expense categories consistent with the function of the impaired asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

1.8.4 Inventory

The controlling department - PALAMA Vote 8, holds inventory.

1.9 Liabilities**1.9.1 Borrowings**

In terms of section 19.2.3 of the Treasury Regulations the entity may not borrow for bridging purposes and may not run an overdraft on its banking account.

1.9.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The entity may generally not enter into finance leases as it is prohibited by Treasury Regulation 13.2.4. However, National Treasury permits entities to enter into finance leases under certain conditions as outlined in the Office of the Accountant-General practice note 5 of 2006/07 'Finance Lease Transactions' despite the provisions of Treasury Regulation 13.2.4.

1.9.2.1 The Entity as Lessee

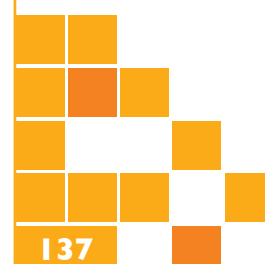
Assets held under finance leases are initially recognised as assets of the entity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Assets held under finance leases are depreciated over the estimated useful life of the asset on the same basis as owned assets or, where shorter, lease term of the relevant lease.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately against surplus or deficit. Contingent rentals arising under finance leases are recognised as an expense in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental



Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In terms of Treasury Regulation 13.2.5 the Accounting Officer of the entity may not enter into finance lease transactions, except for agreements concluded under Public-Private-Partnerships as contemplated in Treasury Regulation 16 and Practice Note 5 of 2007/08: "Finance Lease Transactions" issued by the Office of the Accountant-General.

The controlling department – PALAMA Vote 8 – enters into both finance and operating lease agreements on behalf of the entity as part of its administration function. The proportionate monthly lease payments relating to the entity are recovered by the controlling department in terms of the expenditure allocation policy. These lease payments are recognised as an expense in the periods in which they are incurred.

1.9.3 Accruals

Accruals represent goods or services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but payment has not been made.

Accruals are recognised in the statement of financial position as a liability under "Trade and other payables" and as expenditure in the statement of financial performance in the period to which they relate.

1.9.4 Contingent Liabilities

A contingent liability 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 entity. Contingent liabilities are not recognised, but only disclosed in the notes to the annual financial statements.

1.9.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date. Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are disclosed in the notes to the annual financial statements.

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are disclosed in the notes to the annual financial statements where the entity enters into lease agreements.

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

1.9.6 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event; it is probable that the entity will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle an obligation are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The movement related to any provision during the reporting period is recognised in surplus or deficit.

1.10 Related Party Transactions

The entity has a related party relationship with its controlling national department, PALAMA Vote 8, and all public sector entities reporting to the Minister for the Public Service and Administration.

Staff costs and certain items of goods and services of the entity are recorded in the accounting records of PALAMA Vote 8 and then transferred to the accounting records of the entity via journal entries.

The entity renders training services to the officials of the related parties. These training intervention transactions are on the terms approved by National Treasury. Refer note 22.

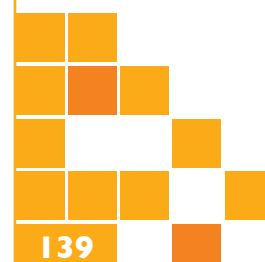
1.11 Taxation

The entity is exempt from paying income tax in terms of section 10(1)(a) of The Income Tax Act, Act 58 of 1962 as amended.

The entity is exempt from paying VAT (Value Added Tax) in terms of the Value-Added Tax Act, Act 89 of 1991 as amended.

1.12 Government Assistance

Government assistance is action by government designed to provide an economic benefit specific to the entity qualifying under certain criteria. Government assistance is not recognised in the annual financial statements, but the nature, extent and duration of the assistance provided is disclosed in note 3.1.



Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

1.12 Adoption of New and Revised International Financial Reporting Standards (IFRSs)**1.12.1 Standards and Interpretations Affecting Amounts Reported in the Current Period**

The following revised Standards and Interpretations have been adopted in the current financial period and have affected the presentation and disclosure reported in these financial statements.

Standard	Details of amendment	Issue date	Effective date
IFRS 7 Financial Instruments: Disclosures	Enhanced disclosures in respect of fair value measurement and liquidity risk.	March 2008	January 2009
IAS 19 Employee Benefits	Amendments resulting from annual improvements to IFRS.	May 2008	January 2009
IAS 20 Government Grants and Disclosure of Government Assistance	Amendments resulting from annual improvements to IFRS.	May 2008	January 2009
IAS 24 Related Party Disclosures	Amendments provide for a partial exemption from the disclosure requirements for government-related entities.	November 2009	January 2011
IAS 36 Impairment of Assets	Disclosure of estimates used to determine recoverable amount; Frequency of impairment testing.	May 2008	January 2009
IAS 38 Intangible Assets	Amendments resulting from annual improvements to IFRS; Definition of an intangible asset; Criteria for initial recognition; Subsequent expenditure; Useful life; Impairment testing.	May 2008	January 2009
IAS 39 Financial Instruments: Recognition and Measurement	Amendments resulting from annual improvements to IFRS; Derecognition of financial assets; Impairment of financial assets.	May 2008	January 2009

1.12.2 Standards and Interpretations in Issue not yet Adopted

The entity has not applied the following new or revised accounting Standards or Interpretations that have been issued but is not yet effective.

The entity plans to implement the Standards and/or Interpretations in the future financial reporting period in accordance with its effective date. The impact of implementing these standards and/or interpretations is expected to be immaterial in the context of the entity's operations.

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

Standard	Details of amendment	Issue date	Effective date
IFRS 9 Financial Instruments: Classification and Measurement of Financial Assets	Measurement of financial assets; Impairment of financial assets.	November 2009	January 2013

The amendments to IFRS 9 only deal with financial assets. The sections dealing with financial liabilities will be added to IFRS 9 during 2010. Applying IFRS 9 early without full knowledge of its remaining components could result in the entity being required to apply components of both IAS 39, Financial Instruments: Recognition and Measurement, and IFRS 9 before we have a complete understanding of the entire revised standard and its implications.

2. Entity Information

The PALAMA Training Trading Account (the entity) operates as a trading entity within the Republic of South Africa under the administration of PALAMA Vote 8 (2008/09: referred to as PALAMA Vote 10) with the objective to recover the cost of providing organisational and staff development interventions (training services) to the public sector.

The entity operated from its main office at the ZK Matthews Building, 70 Meintje Street, Sunnyside, Pretoria, for the year under review.

3. Public Sector Practices and Policies

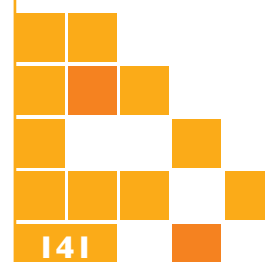
3.1 Government Assistance

PALAMA Vote 8, as controlling department, administers the entity and facilitates the overall management of PALAMA (Vote 8 and the entity).

Programme 1: Administration provides the policy formulation and management responsibilities of the Director-General and certain members of PALAMA's management. Other functions provided by Programme 1 include the rendering of centralised administrative, legal, financial, supply chain management, human resource management, information communication technology services and infrastructure and the exercise of internal control.

Programme 2: Public Sector Organisational and Staff Development provides for the augmentation of the operating activities of the entity.

In line with prevailing government practices the entity is not required to pay for the employee cost, goods and services, and cost associated with capital assets for the services rendered by PALAMA Vote 8. The cost of these services rendered by PALAMA Vote 8 to the entity in 2009/10 amounted to R 63 568 000 (2008/09: R 62 765 000) on the cash basis of accounting and is expected to be provided annually until closure of the entity.



Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

In terms of the PALAMA expenditure allocation policy all expenditure incurred in connection with the rendering of organisational and staff development services on a cost recovery basis, is expensed in the entity. All shared expenditure is allocated on a 65% / 35% (2008/09: 50% / 50%) basis between PALAMA Vote 8 and the entity respectively.

3.2 Declaration of Surplus Funds

In terms of paragraph 19.7.1 of the Treasury Regulations, the Accounting Officer of the entity must, at the end of the financial year and after the books have been closed, declare any surplus to National Treasury. The latter may apply such surplus to reduce any proposed allocation to the trading entity or require that all or part of the surplus for the year, be deposited into the National Revenue Fund. In the event of the entity incurring a deficit, the Accounting Officer of PALAMA Vote 8 must disclose the financial impact of such a deficit on the department in its annual report.

	2009/10	2008/09
	R'000	R'000
Accumulated surplus on the accrual basis of accounting	89 184	90 676
Less: accrual adjustments required by SA GAAP	(25 394)	(38 307)
Surplus funds on the cash basis of accounting	63 790	52 369

4. Interest Received

Interest received on financial assets measured at amortised cost:

Trade receivables	5 076	7 023
Bank deposits	4 007	7 061
Total	9 083	14 084

5. Administrative Expenses

Lease payments	9 321	7 815
Communication cost	2 143	1 439
Property payments	1 112	-
Computer costs	877	2 752
Consumables, materials and supplies	873	128
General administrative expenses	199	186
Entertainment	78	111
Legal fees	3	-
Internal audit fees	-	555
Total	14 606	12 986

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

6. Compensation of Employees**6.1 Salaries and Wages**

	2009/10 R'000	2008/09 R'000
Basic salary	23 756	17 447
Other non-pensionable allowances	8 021	6 935
Performance award	607	495
Leave payments	8	375
Overtime pay	4	53
Periodic payments	-	133
Key management emoluments	21.3 12 650	3 844
Total	45 046	29 282

6.2 Social Contributions

Pension	3 481	2 245
Medical	1 178	862
Official unions and associations	8	1
Leave pay provision expense	(251)	527
Total	4 416	3 635

Total compensation

49 462	32 917
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6.3 Analysis of Compensation Paid

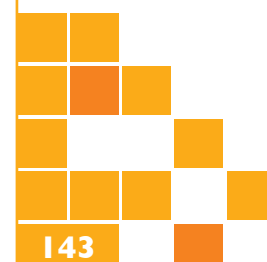
Total for branch heads	12 650	3 844
Total for other employees	36 812	29 073
Total compensation	49 462	32 917
Average number of employees	110	80

7. Marketing Cost

Advertising: Recruitment	128	394
Advertising: Tenders	94	-
Gifts and promotional items	27	80
Marketing	18	451
Total	267	925

8. Audit Fees

Statutory audit	2 589	906
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Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

9. Amortisation and Impairment

Capitalised course development cost	795	1 130
Capitalised training management system development cost	279	91
Impairment of course development cost	175	-
	1 249	1 221

2009/10	2008/09
R'000	R'000

10. Operating Expenses

Training and consultancy services	70 038	52 499
Venues and facilities	12 686	16 229
Travel and subsistence	9 923	8 693
Movement in the allowance for doubtful debt	3 506	2 605
Stationery and printing	1 830	4 294
Staff training and development	1 482	2 066
Catering – departmental activities	963	1 785
Thefts and losses – debt written off	4	-
Total	100 432	88 171

11. Intangible Assets

Cost	8 571	5 884
Accumulated amortisation and impairment	(4 405)	(3 156)
Carrying amount	4 166	2 728

	Training Courses R'000	TMS R'000	Total R'000
Cost			
Balance at 1 April 2008	3 568	-	3 568
Additions	1 444	872	2 316
Balance at 31 March 2009	5 012	872	5 884
Additions	2 017	670	2 687
Balance at 31 March 2010	7 029	1 542	8 571

Accumulated Amortisation and Impairment

Balance at 1 April 2008	1 935	-	1 935
Amortisation expense	1 130	91	1 221
Balance at 31 March 2009	3 065	91	3 156
Amortisation expense	795	279	1 074
Impairment loss recognised	175	-	175
Balance at 31 March 2010	4 035	370	4 405

Training courses: capitalised course development.

TMS: capitalised Training Management System development.

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

The amortisation expense and impairment loss recognised are included in the line item 'amortisation and impairment' in the statement of comprehensive income.

The following useful lives are used in the calculation of amortisation:

Capitalised course development – 3 years; and

Capitalised training management system development – 3 years.

2009/10	2008/09
R'000	R'000

12. Cash and Cash Equivalents

Bank balances	69 242	59 333
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For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows agree with the related items in the statement of financial position.

The carrying amount of cash and bank balances approximates their fair value due to short-term maturity. The yield on bank deposits is linked to the South African prime lending rate.

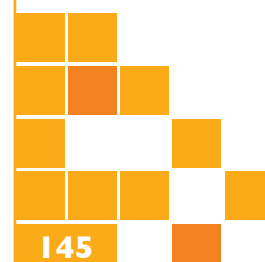
13. Trade and Other Receivables

	Less than one year R'000	One to two years R'000	More than two years R'000	Total 2009/10 R'000	Total 2008/09 R'000
Trade receivables	25 045	8 310	6 207	39 562	48 480
Allowance for doubtful debts	-	-	(6 207)	(6 207)	(2 701)
Net trade receivables	25 045	8 310	-	33 355	45 779
Other receivables	92	-	-	92	38
Total	25 137	8 310	-	33 447	45 817

13.1 Trade Receivables

Trade receivables disclosed above are classified as financial assets measured at amortised cost. All the amounts are classified as current assets. The fair value of trade and other receivables are disclosed in note 13.3.

All invoices issued to customers must be settled within 30 days from date of receipt of the invoice as per Treasury Regulation 8.2.3. However, due to delayed payment from customers the entity is assumed to provide extended credit terms of 101 days (2008/09: 135 days) to customers affecting the fair value of debt raised. Implicit interest is charged in accordance with Section 80 of the PFMA at the rates specified. As at reporting date the rates specified were 10.5% (2008/09: 15.0%) per annum on the outstanding balance.



Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

The entity has recognised an allowance for doubtful debts of 100% against all receivables over two years because historical experience has been that receivables that are past due beyond two years are not recoverable.

The entity's legislative mandate in terms of the Public Service Act (Act 103 of 1994, as amended) is to provide or oversee the provision of training on a meaningful scale in all three spheres of government.

Consequently, the entity does not assess the credit quality of customers and does not set any credit limits per customer.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period, but against which the entity has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

A review of the payment history of PALAMA's customers, based on transaction data captured in the debtor administration system, revealed an average collection period of 101 days (2008/09: 135 days) from course date. Customers are expected to settle invoices within 60 days from date of issue of the invoice.

The entity does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the entity to the counterparty.

13.2 Trade Receivables Past Due, Not Impaired – 2009/10

	61 to 365 days R'000	366 to 730 days R'000	Total 2009/10 R'000
Nominal Value	15 809	8 310	24 119
Fair Value Adjustment	(131)	-	(131)
Total	15 678	8 310	23 988

Trade receivables past due, not impaired – 2008/09

	61 to 365 days R'000	366 to 730 days R'000	Total 2008/09 R'000
Nominal Value	6 416	6 009	12 425
Fair Value Adjustment	(1 207)	-	(1 207)
Total	5 209	6 009	11 218

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

13.3 Fair Value of Trade Receivables

	2009/10 R'000	2008/09 R'000
Balance at cost price	39 885	50 652
Less: fair value adjustment	(323)	(2 172)
Balance at fair value	39 562	48 480

The fair value of trade receivables is based on cash flows discounted using the rate prescribed by the Minister of Finance in terms of section 80 of the PFMA of 10.5% (2008/09: 13.5%).

13.4 Movement in the Allowance for Doubtful Debt

Balance at 1 April	2 701	2 007
Impairment losses recognised on receivables	3 506	2 605
Amounts written off during the year as uncollectible	-	(1 911)
Balance at 31 March	6 207	2 701

In determining the recoverability of a trade receivable, the entity considers the movement in debt outstanding for more than two years from the date that the service is rendered to the end of the reporting period. The concentration of credit risk is limited due to the large and unrelated customer base and the funding provided by the National Revenue Fund to customers.

The additional allowance for doubtful debt is included in 'operating expenses' in the statement of financial position.

14. Trade and Other Payables

	30 days R'000	30+ days R'000	Total 2009/10 R'000	Total 2008/09 R'000
Trade creditors	4 010	-	4 010	2 209
Accruals	5 218	1 604	6 822	5 134
Amount owed to PALAMA Vote 8	2 388	-	2 388	7 003
Total	11 616	1 604	13 220	14 346

The entity must settle all purchases within 30 days from date of receipt of the invoice as required by Treasury Regulation 8.2.3. No interest is charged on payables. The entity has financial risk management policies in place to ensure that all payables are paid within the agreed terms.

The carrying amount of trade payables approximates their amortised cost due to their short-term maturity.

15. Income Received in Advance

	2009/10 R'000	2008/09 R'000
Prepayments	1 123	-
Course development contribution	261	-
Total	1 384	-

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

16. Employee Benefit Provisions

	Leave entitlement R'000	13 th cheque R'000	Total 2009/10 R'000	Total 2008/09 R'000
Opening balance	2 160	696	2 856	2 228
Additional provision	2 391	1 158	3 549	2 694
Provision utilised	(2 642)	(696)	(3 338)	(2 066)
Closing balance	1 909	1 158	3 067	2 856

The provision for employee benefits represents annual leave and capped leave entitlements and accrued service bonus.

17. Net Cash Flow Available from Operating Activities

	2009/10 R'000	2008/09 R'000
(Deficit) / Surplus for the year	(1 492)	1 818
Non-cash movements and working capital changes	14 088	(20 100)
Allowance for doubtful debt	3 506	2 605
Increase in provisions	211	628
Amortisation and impairment charges	1 249	1 221
Decrease / (increase) in receivables	8 864	(19 693)
Increase / (Decrease) in payables	258	(4 861)
Net cash inflows / (outflows) from operating activities	12 596	(18 282)
Net cash from investing activities		
Interest income	(9 083)	(14 084)
Cash generated from / (utilised in) operations	3 513	(32 366)

18. Contingent Liabilities

Liable to	Nature		
Basetsana Consulting	Contractual dispute	1 765	1 765

The liability relating to the contractual dispute will only be confirmed through litigation. No hearing date has been set. The entity will not have recourse to reimbursement if the claim is upheld.

19. Commitments for Expenditure

Current expenditure – approved and contracted 7 938 1 415

The commitments relate mostly to goods and services required for training activities.

20. Lease Commitments

All lease agreements are entered into by the controlling department – PALAMA Vote 8. Therefore, all lease commitments are presented and disclosed in the financial statements of PALAMA Vote 8. The lease payments are recovered from the PALAMA TTA in accordance with the expenditure allocation policy.

The controlling department, PALAMA Vote 8, leases office equipment used by the entity for a period of three years to 31 October 2011. The average lease payment is R 76 689 per month (2008/09: R 56 472) with no contingent lease payments. The lease agreements do not transfer substantially the risks and rewards associated with ownership of the assets to PALAMA. The lease agreements are not renewable at the end of the lease term and the entity does not have the option to acquire the equipment. No lease agreement imposes any restrictions.

The controlling department also leases office accommodation used by the entity for a period of five years to 31 October 2012. The renewal period is four years and eleven months. The average lease payment is R 638 002 per month (2008/09: R 439 860) escalating at 8.5% per year on 31 October. The agreement contains no contingent lease payments. The agreement does not transfer substantially the risks and rewards associated with ownership of the assets to PALAMA. The lease agreement imposes no restrictions.

21. Related Party Transactions

The entity has a related party relationship with all the public sector entities falling within the portfolio of the Minister for the Public Service and Administration. In addition, PALAMA Vote 8 administered the entity including the maintenance of accounting records.

During the period under review related party transactions for the provision of training, computer services and social contributions were entered into with:

Entity	Nature of transactions
PALAMA Vote 8	Training
Department of Public Service and Administration	Training
Public Service Commission	Training
State Information Technology Agency (SITA)	Computer services
Government Employees Medical Scheme	Social contributions

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

21.1 Trading Transactions	2009/10 R'000	2008/09 R'000
Amount due (to)/by related parties on 1 April	(1 180)	676
Training services rendered	3 905	3 009
Payments made	(3 374)	(4 865)
Amount due (to)/by related parties at 31 March	(649)	(1 180)

21.2 Analysis of Amounts Owed by/to Related Parties	2009/10 R'000	2008/09 R'000
Amount due to related parties	(847)	(1 407)
Amount due by related parties	198	227
Net amount due (to)/by related parties	(649)	(1 180)

The entity rendered training services to related parties at the rates approved by the National Treasury in terms of Treasury Regulation 19.5.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior period for bad or doubtful debts in respect of the amounts owed by related parties.

21.3 Compensation of Key Management Personnel

Paid by the controlling department		
Short-term benefits	5 925	3 156
Paid by the entity		
Short-term benefits	12 650	3 844
Total	18 575	7 000

Key management personnel are appointed in terms of the Public Service Act, (Act 103 of 1994) as amended. The remuneration of the key management personnel is determined in accordance with the Senior Management Service remuneration scales issued by the Department of Public Service and Administration on an annual basis. Performance awards are approved by the Accounting Officer having regard to the performance of the individuals.

The key management personnel of the entity include the following personnel appointed in the controlling department – PALAMA Vote 8: Accounting Officer; Chief Financial Officer; Chief Director: Corporate Services and the Deputy Director-General: Governance and Strategic Support.

The entity does not provide post-employment benefits or other long-term benefits to key management personnel. Any potential liabilities are disclosed in the annual financial statements of the National Revenue Fund.

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

22. Deficit from Operations

	2009/10	2008/09
	R'000	R'000
(Deficit)/Surplus from operations	(10 575)	(12 266)
Add: Revenue recognised as finance income	5 076	7 023
Add: PSI project expenses incurred	4 777	8 386
Surplus from operating activities	(722)	3 143

The balance of the PSI (Public Sector Induction) project funds of R13 855 707 (2008/09: R18 633 115) is included in the accumulated surplus of R89 952 641 (2008/09: R90 675 720).

23. Financial Instruments**23.1 Capital Risk Management**

The entity does not have share capital that is publicly tradable on the capital markets. Upon closure of the entity all assets and liabilities will be transferred to the controlling department as required by Treasury Regulation 19.9.

The objectives when managing capital (retained earnings) are to safeguard the entity's ability to continue as a going concern on the cost-recovery basis and to execute government priorities through service delivery. The annual financial statements of the entity have been prepared on the going concern basis.

23.2 Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in note 1.

23.3 Categories of Financial Instruments

	2009/10	2008/09
	R'000	R'000
Financial assets		
Amortised cost		
Cash and bank balances (Note 12)	69 242	59 333
Trade and other receivables (Note 13)	33 447	45 817
	102 689	105 150
Financial liabilities		
Amortised cost		
Trade and other payables (Note 14)	13 220	14 346

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

23.4 Financial Risk Management Objectives

The entity has limited exposure to financial risks due to its limited ownership (ownership is limited to the net asset holders of the controlling department – PALAMA Vote 8) and the funding of any cash deficit by the controlling department. The entity has no exposure to foreign currency risk, cash flow interest rate risk and equity price risk.

23.5 Market Risk

Market risk comprises the risk that changes in market prices such as foreign exchange rates, interest rates and equity or other prices will affect the entity's revenue or value of its holdings of financial instruments.

Foreign Exchange Rate Risk

The trade receivables balance comprise South African government debtors only, and thus no exposure to foreign exchange risk, affecting the entity's holding of financial instruments, exists at the reporting date.

Interest Rate Risk

The entity does not finance its operating activities through borrowings. Only interest revenue is included in the financial statements, comprising interest on bank balances and implicit interest adjustments made in accordance with the fair value adjustment of revenue (IAS 18) and receivables (IAS 39).

Due to the nature of the organisation, as well as the nature of the interest reflected in the statement of comprehensive income, the entity is not exposed to interest rate risk as at the reporting date.

Equity Price Risk

The entity does not invest in equity and is not exposed to market risk by way of market prices affecting its investment's equity prices.

As the entity is not exposed to any of the components comprising Market Risk, the current management objectives, policies and processes for managing and monitoring of this risk is adequate, and no sensitivity analysis is disclosed. No changes in the market risk profile, or management's considerations and monitoring with regard thereto occurred from the previous accounting period.

Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

23.6 Credit Risk Management

Credit risk comprises the risk of financial loss to the entity if a counterparty to a financial instrument fails to meet its contractual obligations.

The entity only transacts with entities in the national, provincial and local spheres of government and functions within the pool of funds managed by National Treasury. The credit quality of government entities is therefore not assessed as these entities are considered creditworthy.

The entity makes use of only National Treasury approved banks representing high credit quality financial institutions.

The entity does not hold any collateral or other credit enhancements to cover credit risk. However, any cash deficit caused by government entities defaulting on their contractual obligations is funded by the controlling department through augmentation as mentioned in Treasury Regulation (TR) 19.7.3. The carrying amount of trade and other receivables recorded in the financial statements, which is net of impairment losses, represents the entity's maximum exposure to credit risk without taking into account any funding by the controlling department in accordance with TR 19.7.

There has been no significant change during the financial year, or since the end of the financial year, to the entity's exposure to credit risk, the approach of measurement or the objectives, policies and processes for managing this risk.

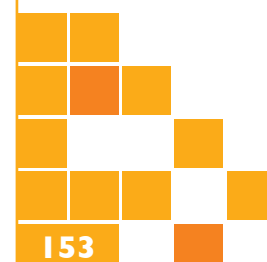
23.7 Liquidity Risk Management

Liquidity risk comprises the risk that the entity will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Accounting Officer, who has established an appropriate liquidity risk management framework for the management of the entity's short, medium and long term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity Analysis

The entity's remaining contractual maturity for all its financial liabilities are between one and three months.



Notes to the Annual Financial Statements (continued)

For the year ended 31 March 2010

23.8 Fair Value of Financial Instruments

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

Financial Assets at Amortised Cost

Trade and other receivables – refer note 13.

Financial Liabilities at Amortised Cost

Trade and other payables – refer note 14.

The fair value of financial assets and liabilities measured at amortised cost is determined by discounting the future cash flows at the current interest rate prescribed by the Minister of Finance in terms of section 80 of the PFMA.

24. Approval of Financial Statements

The financial statements were approved by the Accounting Officer and authorised for issue.



Part 6

HUMAN RESOURCE OVERSIGHT REPORT

1. Expenditure (Finance)
2. Employment and Vacancies
3. Job Evaluation
4. Employment Changes
5. Employment Equity
6. Human Resource Management
7. Performance Rewards
8. Foreign Workers
9. Leave Utilization for the Period 1 January 2009 to 31 December 2009
10. HIV/AIDS and Health Promotion Programmes
11. Labour Relations
12. Skills Development
13. Injury on Duty
14. Utilizations of Consultants (Finance)

I. Expenditure

The PALAMA budget provides for clearly defined programmes.

Tables 1 and 2 below summarise final audited expenditure on personnel by programme (Table 1) and by salary band (Table 2).

Table 1: Personnel Costs by Programme, 2009/10

Programme	Total expenditure R'000	Personnel expenditure R'000	Training expenditure R'000	Professional and special services R'000	Personnel cost as a percent of total expenditure	Average personnel cost per employee R'000
Vote Programme 1	63 568	18 255	494	15 217	28.7%	358
Vote Programme 2	57 545					
PALAMA TTA	167 836	49 462	1 466	22 751	29.4%	408
Total	288 949	67 717	1 960	37 968	58.1%	393

Table 2: Personnel Costs by Salary Band, 2009/10

Salary band	Personnel expenditure R'000	% of total personnel cost	Average personnel cost per employee R'000
Senior management (Levels 13 – 16)	34 972	51.6%	813
Highly skilled supervision (Levels 9 – 12)	22 337	32.9%	360
Highly skilled production (Levels 6 – 8)	8 648	12.7%	163
Skilled (Levels 3 – 5)	1 761	2.6%	125
Lower skilled (Levels 1 – 2)			NONE
Total	67 717	100%	393

The Tables 3 and 4 below summarize expenditure on personnel incurred as a result of salaries, overtime, home owners' allowance and medical assistance. Table 3 provides expenditure on personnel by programme and Table 4 provides expenditure by salary band. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 3: Salaries, Overtime, Home Owners' Allowance and Medical Assistance by Programme, 2009/10

Programme	Salaries		Overtime		Home owners' allowance (HOA)		Medical assistance	
	Amount R'000	as a % of personnel cost	Amount R'000	as a % of personnel cost	Amount R'000	as a % of personnel cost	Amount R'000	as a % of personnel cost
Vote Programme 1	11 494	16.9%	0	0	255	0.3%	613	0.9%
PALAMA TTA	31 466	46.4%	4	0	487	0.7%	1 315	1.9%
Total	42 961	63.3	4	0	742	1.0%	1 928	2.8

Table 4: Salaries, Overtime, Home Owners' Allowance and Medical Assistance by Salary Band, 2009/10

Salary band	Salaries		Overtime		Home owners' allowance (HOA)		Medical assistance	
	Amount R'000	as a % of personnel cost	Amount R'000	as a % of personnel cost	Amount R'000	as a % of personnel cost	Amount R'000	as a % of personnel cost
Senior management (Levels 13-16)	20 215	30%	0	0%	344	1%	490	1%
Highly skilled supervision (Levels 9-12)	15 454	23%	4	0%	162	0%	794	1%
Highly skilled production (Levels 6-8)	6 162	9%	0	0%	170	0%	506	1%
Skilled (Levels 3-5)	1 129	2%	0	0%	67	0%	137	0%
Lower skilled (Levels 1-2)								NONE
Total	42 961	63%	4		742	1%	1 928	3%

2. Employment and Vacancies

Tables 5 and 6 summarize the number of posts in the approved staff establishment, the number of filled posts, the vacancy rate, and the number of filled posts that are additional to the approved staff establishment. This information is presented according to two key variables: by programme (Table 5) and by salary band (Table 6). The vacancy rate reflects the percentage of posts that are not filled as at end of 31 March 2010.

Table 5: Employment and Vacancies by Programme, by 31 March 2010

Programme	Number of posts	Number of posts filled	% Vacancy rate	Number of posts filled additional to the establishment
Vote Programme I	88	51	42%	2
PALAMA TTA	154	121	21%	17
Total	242	172	29%	19

Table 6: Employment and Vacancies by Salary Band, by 31 March 2010

Salary band	Number of posts	Number of posts filled	% Vacancy rate	Number of posts filled additional to the establishment
Senior management (Levels 13-16)	59	43	27%	3
Highly skilled supervision (Levels 9-12)	82	62	24%	5
Highly skilled production (Levels 6-8)	87	53	39%	11
Skilled (Levels 3-5)	14	14	0%	0
Lower skilled (Levels 1-2)				NONE
Total	242	172	29%	19

The information in Tables 5 and 6 reflects the situation as at 31 March 2010. For further indication of changes in staffing patterns over the year under review, please refer to Section 4 of this report.

Please note that these figures do not include the eight interns who have been employed since January 2010.



3. Job Evaluation

The Public Service Regulations Part IV (1999) introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework an executing authority may evaluate or re-evaluate any job in his or her organization. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled.

Table 7 summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded.

Table 7: Job Evaluation, 1 April 2009 to 31 March 2010

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Senior management (Levels 13-16)	59	1	2%	-	-	-	-
Highly skilled supervision (Levels 9-12)	82	5	6%	1	20%	-	-
Highly skilled production (Levels 6-8)	87	3	3%	3	100%	-	-
Skilled (Levels 3-5)	14	1	7%	1	100%	-	-
Lower skilled (Levels 1-2)							NONE
Total	242	10	4%	5	50%	-	-

Table 8 provides a summary of the number of employees whose salaries were upgraded due to their posts being upgraded.

Table 8: Profile of Employees Whose Salaries Were Upgraded Due to Their Posts Being Upgraded, 1 April 2009 to 31 March 2010

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	-	1	-	4
Male	1	-	-	-	1
Employees with a disability					NONE
Total	4	-	1	-	5

4. Employment Changes

This section provides information on changes in employment during the financial year. Turnover rates provide an indication of trends in the employment profile of the PALAMA. Table 9 provides a summary of turnover rates by salary band.

Table 9: Annual Turnover Rates by Salary Band, 1 April 2009 to 31 March 2010

Salary band	Number of employees per band as on 1 April 2009	Appointments and transfers into the Department	Terminations and transfers out of the Department	% Turnover rate
Senior management (Levels 13–16)	42	5	4	10%
Highly skilled supervision (Levels 9–12)	46	22	6	13%
Highly skilled production (Levels 6–8)	28	30	5	18%
Skilled (Levels 3–5)	13	2	1	8%
Lower skilled (Levels 1–2)				NONE
Total	129	59	16	12%

Table 10 identifies the major reasons why staff left PALAMA.

Table 10: Reasons Why Staff Left PALAMA 1 April 2009 to 31 March 2010

Termination type	Number	% of total terminations
Death	1	6%
Resignation	7	44%
Expiry of contract	4	25%
Voluntary Severance Packages	0	-
Transfers to other public service departments	4	25%
Dismissal – operational changes	0	-
Dismissal – misconduct	0	-
Dismissal – inefficiency	0	-
Discharged due to ill-health	0	-
Retirement	0	-
Total	16	100%

When calculated as a percentage of total people employed, the termination rate for the year 2009/10 was 9.2%.

Table 11: Promotions of Staff by Salary Band, by 31 March 2010

Salary band	Employees 1 April 2009	Promotions to another salary level	Salary band promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Senior management (Levels 13–16)	42	1	2%	11	26%
Highly skilled supervision (Levels 9–12)	46	1	2%	26	57%
Highly skilled production (Levels 6–8)	28	3	11%	23	85%
Skilled (Levels 3–5)	13	1	8%	13	100%
Lower skilled (Levels 1–2)					NONE
Total	129	6	5%	73	57%

5. Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, No. 55 of 1998.

Table 12: Total Number of Employees (Including Employees With Disabilities) in Each of the Following Occupational Categories, by 31 March 2010

Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers (Levels 13–16)	15	2	2	4	5	3	4	8	43
Professionals (Levels 9 – 12)	20	2	4	4	16	5	2	9	62
Clerks (Levels 3 – 8)	15	0	0	1	35	5	2	9	67
Elementary occupations (Levels 1 – 2)									NONE
Employees with disabilities	1	-	-	-	1	-	1	-	3
Total	50	4	6	9	56	13	8	26	172

Table 13: Total Number of Employees (Including Employees With Disabilities) in Each of the Following Occupational Bands, by 31 March 2010

Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15–16)	2	1	0	0	1	0	0	1	5
Senior management (Levels 13 – 14)	13	1	2	4	4	3	4	7	38
Professionally qualified and experienced specialists and mid-management (Levels 9 – 12)	20	2	4	4	16	5	2	9	62
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6 – 8)	9	0	0	1	29	5	2	9	55
Semi-skilled and discretionary decision making (Levels 3 – 5)	6	0	0	0	6	0	0	0	12
Unskilled and defined decision-making (Levels 1 – 2)									NONE
Employees with disabilities	1	-	-	-	1	-	1	-	3
Total	50	4	6	9	56	13	8	26	172

Table 14: Recruitment of Staff, 1 April 2009 to 31 March 2010

Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15–16)	-	-	-	-	1	-	-	-	1
Senior management (Levels 13 – 14)		-	1	-	-	2	-	1	4
Professionally qualified and experienced specialists and mid-management (Levels 9 – 12)	6	1	-	1	9	2	1	2	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6 – 8)	4	-	-		17	3	2	4	30
Semi-skilled and discretionary decision making (Levels 3 – 5)	1	-	-	-	1	-	-	-	2
Unskilled and defined decision-making (Levels 1 – 2)									NONE
Employees with disabilities	1								1
Total	11	1	1	1	28	7	3	7	59

Table 15: Terminations of Staff, 1 April 2009 to 31 March 2010

Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15–16)				1					1
Senior management (Levels 13 – 14)	2							1	3
Professionally qualified and experienced specialists and mid-management (Levels 9 – 12)					4	1	1		6
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6 – 8)	1				3			1	5
Semi-skilled and discretionary decision making (Levels 3 – 5)	1								1
Unskilled and defined decision-making (Levels 1 – 2)									NONE
Employees with disabilities									-
Total	4			1	7	1	1	2	16

6. Human Resource Management

6.1 Filling of SMS posts

Table 16: Information on SMS Posts, by 31 March 2009

SMS Level	Total number of funded SMS posts per level	Total number of SMS posts filled per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General Level 16	1	1	100%	-	0%
Deputy Director-General Level 15	5	4	80%	1	20%
Chief Director Level 14	16	10	63%	6	37%
Director Level 13	43	27	63%	16	37%
Total	65	42	65%	23	55%

Table 17: Information on SMS Posts, by 30 September 2009

SMS Level	Total number of funded SMS posts per level	Total number of SMS posts filled per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General Level 16	1	1	100%	0	0%
Deputy Director-General Level 15	5	5	100%	0	0%
Chief Director Level 14	15	14	93%	1	7%
Director Level 13	30	24	80%	6	20%
Total	51	44	86%	7	14%

Table 18: Information on SMS Posts, by 31 March 2010

SMS Level	Total number of funded SMS posts per level	Total number of SMS posts filled per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General Level 16	1	0	0%	1	100%
Deputy Director-General Level 15	6	5	83%	1	17%
Chief Director Level 14	15	14	93%	1	7%
Director Level 13	30	24	80%	6	20%
Total	52	43	83%	9	17%

Table 19: Advertising and Filling of SMS Posts, 1 April 2009 to 31 March 2010

SMS Level	Total number of funded SMS posts per level	Filling of posts	
	Number of vacancies per level advertised in 6 months after becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General Level 16	1	0	0
Deputy Director-General Level 15	0	0	0
Chief Director Level 14	2	0	0
Director Level 13	5	0	0
Total	8	0	0

6.2 Signing of performance agreements by SMS members

Table 20: Performance Agreements Signed by SMS Members, by 30 September 2009

SMS Level	Total number of funded SMS posts per level	Total number of SMS members per level	Total number of signed performance agreements per level	Signed performance agreements as % of total number of SMS members per level
Director-General Level 16	1	1	1	100%
Deputy Director-General Level 15	5	5	5	100%
Chief Director Level 14	15	14	14	100%
Director Level 13	30	24	24	100%
Total	51	44	44	100%

7. Performance Rewards

To encourage good performance, the Department granted the following performance rewards during the year under review. The information is presented in terms of race, gender and disability (Table 21), and salary band (Tables 22 and 23).

Table 21: Performance Rewards by Race, Gender, and Disability, 1 April 2009 to 31 March 2010

	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group as on 1 April 2009	% of total within group	Cost R'000	Average cost per employee R'000
African	51	77	66%	459	9
Male	27	42	64%	297	11
Female	24	35	69%	162	7
Indian	6	11	55%	206	34
Male	3	5	60%	72	24
Female	3	6	50%	134	45
Coloured	5	11	45%	37	7
Male	0	3	0%	0	0
Female	5	8	63%	37	7
White	21	30	70%	380	18
Male	6	9	66%	131	22
Female	15	21	71%	249	17
Total	83	129	64%	1,082	13
Employees with a disability	1	1	100%	5	5

Table 22: Performance Rewards by Salary Band for Personnel Below Senior Management Service, 1 April 2009 to 31 March 2010

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary band	Total cost R'000	Average cost per employee R'000	Total cost as a % of the total personnel expenditure
Highly skilled supervision (Levels 9-12)	31	46	67%	431	14	0.6%
Highly skilled production (Levels 6-8)	26	28	93%	148	6	0.2%
Skilled (Levels 3-5)	13	13	100%	36	3	0.1%
Lower skilled (Levels 1-2)	0	0	0%	0	0	0%
Total	70	87	80%	615	9	0.9%

Table 23: Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service, 1 April 2009 to 31 March 2010

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Total number of employees in the band	Beneficiaries % of total within band	Total cost R'000	Average cost per employee R'000	Total cost as a % of the total personnel expenditure
Band D (16)	0	1	0%	0	0	0%
Band C (15)	1	4	25%	59	59	0.1%
Band B (14)	1	10	10%	75	75	0.1%
Band A (13)	11	27	41%	333	30	0.5%
Total	13	42	31%	467	36	0.7%

8. Foreign Workers

PALAMA employed no foreign workers for the period under review.

9. Leave Utilisation for the Period 1 January 2009 to 31 December 2009

9.1 Utilisation of Sick Leave

The OPSC identified the need for careful monitoring of sick leave within the public service. Table 24 provides an indication of the utilisation of sick leave. The estimated cost of the leave is also provided.

Table 24: Sick Leave, 1 January 2009 to 31 December 2009

Salary band	Total days	% days with medical certificate	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Senior management (Levels 13–16)	111	72%	23	18%	5	304
Highly skilled supervision (Levels 9 – 12)	473	83%	55	44%	9	701
Highly skilled production (Levels 6 – 8)	240	78%	41	32%	6	121
Skilled (Levels 3 – 5)	72	90%	8	6%	9	21
Lower skilled (Levels 1 – 2)						NONE
Total	896	84%	127	100%	7	1,147

9.2 Utilisation of Annual Leave

Table 25 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Coordinating Bargaining Council in 2000 requires management of annual leave to prevent high levels of accrued leave being paid out at termination of service.

Table 25: Annual Leave, 1 January 2009 to 31 December 2009

Salary band	Total days taken	Total number of employees utilising annual leave	Average days per employee
Senior management (Levels 13–16)	615	34	18
Highly skilled supervision (Levels 9 – 12)	1413	81	17
Highly skilled production (Levels 6 – 8)	875	58	15
Skilled (Levels 3 – 5)	275	14	20
Lower skilled (Levels 1 – 2)			NONE
Total	3178	187	17

9.3 Utilisation of Capped Leave

Table 26: Capped leave, 1 January 2009 to 31 December 2009

Salary band	Total days of capped leave taken	Total number of employees using capped leave	Average number of days taken per employee	Capped leave credits as at 31/12/2009	Average capped leave per employee as at 31/12/2009
Senior management (Levels 13–16)	10	1	10	361.8	8
Highly skilled supervision (Levels 9 – 12)	7	1	7	946.8	15
Highly skilled production (Levels 6 – 8)	-	-	-	242.7	4
Skilled (Levels 3 – 5)	-	-	-	106.7	13
Lower skilled (Levels 1 – 2)					NONE
Total	17	2	8.5	1 658	10

9.4 Leave Payouts

Table 27: Leave Payouts, 1 April 2009 to 31 March 2010

Reason	Total amount R'000	Number of employees	Average payment per employee R'000
Leave payout for 2009/10 due to non-utilisation of leave for the previous cycle	115	7	16
Capped leave payout on termination of service for 2009/10	-	-	-
Current leave payout on termination of service for 2009/10	187	12	16
Total	302	19	16

10. HIV/AIDS and Health Promotion Programmes

No units or categories of employees were identified to be at high risk of contracting HIV and related diseases within PALAMA and it was therefore not necessary to take specific steps to reduce the risk of occupational exposure.

Table 28: Details of Health Promotion and HIV and Aids Programmes

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Ms T Siwisa, Director: HR
2. Does the Department have a dedicated unit or has it designed specific staff members to promote the health and wellbeing 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.	✓		Two staff members, budget R300 000.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.	✓		Managing HIV and AIDS in the workplace Wellness management (physical, spiritual and psychological – EAP)
4. Has the Department established (a) committee(s) as contemplated in Part VI E. 5(e) of Chapter I 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.	✓		Chair: Mr. R Mdlalo – Director: Operations Members: Ms. A Montana – Human Resources Mr. I Masilo – Corporate Services Ms. B Barnard – Business Development Mr. C Matsei – Training Coordination Ms. G Manzini – Executive Development Mr. J Devasahayam – Curriculum Design Mr. R Maphangule – International Relations Mr. J Pietersen – Provider Mobilisation Ms. M Nyandeni – Provider Mobilisation Ms. S Mokganedi – Provider Mobilisation
5. Has the Department reviewed its employment policies and practices 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.	✓		Employee Health and Wellness Strategy
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.	✓		Seminars on key calendar days that focus on HIV issues Posters that educate about HIV and Aids

Question	Yes	No	Details, if yes
7. Does the Department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have achieved.	✓		VCT Testing and Counselling encouraged as part of the VCT strategy and 53% of staff tested. Conduct quarterly HIV testing and counseling for all staff
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programmes? If so, list these measures/indicators.	✓		The satisfaction rate survey results was 86% positive. Quarterly reports from the service providers Health days calendar

11. Labour Relations

No collective agreements were entered into with trade unions within PALAMA in the 2009/10 period. Table 29 summarises the number of grievances lodged and Table 30 summarises disputes lodged with councils PALAMA for the year under review.

Table 29: Grievances Lodged, 1 April 2009 to 31 March 2010

Grievances – 2009/10	Number
Number of individuals lodging grievances	12

Table 30: Disputes Lodged with Councils, 1 April 2009 to 31 March 2010

Disputes – 2009/10	Number
Arbitration on unfair dismissal	1

12. Skills Development

This section highlights PALAMA's efforts to skills development among its staff.

Table 31: Training Needs Identified, 1 April 2009 to 31 March 2010

Occupational categories	Gender	Number of staff	Training needs identified at start of reporting period			
			Learner-ships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers (Levels 13–16)	Females	17		10	1	11
	Males	25		9	1	10
Professionals (Levels 9 – 12)	Females	25		12	3	15
	Males	21		12	2	14
Clerks (Levels 3 – 8)	Females	28		14	4	18
	Males	13		10	1	11
Elementary occupations (Levels 1 – 2)	Females	0		0	0	0
	Males	0		0	0	0
Subtotal	Females	70		36	8	44
	Males	59		31	4	35
Total		129	0	67	12	79

Table 32: Training Provided, 1 April 2009 to 31 March 2010

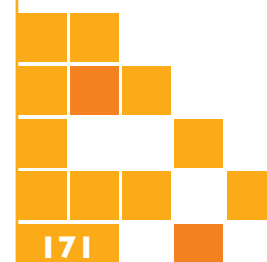
Occupational categories	Gender	Number of staff	Training needs identified at start of reporting period			
			Learner-ships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers (Levels 13–16)	Females	20		32	1	33
	Males	23		42	2	44
Professionals (Levels 9 – 12)	Females	32		47	3	50
	Males	30		40	2	42
Clerks (Levels 3 – 8)	Females	51		63	4	67
	Males	16		19	1	20
Elementary occupations (Levels 1 – 2)	Females	0		0	0	0
	Males	0		0	0	0
Subtotal	Females	103		142	8	150
	Males	69		101	5	106
Total		172	0	243	13	256

13. Injury on Duty

Table 33 provides basic information on injury on duty.

Table 33: Injury on Duty, 1 April 2009 to 31 March 2010

Nature of injury on duty	Number	% of total number of staff
Required basic medical attention only	3	1.7%
Total	3	1.7%



14. Utilisation of Consultants

Table 34: Report on Consultant Appointments Using Appropriated Funds, 1 April 2009 to 31 March 2010 (Finance)

Project Title	Total number of consultants	Duration in workdays	Contract value R'000
Management consulting	11	324	2 958
Change consultants	3	160	1 614
Financial consulting	3	658	3 307
Legal consultants	1	95	1 089
Temporary administrative staff	125	324	7 141
Internal audit services	3	269	614
AMDIN management consultants	2	72	208
Induction programme	13	90	411
International relations	5	612	2 241
Training of national and provincial departments and local government	104	1 630	8 325
Facilities management services	2	365	5 787
IT outsource services	1	365	8 635
Total	273	4 964	42 330

Table 35: Report on Consultant Appointments Using Donor Funds, 1 April 2009 to 31 March 2010 (Finance)

Consultant appointments	Total
Number of consultants appointed	12

15. Employee Initiated Severance Packages

Table 36: Granting of employee initiated severance packages

Category	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of Packages approved by departments
Lower Skilled (Salary Level 1 – 2)	None	None	None	None
Skilled (Salary Level 3 – 5)	None	None	None	None
Highly Skilled production (Salary Level 6 – 8)	None	None	None	None
Senior Management (Salary Level 13 and higher)	None	None	None	None



Annexure

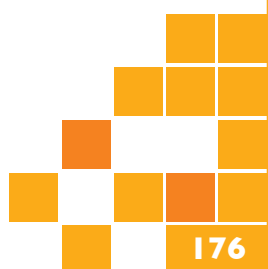
ABBREVIATIONS AND GLOSSARY OF TERMS

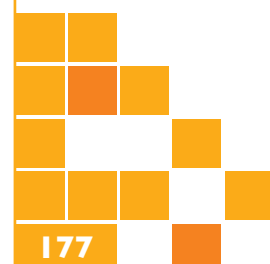
Abbreviations and Glossary of Terms

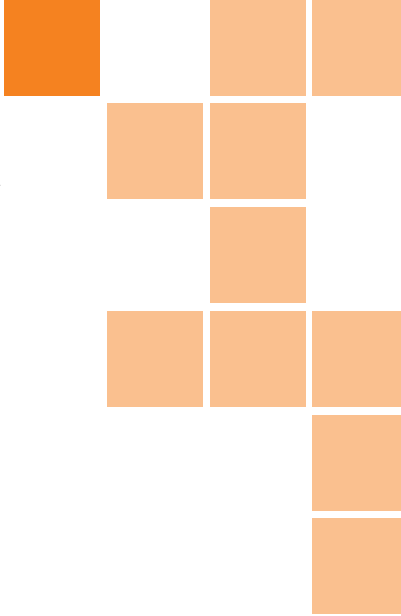
ADP	Accelerated Development Programme
AMDIN	African Management Development Institutes' Network
AMDP	Advanced Management Development Programme
BAS	Basic Accounting System
CAPAM	Common Wealth Association of Public Administration and Management
CIDA RCB	Canadian International Development Agency Regional Capacity Building
DIRCO	Department of International Relations and Cooperation
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DRC	Democratic Republic of Congo
EA	Enterprise Architecture
EC	Eastern Cape
EDP	Executive Development Programme
EMC	Executive Management Committee
EMDP	Emerging Management Development Programme
ENA	Ecole Nationale d' Administration
ENE	Estimates of National Expenditure
ERP	Enterprise-wide Resource Plan
ETD	Education Training and Development
ETD QMS	Education Training and Development Quality Management System
ETDP	Education Training and Development Practices
ETQAs	Education and Training Quality Assurance
ETU	Education Training Unit
EWS	Early Warning System
FM	Facilities Management
FMDP	Foundation Management Development Programme
FOSAD	Forum of South African Directors-General
G&A	Governance and Administration
GIBS	Gordon Institute of Business Science
GMP	Gender Mainstreaming Programme
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HEI	Higher Education Institution
HRD	Human Resource Development
HRM&D	Human Resource Management and Development
IAS 39	International Accounting Standards
IASIA	International Association of Schools and Institutes of Administration
IR&SP	International Relations and Special Projects
IBSA	India Brazil South Africa
IFRS	International Financial Reporting Standards
IGW	Inter-Governmental Workshop
IIC	Independent Individual Contractor
InWEnt	Internationale Weiterbildung und Entwicklung gGmbH

IT	Information Technology
JICA	Japan International Cooperation Agency
JIPSA	Joint Initiative for Priority Skills Acquisition
JMMS	Junior and Middle Management Service
KZN	KwaZulu-Natal
LGSETA	Local Government Sector Education and Training Authority
M&E	Monitoring and Evaluation
MDI	Management Development Institute
MIP	Massified Induction Programme
MoU	Memorandum of Understanding
MPSA	Ministry for the Public Service and Administration
MRR	Monthly Report Renderer
NC	Northern Cape
NQF	National Qualifications Framework
NW	North West
OD	Organisational Development
ODA	Official Donor Assistance
OpCo	Operational Committee
OPSC	Office of the Public Service Commission
PALAMA	Public Administration Leadership and Management Academy
PMDS	Performance Management and Development System
PFMA	Public Finance Management Act
POA	Programme of Action
PSETA	Public Sector Education and Training Authority
PSTF	Public Sectors Trainers' Forum
PTD	Person Training Day
SABPP	South African Board for People Practices
SALGA	South African Local Government Association
SAMDI	South African Management Development Institute
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SDF	Skills Development Facilitator
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMS	Senior Management Service
TNA	Training Needs Analysis
ToT	Training of Trainers
TPD	Trainer Professional Development
UK	United Kingdom
WC	Western Cape
WITS	University of the Witwatersrand

Notes







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