



THE PRESIDENCY

ANNUAL REPORT 2007 - 2008



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

RENEWING OUR PLEDGE

A NATIONAL PARTNERSHIP TO BUILD A BETTER LIFE FOR ALL

The striking image of the Baobab on both the covers, and within the document proper, evokes a sense of endurance, stability and protection that is popularly associated with this image.

The Baobab reflects the endurance of The Presidency and other government institutions as they remain constant in spite of all changes in the political and social environment. Recognised easily for its strong protruding root system the Baobab has offered protection from the harsh African sun. The girth of its trunk also inspires a sense of stability. The symbolic significance of this majestic tree is evoked throughout the report to suggest a sense of stability in difficult times.

The Baobab is also an important symbol in the South African system of National Orders.

South Africa's National Orders derives its conceptual basis from the democratic and humanist values embraced by our Constitution.

The National Orders are the highest form of recognition that South Africa bestows on its citizens and friends. They honour men and women who have made extraordinary contributions to our society: who have acted selflessly to improve lives, to protect others whose lives were threatened, or to create works or deeds that are memorable and life-changing.

Given the theme of government's work in the 2007/08 financial year – renewing our pledge to work for a better life for all – it seemed fitting that this annual report should draw on the National Orders, which recognise and reward the exemplary contributions of individuals to build a better South Africa.

Under apartheid, state honours were awarded exclusively to white South Africans, and constituted an insult to the noble ideals of freedom and equality. Accordingly, the democratic government decided to transform the National Orders to reflect South Africa's new national identity and to contribute to nation building. In 1998, the President's Advisory Council on National Orders began a thoroughgoing review and consultation process, which it completed in 2003. September 2007 marked the tenth investiture of the National Orders since they were revamped.

Gold Mamejja designed five of the awards and Gareth Smart designed the Order of Ikhamanga.

The awards have given rise to a new aesthetic that draws on the figurative and iconic symbolism of the African continent. The six National Orders are:

- The Order of Mapungubwe, for South Africans who have made an international impact through exceptional achievement
- The Order of Baobab, for distinguished service to South Africa
- The Order of the Companions of OR Tambo, for friendship and solidarity shown to South Africa by foreigners
- The Order of Ikhamanga for achievements in the creative and performing arts, culture, literature, music, journalism and sport
- The Order of Mendi for Bravery
- The Order of Luthuli for achievements in the fields of human rights, justice, peace, democracy, and nation building.

Nominations for the National Orders are made by the public. These nominations are assessed by the Chancery to ensure that they comply with the stipulated requirements. The Chancery forwards a list of nominees meeting the requirements to the Advisory Council (see Table 5, Section B), which compiles a list for final decision by the President. The National Orders and their recipients during the review period are described in Tables 10 and 11 in Section B. The designs of the six National Orders are shown below and used as visual themes throughout this report.

The National Orders



**The Order of
Luthuli**



**The Order of the
Companions of
OR Tambo**



**The Order of
Mendi**



**The Order of
Baobab**



**The Order of
Ikhamanga**



**The Order of
Mapungubwe**

Submission of the Annual Report to the Executive Authority

To the Minister in The Presidency, Essop Pahad, I have the honour to submit to you, in terms of the Public Finance Management Act (1999) the Annual Report of The Presidency for the period 1 April 2007 to 31 March 2008.

Trevor Fowler

Chief Operations Officer and Accounting Officer



PREAMBLE TO THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (1996)



PREAMBLE

We, the people of South Africa,

Recognise the injustices of our past;

Honour those who suffered for justice and freedom in our land;

Respect those who have worked to build and develop our country; and

Believe that South Africa belongs to all who live in it, united in our diversity.

We therefore, through our freely elected representatives, adopt this Constitution as the supreme law of the Republic so as to

- Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;
- Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;
- Improve the quality of life of all citizens and free the potential of each person; and
- Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.

May God protect our people.

Nkosi Sikelel' iAfrika. Morena boloka setjhaba sa heso.

God seën Suid-Afrika. God bless South Africa.

Mudzimu fhatutshedza Afurika. Hosi katekisa Afrika.



VISION AND MISSION

VALUES AND PRINCIPLES

OUR VISION

Excellence in governance for a better life for all.

OUR MISSION

Leadership, management and development of the strategic agenda of government.

OUR VALUES AND PRINCIPLES

The Presidency's values are based on the Constitution and aligned to the principles of Batho Pele (People First).

The Constitution sets out the need for South Africa's public administration to be governed by:

- A high standard of professional ethics
- Efficient, economic and effective use of resources
- Development-oriented public administration
- Impartial, fair, equitable provision of services
- Responsiveness to people's needs and public participation in policy-making
- Accountability
- Transparency and provision of timely, accessible and accurate information
- Human-resource management that maximises human potential
- Representativeness based on ability, objectivity, fairness and the need to redress the imbalances of the past.

Batho Pele is founded on the principles of:

- Consultation
- Setting service standards
- Increasing access
- Ensuring courtesy
- Providing information
- Openness and transparency
- Redress
- Value for money.



Phumzile Mlambo-Ngcuka
Deputy President of the Republic
of South Africa

CONTENTS

ANNUAL REPORT 2007/08



Essop Pahad
Minister in The Presidency

SECTION	PAGE
SUBMISSION OF ANNUAL REPORT TO THE EXECUTIVE AUTHORITY	i
PREAMBLE TO THE CONSTITUTION	ii
VISION AND MISSION, VALUES AND PRINCIPLES	iii
FOREWORD: DIRECTOR GENERAL	2
PREFACE: CHIEF OPERATIONS OFFICER	6
SECTION A: THE STRATEGIC AGENDA OF GOVERNMENT	8
1. Promoting economic growth and development	10
Challenges identified in the mid-term review	10
Macroeconomic issues	11
The economy: investing for growth	11
Accelerated and Shared Growth Initiative	12
Infrastructure programmes	12
Sector investment strategies	13
Second Economy interventions	14
2. Improving the quality of life	16
Basic services	16
Education	16
Skills	17
Housing and human settlement	17
Land reform and restitution	18
Health	18
Improving social security	19
Towards comprehensive social security	19
3. Improving governance and capacity	20
Promoting social cohesion, national identity and common values	20
Strengthening the public service	20
Izimbizo: deepening democracy	21
Planning, monitoring and regulatory impact	22
Government-wide monitoring and evaluation system	22
Building safer communities	23
4. A better Africa and a better world	24
Working for peace and reconstruction in the Democratic Republic of Congo	25
Conclusion	26



SECTION	PAGE
SECTION B: THE WORK OF THE PRESIDENCY	28
1. Strategic achievements	30
Strengthening strategic management and leadership capability	31
Improving management, access and sharing of information	32
Coordination, monitoring and evaluation for accelerated service delivery	33
Fostering nation-building and social cohesion	35
Promoting integrated governance for accelerated service delivery	37
Initiatives for building a better Africa and a better world	39
Promoting accelerated and shared economic growth	41
2. Organogram	44
3. Summary description of Presidency branches	46
Strategy and Operations	46
Private Office of the President	48
Private Office of the Deputy President	48
Communications	48
Cabinet Office	49
Policy Coordination and Advisory Services	49
4. Tables	50
SECTION C: PROGRAMME PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2008	64
SECTION D: HUMAN RESOURCES OVERSIGHT	90
SECTION E: ANNUAL FINANCIAL STATEMENTS	112
Report of the Accounting Officer	114
Audit Committee Report	117
Report of the Auditor-General	118
Appropriation statement	121
Notes to the appropriation statement	126
Statement of financial performance	127
Statement of financial position	128
Cash flow statement	129
Accounting policies	130
Notes to the annual financial statements	135
Disclosure notes to the annual financial statements	144
Annexures to the Annual Financial Statements	151
Acronyms	158



Frank Chikane (Rev.)
Director General in The Presidency
and Secretary to Cabinet



Joel Netshitenzhe
Head
Policy Coordination and Advisory Services

FOREWORD

DIRECTOR GENERAL



In the State of the Nation Address delivered to the National Assembly on 9 February 2007, President Thabo Mbeki noted that the government elected in 2004 had just reached the midpoint of its term of office.

Summing up government's achievements, the President said: "Since the popular mandate of 2004, we have made welcome progress in further changing South Africa for the better. We should not and do not underplay the many difficulties we still confront. But the message that our collective experience communicates to all of us is that, working together, we can and shall succeed in meeting the common objective we have set ourselves as a nation – to build a better life for all."

Indeed, eradicating poverty, creating jobs and boosting economic growth depend on our common efforts as a nation. These objectives are central to building a non-racial, non-sexist democratic society that is at peace with itself.

Government's focus on these crucial matters has demonstrated encouraging results. A sustained period of strong economic expansion has been matched by continued increases in public-sector investment, with concurrent increases in investment by the private sector. Job creation has grown and the rate of unemployment has fallen. Consumer demand has reflected increased levels of prosperity. The proportion of black

people in management positions has risen.

Yet at the same time, the success of our democracy should and will be measured by the steps we take to improve the quality of life of the most vulnerable. Some 12 million South Africans now receive some form of relief through the provision of various social grants, and government is taking steps to strengthen the social safety net.

Service provision has improved. The government continues to invest in housing, transport, access to electricity, water and sanitation to improve living conditions. South Africa has already achieved the Millennium Development Goal for basic water supply.¹ The South African National AIDS Council, under the leadership of the Deputy President, is coordinating one of the largest and most comprehensive HIV and AIDS programmes in the world.

Government and its partners are,

¹ "Reduce by half the proportion of people without sustainable access to safe drinking water."
MDG 7: Ensure environmental sustainability.
United Nations.



however, driven by a sense of urgency regarding what still remains to be done to bring about a better life for all. Despite our achievements, we are acutely aware that poverty, inequality and marginalisation are the daily conditions of life for millions of people in our country; and that demand for quality services, health care, education, housing and community safety continues to rise.

During the review period a national electricity emergency developed, linked in part to the impressive pace of economic growth, with severe supply disruptions to households and industry. There are concerns about rising interest rates and food and fuel prices, and the impact these will have on the poor. Much more is required to speed up land redistribution. While growth in social grants expenditure has contributed significantly to poverty reduction, as many people as possible need to graduate from reliance on such grants and enter the labour market. Progress on the African continent takes place in an increasingly complex global environment.

All these challenges require common action and unity of purpose. One of the main programmatic responses is the Accelerated and Shared Growth Initiative of South Africa (AsgiSA). This initiative targets specific interventions to remove constraints to more rapid economic growth, and to support higher rates of investment and job creation. A major

impediment to more rapid growth is the shortage of relevant and adequate skills in the economy. The Joint Initiative on Priority Skills Acquisition (JIPSA) brings together business, government, labour, training institutes and others to ensure that necessary skills interventions are identified and implemented. Commendable work in this area has contributed to addressing a critical constraint to long-term development.

Scaling up of programmes targeting the informal economy has continued. Government recognises that youth and women are the most disadvantaged sectors of the population and that interventions must consciously support them. We have also undertaken to reduce the regulatory burden on small, medium and micro enterprises (SMMEs), increase the number of people in the National Youth Service and build on the successes of the Expanded Public Works Programme (EPWP).

Strengthening social cohesion requires the creation of a more humane and caring society that respects the rights of all who live in South Africa. Government and its partners continue to strive towards improving safety in our communities and rely on everyone to contribute to creating safer cities, towns and villages.

Government is hard at work to ensure the success of the 2010 FIFA World Cup, and that the world's largest sporting event,

hosted for the first time on African soil, will promote national unity and advance the African agenda. South Africa's Local Organising Committee and other partners are doing sterling work to keep preparations on schedule.

Given that the change of administration is within sight, Government has been instituting mechanisms to ensure the smooth transition between administrations. This will ensure that long-standing projects like the 2010 FIFA World Cup will not be marred by transitional concerns, and that Government will meet its national and international commitments.

South Africa has made important contributions in advancing the African agenda through its efforts to restore peace in the Great Lakes Region and the Democratic Republic of Congo, and our diplomatic work towards peace and stability in Burundi, the Comores, Sudan and Zimbabwe. We remain engaged with the African Union (AU) and the New Partnership for Africa's Development (NEPAD), and in August 2008 will assume the chair of the Southern African Development Community (SADC).

During the review period South Africa took up its non-permanent membership on the United Nations (UN) Security Council. We continue to play a role in efforts to bring peace and stability to the Middle East, promote south-south cooperation



FOREWORD: DIRECTOR GENERAL



with countries such as India, Brazil and China, and actively engage with the Group of 8.

Let me take this opportunity to thank the President, Deputy President and the Minister in The Presidency as well as the Advisory Council on National Orders (see Section B, Table 5); the advisers to the President, Deputy President and the Minister in The Presidency (Tables 15, 16 and 18); as well as members of the International Investment Council (see Table 3); the Panel of Economic Advisers; the Presidential International Advisory Council on Information Society and Development (see Table 8); and the Presidential Working Groups on Big Business; Higher Education; Youth; Black Business; Women; Religion; Trade Unions and Agriculture (see Table 2) for their committed support and guidance. I would also like to acknowledge the continued support of the directors general and thank them for their cooperation in meeting the targets as set out in government's Programme of Action.

In renewing our pledge, government does not underestimate the difficulties that are still to be confronted. We remain committed to fulfilling our mandate in cooperation with our partners in business, labour and civil society, because building a non-racial, non-sexist and prosperous democracy is not a task that government can accomplish on its own.

As the President said in closing his 2007 State of the Nation Address: "Let us roll up our sleeves and get down to work, fully understanding that the task to build the South Africa for which we yearn is a common responsibility we all share."

Frank Chikane (Rev.)
Director General



PREFACE

CHIEF OPERATIONS OFFICER



As head of state and government, the President, together with Cabinet, is mandated to lead government in the development, management and execution of policy to the benefit of the people of South Africa.

The Presidency performs leadership, planning, policy coordination and executive management functions in support of the President. The core of The Presidency's strategy is the enhancement of South Africa as a developmental state with a unique continental standing, in which partnerships support the creation of a better life for all.

The Presidency is guided broadly by the Constitution, and more specifically by the Medium Term Strategic Framework (MTSF) and government's Programme of Action.

This annual report accounts for the work of The Presidency, as the apex of government, during the 2007/08 financial year, which ran from 1 April 2007 to 31 March 2008. Above all, it shows that government is hard at work on South Africa's development challenges as crystallised in the MTSF, which covers the current electoral mandate period (2004-2009) and is reviewed annually during the July Lekgotla.

The report focuses on progress made on the targets set out in The Presidency's *Strategic Plan: 2007/08-2009/10*, stressing performance against measurable

objectives rather than an exhaustive review of activities.

Key areas of progress included the following:

- Planning and developing strategic capacity across government
- Strengthening government-wide monitoring and evaluation
- Practical oversight, including the Imbizo programme
- Facilitation and leadership, including support for key economic initiatives and South Africa's continental and international engagements.

During the reporting period, a review of the Programme of Action, government's achievements and their impact on society led to the development of 24 Apex Priorities, which were announced by the President during the 2008 State of the Nation address. Work on these priorities, which are intended to act as catalysts in government's development agenda, will be detailed in next year's annual report.

Central to ensuring the success of government's programme is the need to improve the capacity of the developmental state for integrated and effective service



delivery. This includes strengthening all aspects of government's programme, from planning to implementation, monitoring and evaluation.

The Presidency has stepped up efforts to ensure coordinated planning between national, provincial and local government. This includes alignment between the National Spatial Development Perspective (NSDP), provincial growth and development strategies (PGDSs) and integrated development plans (IDPs) at local level. The Batho Pele (People First) campaign has been rolled out in municipalities to improve service delivery and alignment. Improved monitoring of implementation remains a priority.

Operational processes, policies and systems were reviewed to promote an integrated approach within The Presidency. The risk management unit was established and is fully functional to ensure good governance and strengthen accountability. With the end of term of the President in sight, The Presidency instituted systems that would ensure a smooth transition to a new administration. Although much of this work will continue in the new financial year, it will build on already entrenched systems and procedures. Institutional memory systems have been enhanced to ensure business continuity. Continued

efforts have strengthened the role of the Leader of Government Business.

The Presidency made important progress in terms of strengthening government-wide monitoring and evaluation. Extensive work has gone into developing functional indicators, which were published during the review period.

The Presidency also improved the integration of policy processes, including aligning Cabinet's planning schedule with the parliamentary programme and the planning cycle of government. The Cabinet Office and the Policy Coordination and Advisory Services (PCAS) branches provided strategic, technical and administrative support to the five clusters of the Forum of South African Directors General (FOSAD), which is chaired by the Director General in The Presidency.

Government's Imbizo programme is an outreach initiative that promotes unmediated communication with people, public participation in policy-making and enhanced monitoring of service delivery. This initiative was strengthened to address emerging issues and deepen democratic participation. The Imbizo programme, including the municipal Izimbizo and the recently introduced provincial oversight visits by the Deputy President, perform

an oversight role on governance and its impact on society.

The Presidency has continued to promote economic growth through AsgiSA. The success of this initiative hinges on cooperation with partners in business, labour and civil society. The Presidency has made great efforts to achieve this cooperation.

The Presidency is run efficiently, effectively and transparently, as reflected in the strategic plan and annual report. We continue to move towards an outcomes-based approach with measurable results.

The year under review has been a challenging one both globally and domestically. I would like to take this opportunity to thank the Director General, Rev. Chikane, senior management and all staff of The Presidency for their continued commitment and contribution to the implementation of the constitutional and executive responsibilities of the President, the Deputy President and the Minister in The Presidency.

Trevor Fowler
Chief Operations Officer



THE STRATEGIC AGENDA



SECTION A

OF GOVERNMENT



1

PROMOTING ECONOMIC



The Presidency aims to accelerate progress towards a South African developmental state in which partnerships support the creation of a better life for all. Government's strategic objectives are to enhance social, cultural and economic welfare by:

- Accelerating the pace of growth and the rate of investment in productive capacity
- Supporting interventions to speed up the pace of job creation
- Investing in community services and human development, and providing a progressive social security net
- Improving the capacity and effectiveness of the state, including combating crime and promoting service-oriented public administration
- Building regional and international partnerships for growth and development.

These broad objectives form the foundation of the 2004-2009 electoral mandate, and work in all these areas continues throughout government. The Presidency's *Strategic Plan: 2007/08-2009/10* built on these primary goals, with specific attention paid to focal points for the 2007/08 reporting period. These themes are outlined below.

CHALLENGES IDENTIFIED IN THE MID-TERM REVIEW

The mid-term review of government's achievements pointed to considerable progress.

The economy has moved into a higher growth range, with considerable fixed investment and increased job creation. Government's far-reaching reforms have strengthened South Africa's economic foundation and improved its competitiveness. Poverty is decreasing.

Yet there are serious challenges still to be addressed. Income disparity and other forms of inequality are increasing. Infrastructure has not kept pace with economic growth. During 2007/08, some deterioration in global economic prospects, and rapidly rising food and fuel prices, also began to have some effect on the domestic economy.

Government continues to promote sustainable economic growth, productive investment and the broadening of economic opportunities. Decisive state intervention to promote involvement of the marginalised in economic activity is of the utmost importance. Social assistance



GROWTH AND DEVELOPMENT

grants provide support to those in need and help alleviate poverty, while economic interventions aim to increase the pace of job creation, allowing more South Africans to gain economic independence.

MACROECONOMIC ISSUES

Economic growth, while not an end in itself, is crucial for job creation and essential for building a prosperous society.

The South African economy grew by 5.4 percent in 2006 and 5.1 percent in 2007. The unemployment rate has fallen from 31.2 percent in March 2003 to 23 percent in 2007. About 1.8 million more people are employed in the formal sector than was the case in 2003. A recent *Income and Expenditure Survey* reported that incomes in the poorest 10 percent rose by nearly 80 percent between 2000 and 2006.²

Yet poverty, unemployment and inequality present stubborn obstacles to national progress. External factors such as rising food and fuel prices introduce an additional degree of difficulty in these areas, even as government takes steps to mitigate the effect of such developments on the most vulnerable.

THE ECONOMY: INVESTING FOR GROWTH

The South African economy is the largest on the African continent. From 2004 to 2007, a sustained period of robust economic activity has seen gross domestic product (GDP) growth averaging about 5 percent, with average income per person rising at about 4 percent annually over the same period.

Sound macroeconomic policy has enabled government to increase public spending in recent years to address the challenges inherited from the highly distorted apartheid economy, which entrenched deep economic and social divisions in South African society. It is recognised, however, that more progress is required. A central goal of economic policy is not only to increase economic growth, but to ensure that shared growth benefits all South Africans through increased employment and economic opportunities.

Government has targeted raising the rate of growth to at least 6 percent between 2010 and 2014. The Accelerated and Shared Growth Initiative (AsgiSA), discussed below, aims to stimulate growth by removing the constraints to more robust economic activity. These initiatives are complemented by an industrial strategy and targeted efforts to support small enterprises, lower the cost of doing business and promote investment. Priorities include establishing an investment call centre, speeding up information and

communication technology interventions, and intensifying measures to combat crime.

These programmes will work in harmony with government's anti-poverty strategy.

Over the next five to 10 years the South African economy will benefit from a major capital investment programme. Gross fixed capital investment grew from 16% in 2004, now at 21%, and continues to grow at a faster pace partly as a result of public-sector investment in new economic infrastructure, as well as increased private-sector investment, reflecting confidence in the economy. Investments totalling R482 billion between the 2008/09 and 2011/12 period are being made to build new electricity-generation plants; to upgrade and strengthen railways, ports and pipelines; to upgrade public transport; and to extend the availability of housing and community facilities to marginalised communities.

Economic growth is projected to be averaged for the next three years and is at a somewhat slower pace than in 2008 as a result of global and domestic conditions. However, government's fiscal stance provides a buffer against global financial volatility, and enables it to continue to channel public spending towards fighting poverty, increasing export capacity and enhancing public services.

2 Statistics South Africa, 2008

1. PROMOTING ECONOMIC GROWTH AND DEVELOPMENT



In support of sustainable growth, government has taken steps to reduce currency volatility, contain inflation, ensure efficiency in public spending, improve budgeting and planning, and remove obstacles to public and private investment. The Reserve Bank continues to accumulate foreign reserves, which stood at \$34.4 billion and act as a buffer against volatility. Foreign investment continued to rise during the reporting period. Inflation breached the 3 to 6 percent target range as a result of higher fuel and food prices. This resulted in the Reserve Bank raising interest rates.

In 2006 the state became a nett saver for the first time since 1981, and government has run a modest surplus over the last two financial years. The 2007 *Medium Term Budget Policy Statement* introduced the concept of a structural budget balance as a way to measure cyclical factors contributing to economic growth. By maintaining savings, government has been able to continue raising public spending in core areas – boosting fixed investment and export capacity, creating jobs, fighting poverty and upgrading public services – while providing a cushion in a deteriorating international environment.

ACCELERATED AND SHARED GROWTH INITIATIVE

AsgiSA was developed to support government's commitment to halve poverty and unemployment between 2004 and 2014. It aims to stimulate accelerated growth in the economy through a set of catalytic interventions. More rapid growth will contribute to the creation of quality jobs and the reduction of poverty.

AsgiSA was formally adopted in January 2006 after a consultative process with government departments, organised labour, business and civil society. Six

binding constraints to growth were identified:

- Deficiencies in government's capacity
- Currency volatility
- Low levels of investment in infrastructure and infrastructure services
- Skills shortages
- Insufficiently competitive industrial and services sectors and weak sector strategies
- Inequality and marginalisation, resulting in the inability of people to contribute to and/or share in the benefits of growth and development.

Government continues to work to ensure that the benefits of growth are shared among all South Africans. AsgiSA's success is reliant on partnerships, and in this regard business and labour have played and continue to play pivotal roles in the initiative. The Presidency published a detailed report on the progress of AsgiSA in April 2007.

INFRASTRUCTURE PROGRAMMES

Government's capital investment programme is central to strengthening the country's productive capacity and building a foundation for stronger economic growth in years ahead. These investments, which totalled a projected three year budget of R482 billion, are also necessary to expand and upgrade the basic amenities that all South Africans should be able to enjoy – from water and telecommunications to public transport.

Fixed investment grew at a rate of 14.8 percent in 2007, which resulted in investment rising to 20.6 percent of GDP. This is the highest investment ratio achieved since 1985 and takes South Africa closer to government's target of

investment as 25 percent of GDP by 2014. Government was a few percent below one hundred percent in the eradication of the unsanitary bucket system by the end of 2007/08. The deadline for achieving targets for the eradication of the backlogs in sanitation, water, electricity and the other service delivery areas has been set at 2014, a year ahead of the 2015 deadline for achieving the UN Millennium Development Goals.

The *infrastructure grant to provinces* supplemented infrastructure programmes to reduce backlogs in roads, school buildings, clinics and other infrastructure. In 2007/08, an additional allocation of R2.8 billion to the grant strengthened the EPWP with a focus on rural roads. This is expected to create work opportunities for about half a million people, along with improving access to social services and markets for rural communities.

The largest infrastructure transfer was made through the *municipal infrastructure grant*, which supports integrated development planning, stimulating local economic development and job creation over the medium term. The bulk of the expenditure was on water infrastructure, sanitation and roads. Despite a number of successful projects, however, municipalities did not fare as well as their provincial counterparts due to the shortage of professional, technical and management capacity.

Implementation of the national public transport strategy is gathering pace. The Gauteng Rapid Rail Link, Africa's largest public-private partnership, will begin operating by June 2010. A feasibility study is being completed for the Moloto Rail Corridor Development, which will provide public transport between Siyabuswa and Tshwane. The King Shaka International Airport in KwaZulu-Natal will be completed in 2010. The

South African National Roads Agency Limited has invested in upgrading and maintenance of the road network, and this has included significant job creation, the promotion of SMMEs and work done by black economic empowerment companies.

The *public transport infrastructure and systems grant* supports municipalities and 2010 FIFA World Cup host cities to accelerate planning and establish, construct and improve new and existing public transport infrastructure and systems.

During the reporting period, electricity supply failures arising from a shortfall in generating capacity severely disrupted households and businesses. During the 2008 State of the Nation Address, the President announced a national planning response to this crisis involving all social partners, as well as a national effort to conserve energy. Monitoring of the electricity capacity expansion projects continues to receive high priority, as does the initiative to restructure electricity distribution.

SECTOR INVESTMENT STRATEGIES

The national industrial policy framework identified specific economic sectors with the potential to stimulate growth. They include biofuels, business process outsourcing, tourism and agro-processing. These sectors are labour-intensive, are growing internationally, are well-suited to South African circumstances and are open to opportunities for broad-based black economic empowerment (BBBEE).

In 2007/08 government conducted a systematic review of key sectors and finalised both the industrial policy framework and the industrial policy action plan. The latter provides the basis for enhanced coherence, review and update on a regular basis. At the sectoral



1. PROMOTING ECONOMIC GROWTH AND DEVELOPMENT



level, significant progress continued in business process outsourcing and tourism, although the implementation of the biofuels strategy was delayed by technical concerns. Other important sectoral interventions were also initiated, notably around agriculture and land, construction, steel and beneficiation.

Stronger and more strategic enforcement of competition policy represented a critical achievement in addressing the cross-cutting challenges. In addition, the National Economic Development and Labour Council finalised a report on tariffs in economic infrastructure, and networks for trade negotiations improved, with increased participation by agricultural representatives.

Government remains committed to increasing the participation of black people, in particular marginalised people, at all levels of the South African economy. In early 2007 government published the Codes of Good Practice on Broad-based Black Economic Empowerment. The codes provide standards for the development of BEE, focusing on ownership, management control, employment equity, skills development, preferential procurement, enterprise development and socioeconomic development. During the review period government put the codes into operation.

SECOND ECONOMY INTERVENTIONS

Government aims to help overcome the sharp divisions that exist between the formal and informal sectors in the economy. Without interventions to reduce South Africa's structural economic fault line – what has been characterised as the “first” and “second” economies – economic growth will have limited impact on the marginalised poor.

Unemployment is at the heart of poverty, and while social grants can provide relief, employment creation is necessary to break the cycle. The EPWP and the National Youth Service have created work and improved incomes. Based on its initial successes, the public works programme has been extended to construction of rural access roads, the early childhood development programme, and home- and community-based care.

These measures complement government programmes that promote formal employment, SMMEs and cooperatives, BBBEE, and unlock productive assets through land access, agriculture, agrarian reform and skills.

The AsgiSA annual report for 2007 noted, however, that public employment programmes have a limited impact on poverty. About 1 million people participated in the EPWP between 2004 and 2007, in largely short-term work opportunities rather than full-time jobs.

Steps are being taken to address these deficiencies. To support SMMEs, government has developed a preferential procurement programme to ensure that small enterprises capture a larger amount of government work. Mechanisms are being installed to ensure payment to SMMEs within 30 days.

Support for SMMEs has been consolidated through the Small Enterprise Development Agency and Khula Enterprise Finance. Government has also committed to an agrarian development strategy to promote livelihoods in poor rural regions and contribute to increased food production.

Government addressed a range of regulatory obstacles in 2007, with work on municipal regulations, reducing red tape, labour-market issues and taxation.

Regulatory impact assessment (RIA) processes to evaluate new legislation will also highlight the potential effects of regulations on small businesses. More work to promote innovation in access to credit and financial services needs to be done through the Financial Sector Charter Council.

The Jobs for Growth programme, initiated in 2006, targets women, youth and people with disabilities in rural and peri-urban areas. It aims to support the creation and growth of 300 000 viable enterprises by supporting self-help groups, cooperatives and micro enterprises.



2

IMPROVING THE



Improving the quality of life involves expanding access to basic amenities, housing, health care and education. These interventions are outlined in government's Programme of Action. Government is also reforming the social security architecture to provide greater protection for all South Africans, and intensifying efforts to promote social cohesion and nation-building.

BASIC SERVICES

The provision of basic services, including water and sanitation, remains a top priority. The eradication of the bucket system and the provision of sanitary facilities, including clean drinking water, are included in government's basic services objectives as well as the Millennium Development Goals, of which South Africa is an advocate. According to the UN Development Programme, South Africa is one of few countries in the world that spend more on water and sanitation than on their military budget.

Initiatives to ensure success in this area have taken place primarily under the EPWP, with the added benefit of job creation for young people and for rural communities. By March 2007, the bucket system was eradicated in 81 percent of affected areas. To date there are 1.34 million households still in need of access to basic water services, with access to water services having improved to just over 18.5 million households or 88 percent since 1994.

The central challenge in service provision is the capacity of municipalities to deliver

basic services. Project Consolidate, a government initiative launched in 2004, was designed specifically to unblock service delivery blockages at municipal level, through the collective action of national departments including the National Treasury, Department of Water Affairs and Forestry, and the Department of Provincial and Local Government (DPLG).

The Siyenza Manje programme, hosted by the Development Bank of Southern Africa, assisted municipalities with the implementation of 417 infrastructure projects valued at R4.2 billion. The support offered by this programme has focused on unblocking administrative processes, improving planning, costing and project management. Despite a number of municipalities facing infrastructure delivery challenges, including underspending of infrastructure grants, significant progress has been made.

EDUCATION

Opening the doors of learning and culture is a core goal of South Africa's democracy. Government's commitment to education



QUALITY OF LIFE

is demonstrated by the fact that during 2007/08, 18 percent of government expenditure (excluding interest) went to fund education. In 2007, there were 12.4 million or 98 percent learners attendance at a total of 26 099 ordinary public and independent schools in South Africa, served by 395 452 educators.

The rollout of the no-fee schools programme continued in 2007/08. In 2007, about 5 million learners (40 percent of the total) did not pay school fees, and in 2008 the figure has risen to just above 5 million. About 6 million learners have access to the national school nutrition programme.

Providing quality education is essential to meeting the country's skills needs. An examination of education and skills acquisition shows improvement from 2004, though at a slower pace than desired.

From 2003 to 2007 there was a steady increase in the number of learners passing Grade 12 examinations. Some 45 725 more learners passed the Senior Certificate Examinations in 2007 compared to 2003. As a result of the national strategy for learner attainment, 116 of the 137 schools that performed below 20 percent in the 2006 examination improved their performance in the 2007 examination.

The Dinaledi school initiative provides the opportunity for a targeted response to improve mathematics, science and language competence in public schools.

FET colleges enrolled 62 000 students on National Certificates (Vocational) and met their enrolment targets for 2008. Twelve scarce skills programmes have been introduced at Further Education and Training colleges.

During 2007, weaknesses were identified in the adult basic education programme. These were addressed through the development of the *Kha Ri Gude* (Let us learn) mass literacy campaign, which will reach 360 000 adults and youth in 2008.

SKILLS

South Africa's chronic shortage of skills hinders both growth and effective service delivery. JIPSA is a high-level partnership between government, business and organised labour to accelerate the acquisition of priority skills. It focuses on engineering; town and urban planning; artisan and technical skills; planning and management for public education and healthcare systems; mathematics, science and language competence in schools; and specific skills to support AsgiSA sector strategies.

A number of notable achievements have been registered on the skills development front:

- The Skills Development Amendment Bill was amended and presented to Parliament

- Service level agreements have been signed between the various Sector Education and Training Authorities (SETAs) and the Department of Labour
- The *FET college recapitalisation grant* is funding recapitalisation of 50 Further Education and Training colleges.

The Presidency has been actively involved in the work placement programme, which speeds up deployment of skilled youth. More than 15 000 graduates were placed in 2007/08.

HOUSING AND HUMAN SETTLEMENT

While the delivery of 2.6 million subsidised houses since 1994 has few parallels internationally, the challenge remains to accelerate the supply of housing. The housing backlog is estimated to exceed 2 million units and there are a number of constraints to more rapid rollout. These include demand outstripping supply as people move from rural to urban areas, increasing construction costs, capacity constraints at municipal level, underperformance of emerging contractors, a shortage of well-located affordable land for low-cost housing and delays in servicing sites.

Despite these challenges, government has improved delivery of housing, with 248 850 units constructed during the review period. An agreement was reached



2. IMPROVING THE QUALITY OF LIFE

with the South African Local Government Association to place a moratorium on the sale of land that can be made available for the housing programme. A Housing Development Agency was established to acquire, prepare, hold and make land available for housing.

Strategies are in place to accelerate delivery beyond this figure in the coming years. These include a once-off injection of resources, efforts to manage escalating material costs and options for affordable rental stock.

The *integrated housing and human settlement development grant* supports the establishment of habitable, stable and sustainable human settlements and the progressive eradication of informal settlements. This includes the urgent extension of basic services to informal settlements where there is a reasonable prospect of upgrading in the future.

To improve national energy efficiency, the National Electricity Response Team is considering amending housing regulations and specifications to make energy efficiency initiatives mandatory and to promote solar heating.

LAND REFORM AND RESTITUTION

Land reform and restitution are crucial for economic growth and transformation.

The state has played a central role in land reform and post-settlement support. Government has also been hard at work to complete outstanding restitution claims. Most of the 79 696 land claims have been settled. As of January 2008, 5 027 complex rural claims were unresolved. Strategies to address the outstanding claims have been devised.

The Department of Land Affairs is reviewing the willing-buyer willing-seller principle due to possible manipulation of prices. A submission has been prepared for approval in this regard.

By January 2008 the *comprehensive agricultural support programme* had provided support to 37 230 land reform beneficiaries spread across the nine provinces to help new land owners build sustainable enterprises.

HEALTH

Government envisions a society in which all South Africans have access to affordable and quality health care. Through the Department of Health, government has continued to improve access to health care for all.

During 2007/08, 11.8 percent of government expenditure (excluding interest) was allocated to fund health. Health infrastructure spending has grown rapidly, with a major focus on hospital revitalisation. This has included investment in upgrading buildings, purchasing medical equipment, and improving the quality of care and hospital management.

Accelerating the achievement of the goal of health for all included intensified implementation of the National Strategic Plan on HIV and AIDS and ensuring that all tuberculosis patients received treatment. There was significant progress made in addressing HIV and AIDS. During 2007, 183 349 new patients were initiated on antiretroviral therapy, exceeding the national strategic plan target of 120 000. Some 12 911 children (the strategic plan target was 17 000) started antiretroviral therapy. Of the more than 889 000 people needing antiretroviral drugs based on the Actuarial Society of South Africa model, 47 percent (422 593) received treatment by the end of 2007, exceeding the target

of 30 percent. The preliminary results of the Annual HIV and Syphilis Survey for 2007 showed a 1 percent decrease in the prevalence rate from 29 percent.

IMPROVING SOCIAL SECURITY

Government's long-term goal is the development of a comprehensive system of social security. A government task team is assessing various reform proposals that will, over the medium term, help provide the foundation for a revamped social security system.

Social grants and the subsidisation of public services have significantly reduced

the extent and depth of income poverty. Government has continued to expand the provision of social grants as part of providing relief for South Africa's poorest and most vulnerable citizens. As of April 2007, the majority of recipients were receiving child support (7.8 million), old age (2.2 million) or disability grants (1.4 million).

The Department of Social Development is working closely with the Department of Home Affairs to ensure that all those eligible for grants have the necessary documents.

TOWARDS COMPREHENSIVE SOCIAL SECURITY

Ending poverty and reducing inequality are central targets of government policy. Over the past decade, in keeping with these objectives and alongside efforts to boost job creation, government has prioritised efforts to expand the social assistance safety net.

The number of beneficiaries has grown from fewer than 3 million in 1997 to more than 12 million in 2008.

While a comprehensive social security reform proposal is being prepared, government has already taken a number of progressive steps:

- Social grants are provided to the most vulnerable, with particular emphasis on older persons, children and those with a disability.
- The South African Social Security Agency has been established to

consolidate the administration of social grants.

- Statistics SA is consulting widely to design a poverty line for South Africa based on international standards. This will help government to better understand the nature and extent of poverty in the country, and to design targeted interventions.
- The qualifying age for old age grants is being reduced to 60 for men. (The qualifying age for women is already 60.)
- A series of proposals are under consideration to reform the retirement fund market, in part to ensure that more South Africans reach retirement age with adequate savings.

The task team preparing comprehensive reform is also assessing related measures that would help to stimulate investment and economic activity.



3

IMPROVING GOVERNANCE



PROMOTING SOCIAL COHESION, NATIONAL IDENTITY AND COMMON VALUES

Making progress towards a non-racial, non-sexist democracy, which in the words of the Constitution “belongs to all who live in it, united in our diversity”, requires increasing social cohesion.

Research conducted by The Presidency (*A Nation in the Making – A discussion document on macro-social trends in South Africa, 2006*) points to increasing levels of social cohesion and pride among South Africans. Obstacles identified are the legacy of inequality, migratory trends, crime and racism. The continued division of the country into “two economies” – one formal, the other informal – reinforces the obstacles to greater social cohesion. The challenge in this regard is to support continuing progress while at the same time addressing the needs of the poorest of the poor.

Programmes relating to the creation of a national identity are focused on strengthening a sense of belonging. In addition to a campaign on national symbols, a pledge based on the preamble to the Constitution will be introduced to be recited every morning in all schools. South Africa’s preparations for the 2010 FIFA World Cup are also being used to promote national identity. Efforts are under way to stimulate interest in South African art, film, music, fashion, literature and poetry.

Government seeks to promote and reinforce the national values that find expression in the Constitution. The Moral Regeneration Movement – conducted in partnership with civil society – promotes human rights, ethical behaviour and constitutional values such as dignity and respect at a grassroots level. This initiative is led by the Deputy President.

More can be done to promote our national values. Government plans to collaborate with civil society organisations to promote discussion and debate on South African values and how to foster a more caring society.

STRENGTHENING THE PUBLIC SERVICE

Government seeks to develop the capacity of the state at all levels to improve service delivery, and to increase the efficiency and efficacy of the public service. Some of the initiatives include the filling of vacant posts, particularly at management and professional levels across the three spheres of government, and the introduction of occupation-specific dispensations for certain categories of public service professionals. The basic purpose of these dispensations is to ensure that conditions and terms of service are improved so that government retains professionals and attracts more people who possess required skills.



AND CAPACITY

IZIMBIZO: DEEPENING DEMOCRACY

In 2000, government introduced the Imbizo programme as a form of direct communication with the people, to build connections with communities and to advance participatory governance.

Since 2000 this programme has been a regular feature of government's work. Izimbizo have helped to popularise the Programme of Action and to build partnerships in support of this programme; to strengthen integrated development planning by involving communities in the planning, budgeting and implementation of development projects; and to reinforce accountability of politicians and officials.

During the first phase of the campaign, the President and Deputy President participated in 31 three-day Izimbizo campaigns in all the nine provinces. Informed by proposals from communities during these meetings, government appointed community development workers and established the Small Enterprise Development Agency. These events also underlined weaknesses in local government's capacity to deliver critical services. Consequently, the second phase of the campaign, which began in

2005, focused on service delivery by local government.

Issues raised during Izimbizo are referred to provincial governments for resolution by provinces and municipalities. During phase two, 37 percent of the issues raised were resolved. In response to this low rate of resolution, monitoring, reporting and evaluation systems were established. These systems prioritise issues and indicate the level at which interventions are required. Data revealed that 50 percent of issues could be resolved fairly quickly, with an estimated 44 percent of issues resolvable at district level.

The Imbizo programme is a catalyst to ensure that government responds to the needs of the people. As such, the third phase of the programme, which began in 2007, aimed to improve government's responsiveness through a solution-driven approach. Systems have been adopted that increase coordination between stakeholders, improve communication – including feedback to the community after an Imbizo – and to enhance monitoring, reporting and evaluation systems to track progress on issues raised at these forums.

Programmes are also being implemented to improve the physical, safety and health environment for public servants. A concerted effort is being made to position human resource management in the public service to enable it to respond efficiently to the strategic imperatives of government. Work is also underway to reposition the new Public Administration Leadership and Management Academy (formerly SAMDI) to ensure that it responds to capacity challenges in the public service by organising appropriate training programmes.

While progress has been made, inadequate organisational capacity and lack of cooperation and coordination, particularly at provincial and municipal levels, impede public-service delivery. These factors often translate into inadequate planning and poor administration.

One concern has been policy alignment between national, provincial and local government. To address this, the programme to align the NSDP, PGDSs and IDPs has continued. In addition, the Batho Pele campaign has been rolled out at local government level.

Project Consolidate and Siyenza Manje work to alleviate capacity challenges at local government level. Through these initiatives, government collaborates with the private sector to provide technical assistance, such as locating experienced

3. IMPROVING GOVERNANCE AND CAPACITY

engineers and managers for identified weak municipalities. Government is also implementing a Five-Year Local Government Strategic Agenda, the purpose of which is to bolster the capacities of municipalities so that they can effectively deliver services to the people.

Progress towards the creation of a single public service has also advanced. One of the objectives of this initiative is to ensure that there is easy mobility across the spheres of government to respond to capacity challenges. Legislation for the single public service has already been introduced into Parliament.

PLANNING, MONITORING AND REGULATORY IMPACT

In February 2007, Cabinet approved the introduction of regulatory impact assessment – a methodology to improve the quality of regulation by reviewing the potential effect of proposed legislation and regulations. A two-year pilot is under way.

Government has also worked to overcome the mismatch between spending plans and implementation. A greater focus on monitoring and evaluation, accountability, legislative oversight and planning for infrastructure-related projects has resulted in tangible improvements. During the review period an infrastructure monitoring system was developed and is housed in The Presidency. Weaknesses remain largely at the level of local government, where capacity constraints continue to hamper delivery.

During 2006/07, government announced initiatives to improve the use of public resources to deliver better value for money. This includes efficiency savings by government departments and reporting on outputs in a transparent way.

GOVERNMENT-WIDE MONITORING AND EVALUATION SYSTEM

Monitoring and evaluation (M&E) is essential to sound and efficient planning and implementation. The development of the government-wide monitoring and evaluation (GWM&E) system, initiated by Cabinet in 2005, is a key milestone in public-service reform that enhances transparency and accountability, consistent with international practice.

A series of policy frameworks form the coordinated policy platform for the GWM&E system. These include the GWM&E policy framework developed by The Presidency, the programme performance information framework developed by the National Treasury and a statistical quality assurance framework developed by Statistics SA.

Government has developed a number of key M&E products.

- **Development indicators:** The Presidency publishes a set of core development indicators annually as evidence-based pointers on South Africa's evolution. For each indicator, the publication describes the policy goal of government, offers a trend analysis indicating specific interventions, supplies a data table and graph (where applicable), and provides the definition, data source and notes on calculation.
- **Public management watch:** Although not yet public, the Department of Public Service and Administration (DPSA) releases a

quarterly public management watch based on 13 categories of personnel data (e.g. turnover rates, replacement rates, vacancy rates, leave trends etc), augmented by two categories of in-year expenditure data (e.g. compensation of employees and expenditure on goods and services), as well as indications of the audit outcomes of national and provincial departments.

- **Performance indicators:** The National Treasury maintains an extensive system of reporting on the performance indicators per expenditure programme for provincial departments. This set of about 500 non-financial performance indicators is published in the Provincial Expenditure Review. Although the data quality still needs to improve, making the data publicly available is a first step. Ultimately, this data will be published on a quarterly basis.
- **Programme of Action:** Starting in 2005, an information management system was developed as a central repository for updated information on the implementation of government's priority programmes as announced in the annual State of the National Address. Progress on the implementation of these priorities is reported to Cabinet every two months thereafter, the progress is published on the government website on www.gov.za. The system is managed by the PCAS unit in The Presidency.

BUILDING SAFER COMMUNITIES

A core objective of government is to reduce the level of crime. Since 1994, particular attention has been focused on “contact crimes”, or crimes against the person; on targeting law enforcement activities in priority police station areas; and on reducing the circulation of illegal firearms and illegal drugs, both of which are factors that contribute to the violent character of much crime in South Africa.

The 2007/08 crime statistics revealed a decrease in all contact crimes, with the murder figure at its lowest level since 1994/95.

During the review period government worked to establish enduring partnerships with organs of civil society to contribute to building safer communities. Of particular importance are partnerships with the business community and the National Religious Leaders Forum. These initiatives are coupled with interventions intended to ensure that community police forums are better organised and more effective.

Government continued to increase the number of police officers, reaching its target of enlisting an additional 11 360

members, while expanding detective training. Despite the progress in the review period, crime remains unacceptably high. A frank assessment of the criminal justice system indicates structural challenges that result in competing priorities that undermine the success of the criminal justice system. As a result Cabinet agreed to a review of the criminal justice system, the outcomes of which will be implemented in the current year.

Initiatives in the justice and crime prevention sector are reflected in a number of the Apex Priorities approved by Cabinet. These include reducing the levels of crime by 7-10 percent a year; implementing the review of the criminal justice system, including the need to reduce the backlog of cases pending trial and/or finalisation; improving communication; and implementing the military skills development programme of the South African National Defence Force.

Government continued to give attention to improving border control; fighting transnational organised crime and streamlining integration among state entities with responsibilities in this area; enhancing national security; and improving coordination across national, provincial and local government.



4

A BETTER AFRICA AND



Government seeks to position South Africa strategically as an effective force in global relations. Within this overarching objective are the specific goals of promoting south-south relations and conditions of peace, stability and prosperity on the African continent, post-conflict resolution in Africa and the transformation of multilateral institutions.

South Africa plays an integral role in efforts aimed at resolving conflicts and ensuring post-conflict reconstruction. Years of diplomatic work have helped to renew hope in countries such as the Democratic Republic of Congo.

As appointed by the SADC, South Africa has led the facilitation of dialogue between the political parties in Zimbabwe. A major outcome of the facilitation was the amendment of that country's constitution, electoral, media and security legislation to create an environment conducive to the holding of free and fair elections. As a consequence of this achievement, the first round of harmonised presidential, parliamentary and local government elections, held on 29 March 2008, was declared to be a transparent and credible expression of the will of the people by the AU and the SADC. The facilitation of dialogue between the parties continued after the 29 March vote to address challenges that ensued thereafter, leading up to the presidential run-off. These efforts aimed to ensure a permanent and lasting solution that includes addressing the country's economic crisis.

South Africa's engagements with the Group of 8 industrialised countries continue to bear fruit. These discussions have, among other things, resulted in a joint declaration by Germany (in its capacity as G8 president), Brazil, China, India, Mexico and South Africa, in which the parties commit to embark on a high-level dialogue on specific challenges proposed by the G8 (Heiligendamm Process). These structured discussions will lead up to the G8 summit in Italy in 2009, at which point the parties will review progress made on promoting cross-border investment to our mutual benefit; promoting research and innovation; development, particularly in Africa; and sharing knowledge for improving energy efficiency.

South Africa participates in the AU-led effort to achieve African political and economic integration and champions the strengthening and implementation of NEPAD. South Africa's participation in the global governance system has the aim of ensuring an equitable and rules-based global system that benefits all peoples and of promoting the reform of multilateral institutions, including the UN, the International Monetary Fund and the World Bank.



A BETTER WORLD

WORKING FOR PEACE AND RECONSTRUCTION IN THE DRC

South Africa continues to play a key role in efforts to secure peace and post-conflict reconstruction in the Democratic Republic of Congo (DRC).

THE SUN CITY AGREEMENT

South Africa's facilitation of intra-Congolese dialogue led to the signing of the Sun City agreement in December 2002. The accord outlined a process towards the establishment of transitional government in 2003, followed by general elections two years later.

The first milestone following the conclusion of the Sun City agreement was a referendum on the DRC's new constitution in December 2005, approved by 84 percent of the population.

ELECTIONS

South Africa assisted in the organisation of the historic democratic presidential and parliamentary elections held in July 2006 by providing funding; deploying election observers; and procuring, printing and transporting ballot papers. The assistance extended to the presidential run-off election held in October, 2006. South Africa also assisted during the election

for senators and provincial governors in January 2007, deploying an observer mission.

UN MISSION IN THE DRC

South Africa is part of the UN Mission in the DRC (MONUC) established to facilitate the implementation of the 1999 ceasefire agreement known as the Lusaka Accord. South Africa has 1 268 personnel deployed in MONUC to assist in the integration of the army and in small-scale development projects.

POST-CONFLICT RECONSTRUCTION AND DEVELOPMENT

In January 2004, South Africa and the DRC signed an agreement to promote political, economic and social cooperation. The agreement established a bi-national commission. South Africa participates in a number of cooperation projects in the DRC under various agreements covering defence and security, politics and governance, finance, economy, rule of law and human rights, political governance, defence and security and humanitarian assistance.

Examples of this cooperation include the following:

- During February 2008, South Africa's Department of Education hosted a high-level delegation from government and universities in the DRC.
- South Africa is working with the DRC, Botswana, Namibia and Angola on the Westcor Project, which will harness hydro resources to generate bulk electricity for the five countries.
- South Africa continues to encourage a political solution to the situation in the east of the DRC and has been mandated to monitor the implementation of the Nairobi Communiqué between the DRC and Rwanda.
- The Department of Defence continues its support to the DRC Defence Force in terms of the registration of soldiers and the integration process. It also assists in the training of the newly integrated units and the provision of essential basic services by the military.
- Several priority areas have been identified to improve governance and administration. These include the implementation of a national anti-corruption framework, the establishment of a school on public administration and its de-centralisation.

4. A BETTER AFRICA AND A BETTER WORLD



The Presidency actively participates in efforts to intensify economic diplomacy and communication to increase direct investment, improve access to global markets and improve South Africa's image abroad.

South Africa's international engagements are covered in detail elsewhere in this report. Highlights during the review period included:

- The 40th anniversary of Mauritian independence, attended by the President
- An official visit to China by the Deputy President, who co-chaired the South Africa-China bi-national commission with Vice-President Zeng Qinghong
- An official visit to South Africa by French President Nicolas Sarkozy
- The President's participation in the Grand Debate on the Union Government of the AU
- The launch of the Pan African Infrastructure Development Fund using African pension funds
- Presentation of South Africa's African Peer Review Mechanism Country Review Report and the National Programme of Action to the African Peer Review Summit Forum in Accra, Ghana
- Hosting of the India-Brazil-South Africa (IBSA) Summit.

5. CONCLUSION

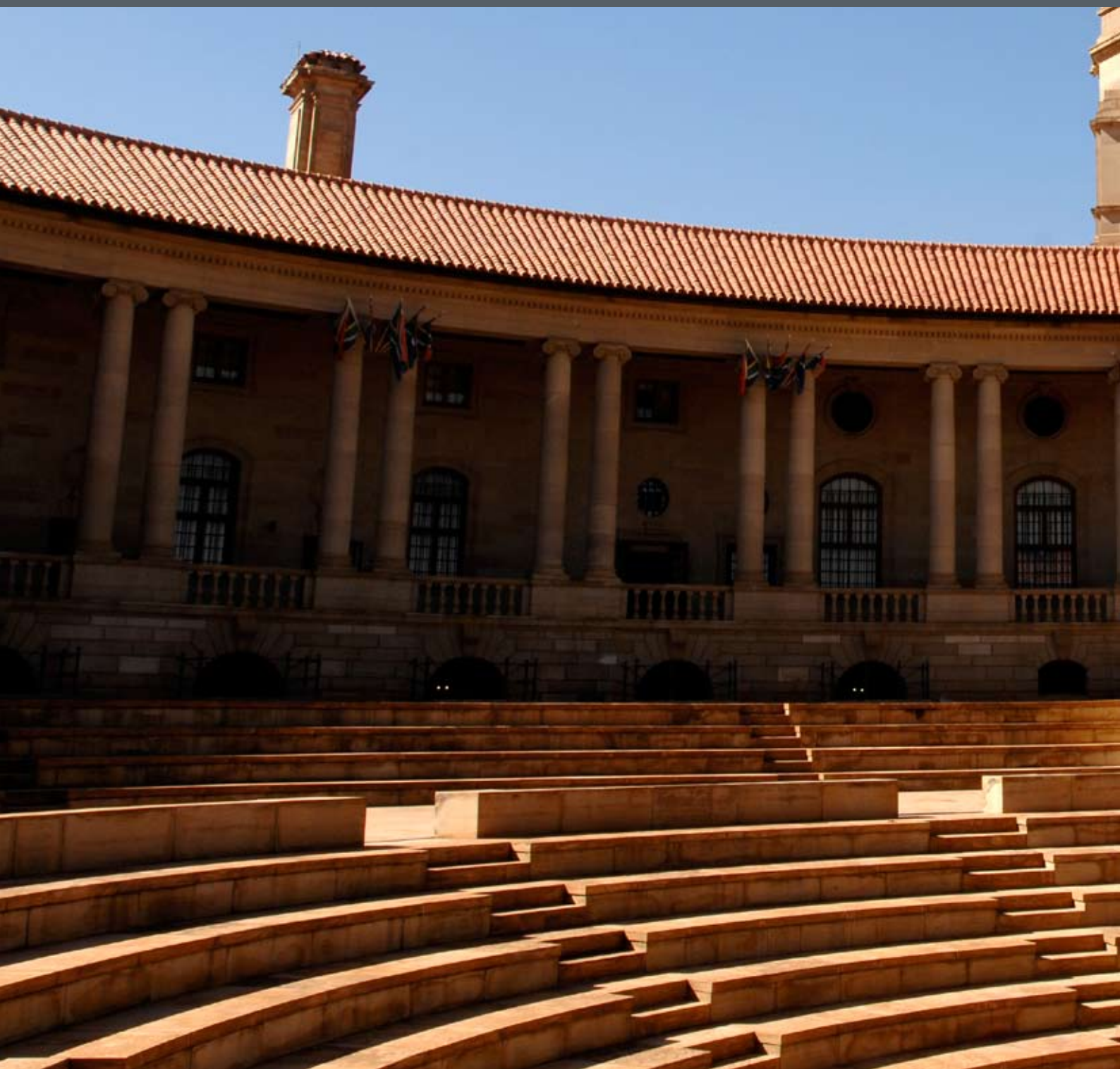
The annual report seeks to account for the work in The Presidency and government as measured against The Presidency's *Strategic Plan: 2007/08-2009/10*. Much of the work is cumulative, with each year's programmes building on the achievements of the previous year. It is for this reason that the theme for the year under review is "Renewing our pledge: a national partnership to build a better life for all."

Government remains committed to the objectives of more rapid economic growth and poverty reduction, non-racialism and non-sexism. The review period saw the strengthening and refinement of government's work to accelerate shared economic growth and investment,

increase the pace of job creation, invest in community services and human development, improve the capacity of the state and build regional and international partnerships.

The next section of the report focuses on work done by The Presidency to meet its strategic objectives and describes the core functions of component branches. Section C assesses programme performance and achievements against measurable objectives. Section D provides an overview of the human resources base in The Presidency. Section E presents the annual financial statements and the report of the Auditor-General.







SECTION B

THE WORK OF THE PRESIDENCY



1

STRATEGIC ACHIEVEMENTS



This section provides an overview of the work of The Presidency to achieve government's agenda during the review period. It emphasises progress in realising strategic objectives rather than reporting on activities.

The Presidency has a mandate to lead, manage, plan, coordinate, facilitate, oversee and communicate the strategic agenda of government, and is structured to serve its purpose as effectively and as efficiently as possible. During 2007/08 this work was organised and carried out through six branches:³

- Strategy and Operations (which includes the offices of the Director General and the Chief Operations Officer)
- The Private Office of the President
- The Private Office of the Deputy President
- Communications
- The Cabinet Office
- Policy Coordination and Advisory Services.

Descriptions of the core objectives of each branch and their component *units* (italicised below) are provided after this section.

THE PRESIDENCY'S STRATEGIC OBJECTIVES

- To strengthen strategic management and leadership capability to achieve greater organisational cohesion
- To improve management, access and sharing of information
- To coordinate, monitor, evaluate and communicate government policies and programmes and accelerate integrated service delivery
- To foster nation-building and social cohesion to give effect to the People's Contract
- To promote the integrated approach to governance for accelerated service delivery
- To support, develop and consolidate initiatives for building a better Africa and a better world
- To promote accelerated and shared economic growth and development with emphasis on the Second Economy and social inclusion.

³ At the end of 2007/08 the Private Offices of the President and the Deputy President were merged, and in 2008/09 there are five branches.



STRENGTHENING STRATEGIC MANAGEMENT AND LEADERSHIP CAPABILITY

The Presidency works to ensure alignment between the strategies and plans of action for national, provincial and local government and organs of state with policy priorities and government's electoral mandate. The Presidency coordinates and facilitates the development of strategic management and leadership capacity and capability in government.

Government annually reviews the MTSE, which articulates its strategic agenda for the electoral mandate period. The Presidency is centrally involved in the process of updating the MTSE, which serves as a guide to budgeting priorities and the MTEF. In preparation for the January 2008 Cabinet Lekgotla, The Presidency's PCAS collected, analysed and summarised all national departmental end-of-year reports and assisted in finalising the Programme of Action updates. The Presidency worked closely with the FOSAD clusters to develop the 24 Apex Priorities.

Within The Presidency, the Strategy and Operations branch ensured alignment between the 2007/08 *Strategic Plan* of The Presidency, the Programme of Action, the MTSE and the *Estimates of National Expenditure*. The Branch facilitated the alignment of the Strategic Plan with operational plans and met the 2008/09 target of 80 percent alignment with individual work plans during 2007/08.

The Presidency commissioned a comparative study on medium-to-long term planning in six developing countries to learn about their experiences with national development planning and to determine whether these could be of benefit in strengthening South Africa's planning capacity. The countries studied were Brazil, India, Malaysia, South Korea, Chile and Tunisia. Informed by the case studies, The Presidency proposed that South Africa develop a national strategic plan – a proposal accepted by Cabinet. The Presidency's PCAS is drafting an operational plan for the January 2009 Cabinet Lekgotla.

The *Office of the Director General* in the Strategy and Operations branch coordinated meetings of top management and the Advisers' Forum, both of which are chaired by the Director General and discuss cross-cutting issues that affect the strategic management of The Presidency. The Advisers' Forum includes the advisers to the President, Deputy President and Minister (see Tables 15-18), parliamentary counsellors and senior staff of The Presidency. The Presidency is developing a system to ensure that the information shared by advisers is recorded to ensure institutional memory.

The Presidency made efforts to align Cabinet's planning schedule with the parliamentary programme and the planning cycle of government. This improved the coordination and efficiency of Cabinet's management of the 127 Cabinet and

associated Cabinet committee meetings conducted during the period. The strategic planning *Makgotla* in July 2007 and January 2008 took place as scheduled. A framework to ensure strategic focus for each *Lekgotla* was developed in conjunction with PCAS for the July *Lekgotla*, with a focus on the Apex Priorities. These frameworks inform the FOSAD planning workshops, which are held in preparation for the respective *Makgotla*.

The Presidency consolidated the departments' legislative programmes into an annual legislative programme, which Cabinet reviewed, prioritised and approved for submission to Parliament to ensure consideration of priority bills. The workflow of the legislative process was analysed and a report was submitted to the Leader of Government Business with a view to improving the coordination and flow of legislation from departments through Cabinet to Parliament.

A guideline for the improved management of the legislative process has been completed to facilitate alignment with government's mandate.

The Presidency's aligned planning schedule was an effective tool for the coordination of departments' work relating to the Cabinet. An electronic template for preparing Cabinet memoranda for the attention of Cabinet committees and Cabinet ensured standardised reporting and improved the quality of submissions. A Legislative Drafters Forum was established under

1. STRATEGIC ACHIEVEMENTS



the auspices of The Presidency. The Presidency and DPLG worked on the intergovernmental relations framework.

The *Office of the Director General* and PCAS provided strategic and administrative support to the Director General in his role as the chair of FOSAD. The *FOSAD secretariat and corporate support services* unit is responsible for the FOSAD secretariat, coordination of FOSAD management committee meetings and various other engagements. The units coordinated the fortnightly and monthly meetings of FOSAD clusters to address broad issues of policy, and planning and implementation of policies and programmes in an integrated, coordinated and cooperative manner. They coordinated cluster policy support to the ministerial Cabinet committees and Cabinet *Makgotla*.

The Presidency's PCAS worked to ensure alignment between the NSDP, provincial growth and development strategies and local integrated development plans. Each province reviewed its PGDS to incorporate more explicitly the mechanisms and approach of the NSDP. The *planning* unit in PCAS completed pilot work in 13 districts aimed at applying the NSDP within district and metropolitan planning processes, and extended this work to another 10 districts. It also initiated planning for a roll-out to remaining districts over a two-year period. The Presidency convened a Steering Committee to facilitate aligned planning processes across levels of government.

The Presidency has faced challenges in finding people with the requisite skills in certain areas, but during the review period made substantial progress in reducing the vacancy rate, from 25 percent to 16 percent (see Table 2.1 in Section D). During 2007/08 The Presidency met the national target of two percent for the appointment of people with disabilities, and women held 50 percent of senior management positions. The Presidency remains committed to gender equity and achieved the target of 50 percent of women in senior positions before

2009. The *human resource management* unit ensures that The Presidency has the necessary human capital to implement its strategic mandate. It has developed an integrated human resource management and development strategy, and a human resources services delivery model. Work has also progressed on the further development of The Presidency's business continuity strategy which includes a plans for institutional memory and information security.

Besides meeting its responsibilities, the major achievements of the *legal and executive services* unit in 2007/08 were the drafting of the legal and executive services policy, procedure and processes, as well as the legal compliance policy.

The Presidency works in a tightly controlled regulatory environment. The management of the organisation is efficient, effective and transparent, as reflected in the production of the annual strategic plan and annual report. The Presidency continues to improve its outcomes-based approach with measurable results as required by the Public Finance Management Act.

IMPROVING MANAGEMENT, ACCESS AND SHARING OF INFORMATION

The Presidency worked to improve management, access and sharing of information as well as effective communication with internal and external stakeholders through integration and coordination of information flow and information management systems within The Presidency.

The Communications branch of The Presidency plays a key role in realising this strategic objective. During the review period the Deputy Director General post for the branch was vacant. The creation of additional units, such as the *public participation* unit, and appointing additional staff members boosted the capacity of the branch. The branch was able to develop and adopt an integrated

Presidency communications strategy aligned to that of government; prepare draft public relations and knowledge management strategies; and develop a public participation policy and an events management protocol.

In the fourth quarter of 2007, a review of this branch's performance was conducted to improve management, access and sharing of information, and to inform changes to the operational plan for 2008/09.

Internal communications produces a quarterly in-house newsletter titled *Introspection* to keep Presidency staff up to date with current issues. In 2007, an internal communications strategy was developed and aligned to the integrated Presidency communications strategy.

During 2007, the *website* unit began disseminating a daily e-notice informing staff in Pretoria and Cape Town of the latest developments. This service, along with The Presidency's intranet, supports greater organisational cohesion.

On the technical side, the *IT and knowledge management* unit in the Strategy and Operations branch is responsible for implementing, maintaining and upgrading computer equipment and systems. Improvements to the IT infrastructure during 2007/08 included the upgrading of the file server environment with the latest proven technology, implementation of a storage area network and a disaster recovery solution to ensure business continuity. A system to manage and control changes to hardware, software, system components, services, documents and processes was also developed.

The Minister in The Presidency, Essop Pahad acts as executive authority for the GCIS and related institutions. One of these is the Media Development and Diversity Agency and is responsible for ensuring that the Media Development and Diversity Agency Act (14 of 2002), is implemented. The agency aims to enable historically disadvantaged communities and persons not adequately

served by the media to gain access to the media. During the reporting period the agency held engagements with strategic stakeholders such as the communications regulatory authorities and government communicators.

During the year under review The Presidency received six requests in terms of the Promotion of Access to Information Act (2 of 2000). All requests were dealt with in accordance of the Act by either the Deputy Information Officer or the relevant authority. No requests resulted in a court application as a result of a refusal or non-compliance with the Act. The Presidency has put in systems that will ensure compliance with the Act.

The Independent Commission for the Remuneration of Public Office Bearers which is administratively attached to The Presidency was placed on a firmer footing. The commission's annual report was published in 2007.

COORDINATION, MONITORING AND EVALUATION FOR ACCELERATED SERVICE DELIVERY

In line with government's shift towards a performance approach that stresses outcomes, The Presidency has prioritised the development and maintenance of a coordinated government-wide monitoring and evaluation system. Efforts have included developing a standardised, institutionalised and effective M&E framework and policy platform. An effective strategy and mechanism for pro-active communication of policies and programmes has been initiated with Government Communication and Information System (GCIS).

During the review period The Presidency coordinated monitoring and evaluation visits to the nine provinces (see Table 9b). The Deputy President led delegations of ministers and senior government officials in structured interactions with extended



Joel Netshitenzhe
Head

Policy Coordination and Advisory Services

1. STRATEGIC ACHIEVEMENTS



Provincial Executive Committees. In these day-long meetings, Premiers and MECs presented the provincial programmes of action in the context of the MTSE. Successes and constraints in service delivery were highlighted and solutions sought. Departments participating in these oversight visits were tasked with following up on the issues raised under the leadership of relevant Ministers and MECs. Discussions are under way to explore the possibility of institutionalising this function beyond the current term of government.

The Presidency, through the *Office of the Deputy President* and PCAS, coordinated various inter-ministerial committees monitoring progress and tracking implementation of Second Economy interventions, AsgiSA and JIPSA, and the 2010 FIFA World Cup process, in addition to numerous inter-departmental meetings facilitated by the Deputy President.

The Presidency, through the Leader of Government Business, the Deputy President facilitated the interface between the executive and the legislative arms of government. The formulation and implementation of the annual legislative programme was central to this responsibility. The increased number of bills going through Cabinet (see Table 14 at the end of this section) necessitated the formulation and piloting of a business process to improve communication and coordination between the executive and the legislature. Eventually, the management of the legislative programme will be institutionalised and its effectiveness objectively measured. Dedicated capacity to oversee this work is housed in the Cabinet Office.

As a result of the more focused support given to the Leader of Government Business and the development of appropriate guidelines, there have been improvements in streamlining the annual legislative programme to support policy priorities. All quarterly reports on the legislative programme for monitoring compliance by departments were submitted to Cabinet. Although

not all departments adhered to the submission schedule, there has been an increase in compliance with deadlines by departments.

An annual monitoring assessment report was submitted to Cabinet to enable prioritisation of bills for the following legislative cycle. The monitoring of bills in relation to their submission to the Cabinet and to Parliament has been enhanced. The *Cabinet Office* of The Presidency is preparing a schedule of activities, programmes and systems that have evolved to ensure business continuity.

The *government-wide monitoring and evaluation* (GWM&E) unit within PCAS provides leadership for the GWM&E system through the development and coordination of various policy instruments and development indicators. In 2007, a GWM&E initiative established a policy platform outlining detailed data improvement strategies by sector.

The Presidency has undertaken extensive work to strengthen the measurement of government's progress in achieving a better life for all, and this resulted in the publication and distribution of 20 000 copies of the *Development Indicators Mid-term Review* during 2007. This booklet, which provides a comprehensive overview of government delivery and socioeconomic conditions, is scheduled to become an annual publication.

The information management system for the Programme of Action acts as a central repository for updated information on the implementation of priority programmes of government as announced in the President's annual State of the Nation Address. Cabinet monitors progress in the implementation of these priorities through reports received on a bi-monthly basis. PCAS designed an in-house early warning system, drawing on existing data, to alert policymakers to targets that are not met. A web-based system was tested and will be automated in 2008. The Presidency developed a comprehensive report incorporating series of indicators

that assess the functionality of national departments.

Cabinet mandated The Presidency to coordinate a 15-year review to evaluate government's progress since the advent of democracy in 1994. During 2007/08, 50 research papers were drafted by government and external researchers on various areas of policy. The papers promote public reflection on progress and problems faced by the democratically elected government. These will be publicly available after publication of the review.

Additional achievements include the development and publication of a national M&E framework. Two additional Programme of Action cycles were programmed and automated. A learning network for M&E practitioners was launched with 300 participants and international speakers. A draft concept note on coordinated geographic information system in government was also developed.

The National Youth Commission (NYC) is a statutory body enacted by the National Youth Commission Act (1996, as amended in 2000). It reports to the Minister in The Presidency. Its mandate is to coordinate youth development activities; develop a national youth policy; advocate for youth; develop guidelines and recommendations on youth-related matters; monitor implementation of youth policies and programmes; and promote youth development by government, civil society and the private sector.

The NYC contributed to the establishment of an interdepartmental committee on youth affairs, which helps to ensure a coherent and integrated approach to youth issues. In July 2007 the commission, under the guidance of the Minister in The Presidency, appointed a CEO and CFO. The NYC is leading the process of developing a national youth policy. Various factors have, however, hindered the commission's ability to deliver effectively on its mandate. These include lack of structural and operational independence, legislative limitations

and inadequate resources. In addition, there are frequent claims by young people that the NYC is not visible nor accessible enough, and that its mandate and functions are unclear. Some of these assertions were confirmed by Parliament's 2006 report on Chapter Nine institutions, which made a range of recommendations to improve the effectiveness and efficiency of the commission.

FOSTERING NATION-BUILDING AND SOCIAL COHESION

The Presidency provided leadership and facilitated participatory governance systems that contributed to the mobilisation of society to engage in collective action with the state towards the achievement of its goals.

Contributions to this strategic objective were registered through a number of special projects overseen by the Deputy President, including the Moral Regeneration Movement, the South African National Aids Council (SANAC), matters related to traditional, cultural, religious and linguistic affairs, the 2010 FIFA World Cup and youth development.

The Moral Regeneration Movement is a national campaign that seeks to create a moral vision for the country, and to engender collective responsibility to reclaim the nation's social and moral values to bring about the caring society envisioned in our Constitution. During the review period the Office of the Deputy President promoted a range of moral regeneration activities. The board of the Moral Regeneration Movement produced a programme of action that is being reviewed by the Department of Arts and Culture to improve focus and identify resource needs.

Traditional leadership is recognised as an important repository of South Africa's cultural heritage. The Deputy President executes her political oversight over selected traditional leaders' affairs in collaboration with the DPLG. The focus





1. STRATEGIC ACHIEVEMENTS



of her engagement with traditional leaders has been on service delivery, economic growth and moral regeneration. The Deputy President visited traditional communities in QwaQwa (Free State), Ha-Rrambuda (Limpopo), Lusikisiki Great Palace-Qawukeni (Eastern Cape) and EmaSwazini (KwaZulu-Natal). Trips to North West and Mpumalanga were postponed to the 2008 calendar year due to time constraints.

As part of her responsibility to provide leadership for youth development, the Deputy President has championed the National Youth Service programme, which encourages young people to be active in developing their communities and building self-reliance as they learn skills that will help them in the job market. By January 2008, 10 000 volunteers throughout the country had been integrated into community projects initiated by government departments.

The Deputy President has ensured cooperation and public support for government's comprehensive National Strategic Plan on HIV and AIDS. The plan was revised and updated and is being implemented. Relations between government and civil society have improved and SANAC is functioning at a near-optimal level. Public confidence in government's efforts to manage challenges associated with rising HIV infections has increased. Areas that require improvement include heightened visibility, better coordination and strengthening of the youth sector. SANAC has the support of stakeholders and is adequately resourced.

The Presidency provided strategic input in the work on comprehensive social security. Cabinet has adopted the social cohesion framework drafted by The Presidency.

During the review period, the *social sector* unit in PCAS drafted an exhumation policy for cases of missing persons reported to the commission.

The *social sector* unit provided oversight and support to the partnership between government and the National Religious Leaders' Forum, which addresses social challenges including home and community-based care, social capital and social cohesion, early childhood development, social housing (including emergency and transitional

shelter), and skills training and access to information. Business plans for collaboration in all these areas have been developed and implementation is under way.

The Presidency supported coordinated public participation aimed at strengthening social cohesion and broader public engagement. The *public participation* unit worked with the Office of the President, GCIS, and DPLG to bring government and The Presidency closer to the people. Through the Izimbizo and provincial oversight visits, the President and/or Deputy President and the Minister visited all nine provinces (see Tables 9a and 9b). The *Office of the Director General* in The Presidency provided administrative and strategic support for the public participation programmes of the President and Deputy President. Service delivery complaints, policy and strategic issues directed to the Director General by external stakeholders and organisations were assessed and action was taken to follow up and refer to the relevant departments and agencies.

South Africa's National Orders (see Table 10) play an important role in nation-building. The Presidency oversees the awarding of these orders in two award ceremonies a year. Other events such as the opening of Parliament, state banquets, official funerals, national and municipal Izimbizo in which The Presidency plays an important part also serve to build social cohesion and nation-building.

Recognising the important role of sport in strengthening social cohesion and nation-building, the President attended the final match of the Rugby World Cup and accepted the trophy on behalf of the people of South Africa, following the Springboks' victory over England. Another important sports-related engagement was the 2010 FIFA World Cup draw that took place in Durban. At that event, the President reiterated the state of readiness of the country and the continent to host the 2010 FIFA World Cup.

The year 2007 marked the 30th anniversary of the death of Steve

Biko, and the President delivered a lecture at the University of Cape Town commemorating the life and contributions of this outstanding young South African patriot. During 2007, the nation also commemorated the 40th anniversary of the death of Chief Albert Luthuli, and the President unveiled a plaque and planted a tree at the site of his death.

The *spousal support office* contributed to nation-building and social cohesion through supporting Mrs Zanele Mbeki's initiatives to create opportunities for women's groups to visit seats of government and historic institutions. These outreach programmes aimed to raise awareness and engender social cohesion and empowerment.

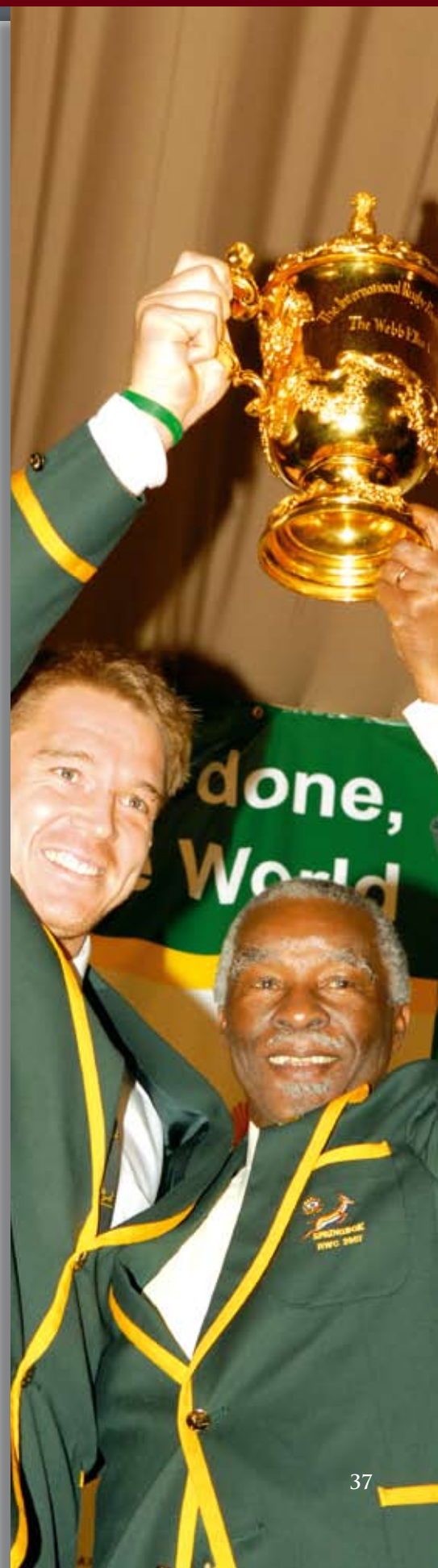
The Deputy President's spouse, Mr Bulelani Ngcuka, undertook a number of activities to promote partnerships and social cohesion. He championed a national roll-out of the Ambassadors for Human Rights programme, which encourages learners to develop human rights-focused community projects. He also engaged the private sector in partnership with the provincial health department to assist in the refurbishment of Victoria Hospital in the Eastern Cape.

During 2007/08, the President convened numerous working groups (see Table 2) that played an important role in enhancing national dialogue and connecting the President with key stakeholders.

PROMOTING INTEGRATED GOVERNANCE FOR ACCELERATED SERVICE DELIVERY

The Presidency promoted coordination and implementation of integrated programmes across government to facilitate accelerated service delivery for sustainable development. This included initiatives to deepen accountability through the application of principles and practices of good governance.

The various branches and units within The Presidency undertook a number of initiatives to achieve this strategic





1. STRATEGIC ACHIEVEMENTS



objective. The Director General expanded his provincial seminar programme on the integrated approach to governance and the national planning framework to Mpumalanga and Gauteng. A wide range of stakeholders attended these sessions.

In the interests of promoting integrated governance and service delivery, The Presidency convened working groups in which the President was able to discuss matters of mutual concern with specific interest groups. These included meetings with the working groups on agriculture, youth, women, trade unions and religious leaders; the three business working groups (Business Unity South Africa, black business and big business working group); and the joint working group. An energy emergency working group was convened in February 2008 to respond to the electricity supply shortage. This group subsequently formed a stakeholder council to further deliberate and take action on the issue. The Presidency also organises the meetings of the President's four presidential advisory council meetings.

The Cabinet Office efficiently communicated Cabinet decisions fortnightly to relevant stakeholders within The Presidency and across government to ensure integration. The Cabinet Office monitored the implementation of its decisions through the work-in-progress reporting system within Cabinet and the bi-monthly report-back sessions on the Programme of Action by the relevant directors general clusters.

PCAS provided strategic policy support to the Cabinet committee on governance and administration. Meetings between PCAS and units responsible for policy and planning in the provincial Premiers' offices took place to ensure alignment of government programmes. The unit took part in task teams to create a single public service and is contributing to the policy review initiative on provincial and local government. It also completed reports on the functionality of the cluster system and

promoted this approach. Implementation of this approach has now commenced in the Provinces.

The Cabinet Office monitors how matters are canvassed across departments and provinces. Departments and provinces must ensure vertical and horizontal consultation prior to matters being presented to Cabinet. This is now part of compliance. The Cabinet Office also plays a role in orienting new ministers and directors general.

The Presidency continued work on a RIA process, which aims to strengthen strategic management capacity and capability across government, in part by assessing the anticipated impact of regulatory measures, as well as policy overlap. Departments and legislation have been identified for the RIA pilot phase.

Special programmes focusing on the rights of women, children and people with disabilities work through focal points in the offices of premiers, mayors and departments to bring these issues into the mainstream in governance processes and to oversee progress.

The Presidency's *Office on the Status of Women* coordinates the national gender machinery, a term that refers to structures in government, the legislature, Parliament and statutory bodies such as the Commission on Gender Equality. The office facilitated the Presidential working group on women and participated in a range of advocacy and awareness-raising activities during National Women's month and the 16 Days of Activism Campaign.

The *Office on the Rights of the Child* in The Presidency drafted national policy for the advancement and coordination of children's rights delivery. Consultation on the finalisation and approval of this policy is in progress. The office worked closely with municipalities across the country in identifying children's rights focal persons and facilitated their training in policy analysis, mainstreaming, coordination

of integrated policy implementation and M&E.

The Presidency's *Office on the Status of Disabled Persons* drafted the National Disability Policy Framework and the Implementation Guideline. Consultation on the finalisation and approval of this policy is in progress. The office signed and ratified the UN Convention on the Rights of Persons with Disabilities. The Presidency also compiled baseline data to disaggregate disability statistics and develop disability-specific indicators and coordinated learnerships in the private sector for persons with disabilities.

Within The Presidency, operational processes, policies and systems were reviewed. This will inform the development of a framework on good governance. The Presidency's *risk management* unit which aims to strengthen governance and accountability is fully functional.

The *justice, crime prevention and security* (JCPS) unit within PCAS is responsible for ensuring integrated policy development and implementation of government's national security policies. It helped to finalise the national security strategy and proposals regarding an appropriate national security management system. The unit provided substantive and administrative support to the National Security Council, which has been revived. An action plan was developed to enhance the capacity of intelligence agencies. The unit developed proposals on the recommendations of the Khampepe Commission, established to look into and make recommendations with respect to the mandate and location of the Directorate of Special Operations. The unit contributed to the re-establishment of the Border Control Operational Coordinating Committee. JCPS, in collaboration with the *economic sector* unit, commissioned a study on the impact of crime on small business and in particular, its effect on emerging black-

owned businesses. The aim of the study was to get a quantifiable assessment of the direct and indirect cost of crime.

INITIATIVES FOR BUILDING A BETTER AFRICA AND A BETTER WORLD

The Presidency provided leadership in a range of international initiatives that contribute to improved conditions of peace, stability, security, democracy and good governance for sustainable development. The Presidency worked towards the reduction of conflict and the reconstruction of post-conflict societies, particularly on the African continent. South Africa continues to contribute to efforts to transform multilateral institutions such as the UN, World Bank and International Monetary Fund.

A number of branches and units play key roles in overseeing and implementing interventions to achieve this strategic objective. While the Director General played a key role in overseeing the international programme of the President, Deputy President and the Minister in The Presidency, the *International relations and trade* unit within PCAS is responsible for facilitating the integrated coordination and implementation of government's international relations, trade, and peace and security priorities. *Protocol and ceremonial services* in the Strategy and Operations branch coordinated the principals' international programmes in consultation with the Private Offices of the President and the Deputy President, Foreign Affairs and presidential protection. A protocol manual that provides guidance to departments and provinces on the protocol for presidential visits will be completed in 2008/09.

The Presidency supported the President's participation in a range of multilateral engagements with the UN, AU, SADC, the IBSA initiative and the G8 to build a better Africa and a better world.



Ibrahim Ghandour
President

Sudan Workers Trade Unions Federation

1. STRATEGIC ACHIEVEMENTS



To further the African Agenda, an initiative composed of six directors general and two NEPAD representatives supports the President's role in NEPAD committees and oversees the activities of the NEPAD Secretariat. The Director General made a presentation to the NEPAD Business Foundation in June 2007 and gave the keynote address at the 4th Commonwealth Heads of African Public Services Forum in July 2007.

The Presidency contributed significantly to the resolution of conflicts in Africa. The President paid a working visit to Sudan and Southern Sudan, where he held talks with the Sudanese government and the Sudan People's Liberation Movement respectively to help find a solution to the Darfur conflict.

The Extraordinary Summit of the SADC mandated South Africa to facilitate negotiations between the Zimbabwean government and the opposition. This facilitation, in which The Presidency played a central role, culminated in the amendment of the constitution, media and electoral legislation of Zimbabwe that created greater participation and transparency in the electoral process. These efforts contributed to the 29 March 2008 election being declared free and fair by AU and SADC observers.

The Presidency is involved in efforts to support post-conflict reconstruction and renewal of countries affected by civil wars, such as the Democratic Republic of Congo, where South Africa has contributed to efforts to build institutions of government and economic development. South Africa's diplomatic work has also contributed to peace and stability in Burundi and the Comoros.

In May 2007, Minister Pahad addressed the United Nations African Meeting on the Question of Palestine – the first to be held in a developing country since the formation of the Palestinian unity government. This formed part of international efforts aimed at achieving

a viable Israeli-Palestinian peace. During his address the Minister endorsed the South African government's position on the matter, which is also consistent with the relevant UN resolutions and the 2002 Arab Peace Initiative.

In July 2007 the President received the African Peer Review Panel's report on South Africa and presented government's response. The report acknowledges the major strides made by South Africa in transforming the country into a vibrant democracy. South Africa submitted its first progress report on implementation of the African Peer Review Mechanism Programme of Action to the secretariat in January 2008.

During the review period the President hosted and visited various heads of state to strengthen bilateral, economic and diplomatic relations (see Table 21).

The Presidency led South Africa's participation in discussions with the G8 industrialised countries. The leaders of Brazil, China, India, Mexico and South Africa issued a joint statement with the G8 Presidency in which they committed themselves to embark on a high-level dialogue on specific challenges as proposed by the G8 (Heiligendamm Process) to promote cross-border investment, research and innovation, development (particularly in Africa) and sharing of knowledge to improve energy efficiency.

The Presidency's *International relations and trade* unit supported South Africa's participation in the debate in Accra, Ghana on the formation of an AU government. The outcome was the Accra Declaration, in which AU heads of state and government agreed to accelerate the economic and political integration of the African continent, including the formation of a Union Government for Africa with the ultimate objective of creating the United States of Africa.

A strategy was developed for partnerships between South Africa and China to promote south-south collaboration.

The Presidency participated in the IBSA ministerial meeting in India in preparation for the IBSA summit, which took place in Tshwane in 2007. The major outcome of the summit was the issuance of the Tshwane Declaration, in which the three countries pledged to deepen south-south cooperation for sustainable development.

The Presidency's *International relations and trade* unit also participated in preparations for the EU-South Africa summit held in South Africa and the EU-Africa summit held in Portugal. The latter summit endorsed the Africa-EU Strategy which focused on peace and security, good governance and human rights, and trade and regional integration – including development issues.

South Africa hosted a pan-African forum of directors general on enhancing systems.

South Africa participates in the project to preserve the ancient manuscripts in Timbuktu in Mali. In 2007 the Minister in The Presidency visited the site with his Malian counterpart and a professional building team from South Africa to assess progress in the construction of the Archive in Timbuktu. The range of fundraisers, conferences, exhibitions, independent documentaries and film projects that has been undertaken has given NEPAD's first cultural project a great deal of international media coverage.

The *spousal support office* provided support services to the First Lady to undertake her continental and international engagements. These included the Second Gender Justice Colloquium, a meeting of experts in Congo-Brazzaville on peace and conflict in Africa, and training in micro-finance in Indonesia. Mrs Mbeki participated in the Mission de Paix des Premières Dames d'Afrique (the African First Ladies Peace Mission) and was

appointed as one of four vice-presidents of this organisation. She was also a delegate at the UN Commission on the Status of Women.

Within the Presidency, reporting on our international efforts is now a requirement in performance agreements of relevant staff, and will improve institutional memory.

PROMOTING ACCELERATED AND SHARED ECONOMIC GROWTH

The Presidency facilitated coordinated interventions and macroeconomic approaches to promote broad socioeconomic development, social inclusion, reduced inequality, and the integration of the formal and informal economies. This strategic objective is key to the MTSE, in which job creation and economic growth remain central to the eradication of poverty.

The central intervention in this regard is AsgiSA. The President assigned the oversight and leadership responsibilities related to AsgiSA to the Deputy President. Overall, the results of AsgiSA have been positive, leading to improvements in public and private investment rates, improvements in skills development outcomes, the implementation of the business process outsourcing development strategy and the development of new initiatives to address the marginalised poor. The *economic sector* unit of PCAS supported the Deputy President in her strategic leadership of AsgiSA and assisted the National Treasury with scenario planning for AsgiSA. It also commenced work on regulatory reform for small business and a framework for regulators in the energy, telecoms and rail sectors with clear objectives linked to AsgiSA. The Presidency also completed a report on Jobs for Growth and was instrumental in the establishment of the database website for the unemployed, www.jobs.co.za.



Bulelani Ngcuka
Spouse of the Deputy President
Republic of South Africa



An important new development arising from the AsgiSA experience was the adoption by the Deputy President of the responsibility to lead work in developing a comprehensive anti-poverty strategy, which is currently in process. More detail on the achievements of this initiative is contained in the AsgiSA Annual Report 2007.

One of the central AsgiSA interventions is the JIPSA programme, which was initiated to address the priority skills shortages holding back South Africa's economic development. The Deputy President assumed oversight and leadership of JIPSA. Key developments have been the adoption of ambitious targets to increase the number of engineers and artisans produced in South Africa, and the implementation of programmes and legislative amendments to achieve these targets. After a mid-term review and further discussion, government, business, labour and the educational stakeholders of JIPSA agreed to continue the programme for a full three-year term. The goals and accomplishments of this programme are available in a report entitled *Joint Initiative on Priority Skills Acquisition: Report on Activities in 2007*.

During the review period The Presidency, largely through the efforts of the *social sector* unit in PCAS, prepared the draft anti-poverty framework and strategy, and laid the groundwork for the War on Poverty campaign announced in the President's 2008 State of the Nation Address.

The Presidency launched the 2025 Scenarios project in 2006. This project involved extensive research and analysis. Storylines for three scenarios that South Africa could face in 2025 were developed and presented to the January 2008 Cabinet Lekgotla.

The *economic sector* unit and other branches within The Presidency supported the

President in key meetings related to economic development:

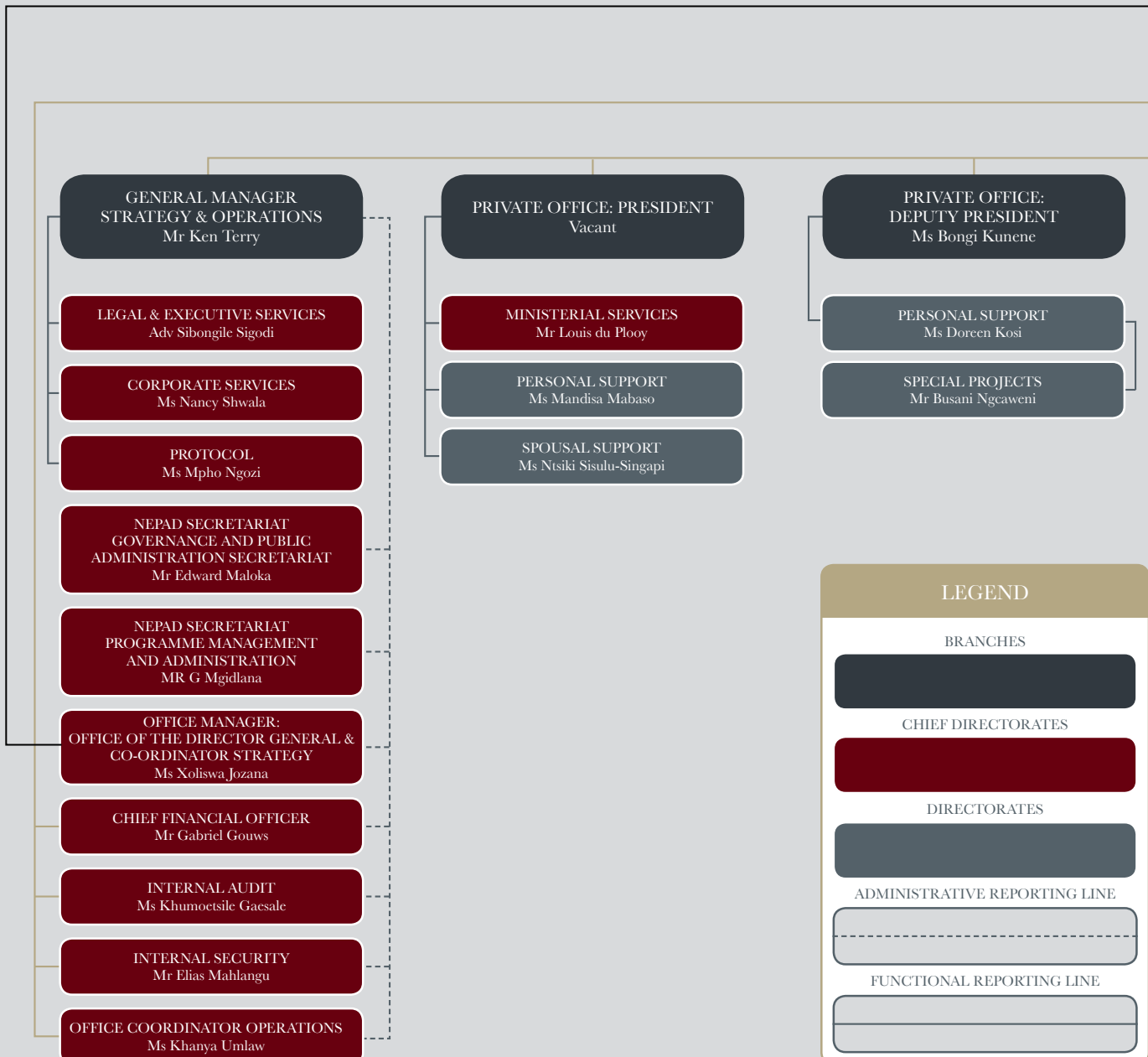
- The President attended the annual World Economic Forum Africa Summit in Cape Town, under the theme "Raising the Bar". The meeting aimed to support African business and promote economic growth and investment.
- The Presidential International Advisory Council on Information Society and Development (see Table 8) held its annual meeting at the South Coast of KwaZulu-Natal. The meeting advised the President on advances in information and communication technology, and how South Africa can capitalise on these developments to assist in economic growth.
- The President met with members of the International Investment Council in the Eastern Cape in May 2007 (see Table 3). These meetings focused on matters central to accelerating economic growth.

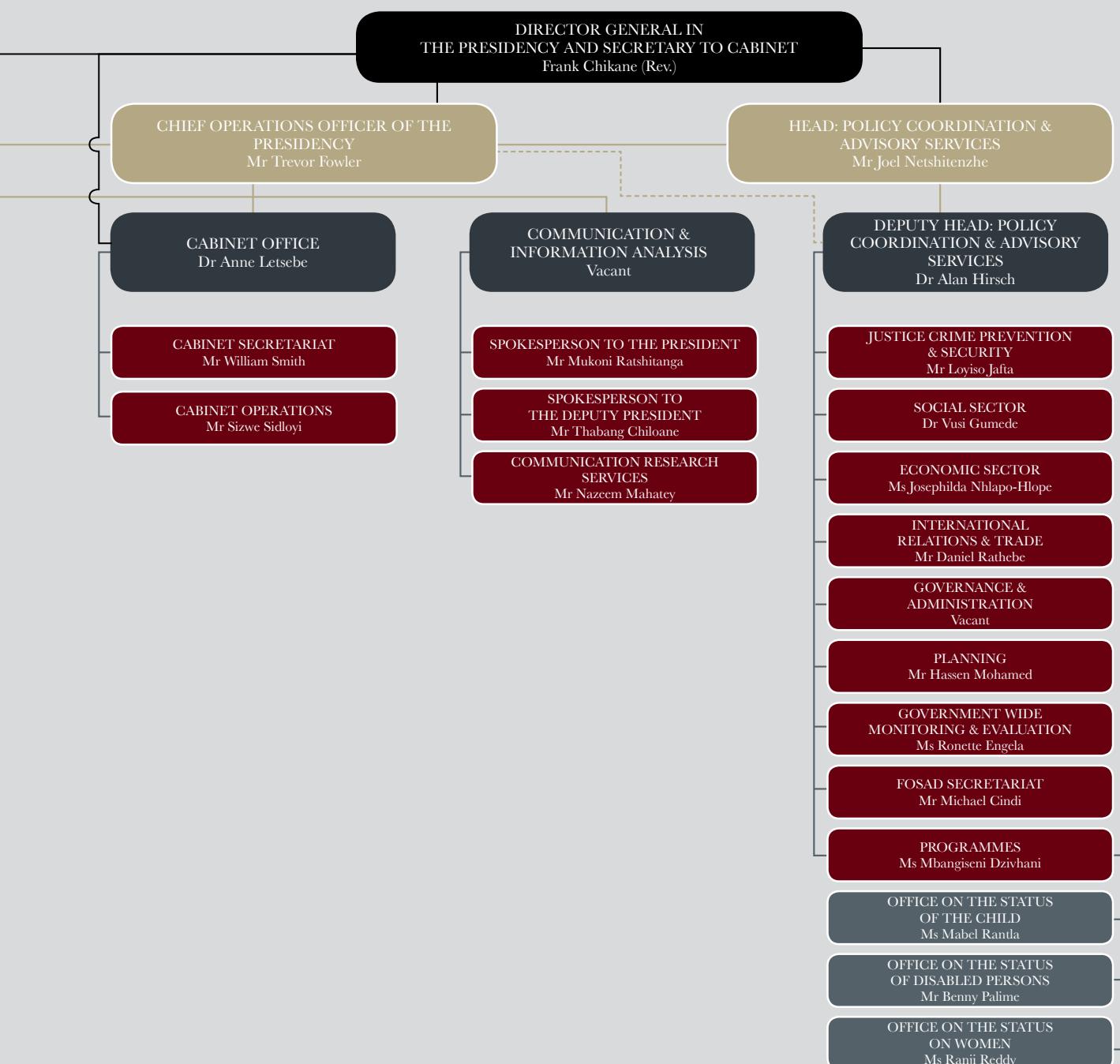
The *spousal office* worked collaboratively with the South African Women in Dialogue, a project initiated by the First Lady in 2003. Through this initiative the First Lady provided a platform for about 2 000 women to engage on the theme: From Dialogue to Development – Women Uniting Against Poverty. The Young South African Women in Dialogue project provided a platform for young women across the country to discuss personal development and economic empowerment to overcome poverty.



2

ORGANOGRAM





3

SUMMARY DESCRIPTION



STRATEGY AND OPERATIONS

The Strategy and Operations branch is responsible for the overall management and administration of The Presidency. It is divided into four units:

- Financial management
- Corporate services
- Protocol and ceremonial services
- Legal and executive services

The branch also provides administrative management for the Office of the Director General and the Office of the Chief Operations Officer. The strategic management to the units is provided by the Director General and the Chief Operations Officer respectively.

Office of the Director General

The Director General is the strategic head of The Presidency and has specific delegated responsibilities and functions in terms of the Public Service Administration Act. The Director General's role is to support the President in his leadership of society, his executive management of government to ensure implementation of its mandate and to fulfil his constitutional responsibility. As Secretary to Cabinet, the Director General facilitates the alignment of policy in departments with government's priorities contained in key documents such as the MTSE, the State of the Nation Address, The Presidency's

budget vote speech and the Programme of Action. The Director General, supported by the head of PCAS and the Chief Operations Officer, assists the President through reports on oversight of the implementation of government's programmes; advice on interventions to facilitate the achievement of government's strategic agenda; and coordination of government through FOSAD, the National Security Council and sector clusters of directors general.

Office of the Chief Operations Officer

The Chief Operations Officer (COO), who is the appointed accounting officer in terms of the PFMA and the operational head, provides strategic oversight to ensure the efficient and effective operation of all branches in meeting the objectives as set out in the Strategic Plan. All heads of branches, the Chief Financial Officer, the heads of risk management, internal audit and internal security report to the COO. The COO is the deputy head of The Presidency and acts as head of The Presidency in the Director General's absence. The head of the Office of the COO is also the Chief Risk Officer.

Chief Financial Officer

The Chief Financial Officer renders supply chain management, internal control and financial support to The Presidency. This unit is also responsible for



OF PRESIDENCY BRANCHES

maintaining sound financial management and administration in line with the PFMA and Treasury regulations.

Internal audit

Internal audit has primary responsibility to provide objective oversight of The Presidency's operations for economic, effective and efficient management of resources as required by the PFMA, Treasury regulations and professional internal auditing standards. The unit assesses, evaluates and provides advice to improve risk management, internal control and governance processes.

Internal security

Internal security is responsible for ensuring a safe and secure environment in The Presidency and at the residences of the political principals, and liaises with other state agencies to enhance security. It is required to ensure the adherence of The Presidency staff to the minimum information security standards, occupational health and safety standards and other standards as required by security legislation.

Chief Risk Officer

The *Chief Risk Officer* is responsible for assessing the risks in achieving the strategic objectives of The Presidency as well as the facilitation of the development and implementation of risk mitigation measures by management. A risk assessment is

performed annually and is used as input for the annual audit plan. The risk management committee, composed of risk officers from each branch, meets regularly to monitor the risk environment and the mitigation of risks.

Corporate Services

Human resource management

The *human resource management* unit ensures that The Presidency has the necessary human capital to implement its strategic mandate.

Information technology and knowledge management

IT and knowledge management is responsible for implementing, maintaining and upgrading computer equipment and systems.

Household and accommodation

Household and accommodation ensures that facilities are cared for. These include office space at the Union Buildings and official residences.

Protocol and ceremonial services

Protocol and ceremonial services ensures that domestic and international functions and public engagements hosted by or attended by the President and/or Deputy President are properly managed and coordinated.



3. SUMMARY DESCRIPTION OF PRESIDENCY BRANCHES



Anne Letsebe
Deputy Director General
Cabinet Office

Legal and executive services

The *legal and executive services* unit derives its mandate from the need to ensure that the constitutional and other legal obligations of The Presidency are met and that political powers are exercised within the ambit of the law. The unit provides administrative support to the Independent Commission for the Remuneration of Public Office Bearers.

PRIVATE OFFICE OF THE PRESIDENT

The Private Office of the President is responsible for planning, coordination and support to ensure that the President is able effectively to perform his responsibilities as head of state. The branch manages the President's diary and coordinates the domestic and international programme together with other stakeholders.

In addition, the branch provides professional support service to the Minister in The Presidency in the execution of his constitutional and legal obligations. The office also gives support to the spouses of the President and Deputy President in the execution of their functions.

The office consists of the following units:

- Office of the Deputy Director General
- Personal support and advisory services
- Spousal office
- Ministerial services.

PRIVATE OFFICE OF THE DEPUTY PRESIDENT

The Private Office of the Deputy President is responsible for planning, administering and coordinating strategic support services to the Deputy President to assist in the fulfilment of her constitutional, executive and political responsibilities. The branch is composed of the *Office of the Deputy Director General*, *personal support services* and *special projects*.

Efforts of the Private Office of the Deputy President are focused on institutionalising systems and processes, formalising the structure and sharpening the focus on oversight responsibilities, improving effectiveness of the Leader of Government Business function and strengthening Second Economy programmes locally and internationally through bilateral agreements and bi-national commissions to bolster economic ties and cultural diplomacy.

Special projects supports the Deputy President's work on the substantive matters of her assigned responsibilities, including the Moral Regeneration Movement, SANAC, AsgiSA, matters related to traditional, cultural, religious and linguistic affairs, the 2010 FIFA World Cup and Youth Development.

COMMUNICATIONS

The Communications branch is responsible for providing communication, research and information services to enable The Presidency to communicate effectively within government, and with the South African and international public. To fulfil this function, the branch is required to keep up to date with political developments, debates, policy changes, enactment of laws and current affairs.

The branch is composed of four units:

- *Media liaison* functions as the interface between The Presidency and the mass media, is responsible for cultivating and maintaining good relations with reporters and editors, and helps to monitor and evaluate the media environment. This unit also provides logistical and strategic media support for all public engagements by the President, Deputy President and Minister.
- *Public participation* is responsible for public relations and outreach services, including Izimbizo and events management.
- *Research, drafting and speechwriting* is responsible for drafting speeches, the annual report of The Presidency, National Orders citations, opinion articles, letters to the editor and other written material. It also monitors the media environment on a daily basis.
- *Internal communications and publications* runs The Presidency's library, and maintains and updates the comprehensive website housing archival and current information. It manages The Presidency intranet and e-Notice

CABINET OFFICE

The Cabinet Office supports the national executive in its strategic management of government business. The key functions of Cabinet for which the branch provides support include: giving strategic direction to government; ensuring effective decision-making and better coordination; oversight, monitoring and the implementation of government policy; and maintaining the effectiveness and integrity of government systems.

In line with the above, the Cabinet Office provides strategic and administrative support to Cabinet and to the Deputy President in her role as the Leader of Government Business.

The Cabinet office consists of three units: the *Office of the Deputy Director General*, the *Cabinet Secretariat* and *Cabinet Operations*.

POLICY COORDINATION AND ADVISORY SERVICES

The core mandate of PCAS is to facilitate integrated strategic policy formulation and implementation across government. PCAS monitors and evaluates the interpretation of policies and the implementation of programmes. It advises the President, Deputy President and Minister on any interventions necessary to ensure more effective and efficient service delivery. The mandate of PCAS is carried forward through collaboration with Cabinet and Cabinet Committees, the directors general clusters and national departments.

PCAS consists of nine units. In the area of policy these are:

- Economic sector
- Social sector
- International relations and trade
- Justice, crime prevention and security
- Governance and administration.

The other units are:

- Programmes, which covers the Office on the Status of Women, the Office on the Rights of the Child, the Office on the Status of Disabled Persons and the youth desk
- Planning
- Government-wide monitoring and evaluation
- FOSAD secretariat and corporate support services.



4

TABLES



TABLE 1: CABINET AND CABINET COMMITTEE MEETINGS

Number of Cabinet/Cabinet committee meetings, 1 April 2007 to 31 March 2008	
Cabinet Committee for Justice, Crime Prevention and Security	12
Cabinet Committee on Governance and Administration	20
Cabinet Committee for the Social Sector	19
Cabinet Committee on International Relations, Peace and Security	14
Cabinet Committee for the Economic Sector	17
Cabinet Committee on Investment and Employment	3
Cabinet (including two extended planning meetings [makgotla])	26

TABLE 2: MEETINGS OF PRESIDENTIAL WORKING GROUPS

Big business working group	4 April 2007
Higher education working group	8 May 2007
Agriculture working group	15 May 2007
Youth working group	5 June 2007
Joint working group	17 July 2007
Religious working group	19 July 2007
Black business working group	3 August 2007
Women working group	7 August 2007
Youth working group	14 August 2007
Trade union working group	2 October 2007
Agriculture working group	9 October 2007
Busa working group	26 October 2007
Joint working group	13 November 2007
Higher education working group	27 November 2007
Big business working group	29 February 2008
Special joint working group	29 February 2008
Black business working group	4 March 2008



TABLE 3: MEMBERS OF THE INTERNATIONAL INVESTMENT COUNCIL

Mr Masaki Miyaji	Corporate Adviser, Mitsubishi Corporation
Mr Niall FitzGerald KBE	Chairman, Reuters Group PLC
Dr Martin Kohlhaussen	Chairman, Supervisory Board, Commerzbank AG
Prof Dr H C. Juergen Schrempp	Former Chairman, Board of Management, DaimlerChrysler
Mr Ratan Tata	Chairman, Tata Sons Limited
Tan Sri Dató Mohd Hassan Marican	President and CEO, Petroliaam Nasional Berhad (PETRONAS)
Mr Percy Barnevik	Chairman of the Board, AstraZeneca PLC
Sir Samuel Jonah	Non-executive Chairman, AngloGold Ashanti
Mr Frank Savage	Chief Executive Officer, Savage Holdings
Ms Anne Lauvergeon	Chairman of the Executive Board, AREVA
Mr Lakshmi Mittal	Chairman and CEO, Mittal Steel Company
Mr William Rhodes	Senior Vice Chairman, Citigroup, and Chairman, Citibank
Mr Viktor Vekselberg	Chairman, Renova
Mr Roger Agnelli	CEO Companhia Vale do Rio Doce (CVRD)
Sir Anthony O'Reilly	Chairman, Independent News & Media

TABLE 4: MEMBERS OF THE PANEL OF ECONOMIC ADVISERS*

Dr Iraj Abedian
Dr Haroon Borat
Dr Ruel Khoza
Mr JP Landman
Ms Viv McMenamim
Mr Lumkile Mondli
Ms Gloria Serobe
Dr Rejoice Simelane

*Meeting held on 18 July 2007



4. TABLES



Dr. Renier Koegelenberg
Executive Secretary
National Religious Association
for Social Development

TABLE 5: MEMBERS OF THE ADVISORY COUNCIL ON NATIONAL ORDERS

Ms Mary Burton	Mr Fred Brownell
Ms Sophie Williams-De Bruyn	Dr John Kani
Prof Christina Landman	Ms Ruth Mompoti
Mr Mendi Msimang	Lt-Gen Gilbert Ramano
Dr Yvonne Muthien (Chairperson)	Bishop Malusi Mpumlwana
Prof Brian Figaji	Mr Ahmed Kathrada

TABLE 6: MEMBERS OF THE AUDIT COMMITTEE

Ms Zodwa Manase (Chairperson)
Mr Ebie Seedat
Ms Nopasika Lila
Mr Ncedo Mlamla
Mr George Negota
Mr Abraham Lentsoane

TABLE 7: REQUESTS TO THE CHIEF INFORMATION OFFICER IN TERMS OF THE PROMOTION OF ACCESS TO INFORMATION (ACT 2 OF 2000)*

Report in terms of section 32 of PAIA	Total
(a) Number of PAIA requests received	6
(b) Number of requests granted in full	0
(c) Number of requests granted despite there being a ground of refusal, but granted in the public interest	0
(d) Number of requests refused in full or refused partially	4
(e) Number of times a provision of PAIA was relied upon to refuse a request in full/partially	4
(f) Number of instances where the 30-day period to deal with a request was extended	1
(g) Number of internal appeals lodged with the relevant authority	3
(h) Number of cases where requests were granted as a result of an internal appeal	2
(i) Number of internal appeals lodged on account of a deemed refusal	0
(j) Number of applications to court as a result of the relevant authority failing to give notice of its decision	0

Any comments on problems encountered in the administration of PAIA:

During the above period, The Presidency received 6 requests, 4 of which were refused. Of these requests, 3 were taken on appeal. On appeal 2 of these requests were granted by the relevant authority as requested and 1 appeal is still pending.

With regard to the other 2 requests, 1 was referred to the Department of Justice and Constitutional Development and we have extended the period to deal with the other so as to enable the National Archives to also search for the requested record.

* Reporting period 1 June 2007 - 30 May 2008

**TABLE 8: PRESIDENTIAL INTERNATIONAL ADVISORY COUNCIL
ON INFORMATION SOCIETY AND DEVELOPMENT**

Mr Sergio Giacoletto	Vice President: Europe & Africa, Oracle Corporation
Ms Esther Dyson	Chair, EDventure Holdings Inc.
Mr David Potter	Chairman, Psion Plc
Dr. Henry Chasia	Executive Deputy Chairperson, Nepad eAfrica Commission
Mr Mark Shuttleworth	Director, HBD Venture Capital
Prof Seymour Papert	Founding Faculty Member, Media Laboratory
Mr Rudi Lamprecht	Board Member, Siemens AG
Mr Jacques Dunogue	President of Area 4, Alcatel
Mr Jorma Ollila	Chairman and CEO, Nokia
Mr Reza Madhavi	Vice President EMEA, Cisco Systems Europe
Prof Hasso Plattner	Chairman and CEO, SAP AG
Mr Jean-Phillipe Courtois	President of Microsoft Europe, Middle East and Africa, Microsoft EMEA
Mr Hans Ulrich Maerki	Chairman of the Board, IBM, EMEA SAS
Mr Mark Hurd	CEO and President, HP
Prof Manuel Castells	Professor of Sociology, University of California, Berkeley
Mr Thierry De Beaucé	Special Adviser to the Chairman for International Affairs, Vivendi
Mr Masood Jabbar	Executive Vice President, Global Sales Operations, Sun Microsystems
Ms Carly Fiorina	Former CEO, HP
Mr Rajendra S Pawar	Chairman, NIIT
Mr Craig McCaw	Chairman & CEO, Eagle River

TABLE 9:

(a) Izimbizo of the President and the Deputy President

Gauteng (City of Johannesburg)	14-15 April 2007
Western Cape (City of Cape Town)	21-22 July 2007
Eastern Cape (uKhahlamba District)	10-11 August 2007
KwaZulu-Natal (uThukela District)	6-7 October 2007

(b) Deputy President's provincial oversight visits

Eastern Cape	17 April 2007
Northern Cape	20 April 2007
KwaZulu-Natal	14 May 2007
North West	08 June 2007
Western Cape	15 June 2007
Limpopo	18 July 2007
Mpumalanga	17 August 2007
Gauteng	18 September 2007
Free State	23 November 2007



4. TABLES



TABLE 10: CATEGORIES OF NATIONAL ORDERS

The Order of Mapungubwe	Awarded to South African citizens for achievements that have impacted internationally and served the interests of the Republic of South Africa. The first and highest category of this order is awarded in platinum for exceptional achievement, while the second-highest category is gold, awarded for excellent achievement. A third category in this order is bronze, awarded for outstanding achievement.
The Order of Ikhamanga	Awarded in recognition of excellence in the fields of sports, the arts, literature, culture, music and journalism. The order is awarded in gold for exceptional achievement, in silver for excellent achievement and in bronze for outstanding achievement.
The Order of Mendi for Bravery	Awarded to South Africans who have performed acts of bravery. The act of bravery may have occurred anywhere in the world. This order is awarded in gold for exceptional acts of bravery in which recipients would have placed their lives in great danger or may have lost their lives in their efforts to save lives or property, in silver for extraordinary acts of bravery through which recipients' lives were placed in great danger while saving or trying to rescue persons or property, and in bronze for outstanding acts of bravery through which their lives were endangered while saving or trying to rescue persons or property.
The Order of Luthuli	Awarded to South Africans who have served in the interests of South Africa and who have made important contributions in one or all of the following areas: peace and justice, conflict resolution, nation-building, human rights and the struggle for democracy. The order is awarded in gold for exceptional contribution in any of these fields, in silver for excellent contribution and in bronze for outstanding achievement.
The Order of the Baobab	Awarded to South African citizens for exemplary service in the fields of business and the economy, science, medicine, technological innovation and community service. The Supreme Counsellor of the Baobab is awarded in gold to people who have provided exceptional service; the Grand Counsellor of the Baobab is awarded in silver for excellent service; and the Counsellor of the Baobab is awarded for outstanding service.
Order of the Companions of OR Tambo	Awarded to foreign nationals and dignitaries for their friendship to South Africa. The order is awarded for matters pertaining to peace, cooperation, international solidarity and support. The Supreme Companion of OR Tambo in gold is awarded to those who have actively promoted the interests and aspirations of South Africa through excellent cooperation and active expression of solidarity and support; the Grand Companion of OR Tambo in silver is awarded to those who have actively promoted South Africa's interests and aspirations through outstanding cooperation; and the Companion of OR Tambo in bronze is awarded to those who have actively promoted the interests and aspirations of South Africa through cooperation, solidarity and support.
The President officiates at all National Orders ceremonies as Grand Patron. The ceremonies are attended by the Chancellor of the National Orders, Rev Frank Chikane, members of the Advisory Council on National Orders, recipients and family members, as well as several Cabinet Ministers.	

TABLE 11: NATIONAL ORDER RECIPIENTS

The Order of the Baobab	
Category II: Silver	Richard John Pelwana Maponya
	Eric Molobi (posthumous)
	Sally Motlana
	Joyce Piliso-Seroke
Category III: Bronze	Dale White
	Anvir Adam
	Ephraim Sibiya
The Order of Luthuli	
Category I: Gold	Gert Shadrack Sibande (posthumous)

Category II: Silver	Mfanasekaya Pearce Linda Gqobose Johnstone Mfanafuthi Makatini (posthumous) Florence Mophosho (posthumous) Gagathura Mohambry Naicker (posthumous)
Category III: Bronze	Rica Hodgson John James Issel Emma Thandi Mashinini
The Order of the Companions of OR Tambo	
Category I: Gold	Leabua Jonathan (posthumous) Shridath Surendranath Ramphal Eric Eustace Williams (posthumous)
Category II: Silver	Harold Belafonte Canon L. John Collins (posthumous) Michael Dingake Al' Ami'n Mazrui
Category III: Bronze	Salman El-Herfi Mandlenkosi Zwane (posthumous)
The Order of Mendi for Bravery	
Category I: Gold	Luthuli Detachment
Category II: Silver	William Mfulwane (posthumous)
The Order of Ikhamanga	
Category I: Gold	Elisabeth Eybers
Category II: Silver	Blue Notes George Moir (Kitch) Christie (posthumous) Morne du Plessis Mandla Langa Manhattan Brothers Nathaniel Ndazana Nakasa (posthumous) Schalk Pienaar (posthumous) Henry Ramaila Sam Ramsamy Eddie Roux (posthumous) Mongane Wally Serote
Category III: Bronze	Gladys Thomas
The Order of Mapungubwe	
Category II: Silver	Valerie Mizrahi Claire Penn Sibusiso Sibisi

TABLE 12: LETTERS OF CREDENCE/COMMISSION PRESENTED

March 2007	
Republic of India	High Commissioner Rajiv Kumar Bhatia
Republic of Suriname	High Commissioner Edward Rudolf Braafheid
Republic of Seychelles	High Commissioner Noellie Alexander
Kingdom of Denmark	Ambassador Dan Eddie Frederiksen
May 2007	
Republic of Panama	Ambassador R Cordovez Castilla
Republic of Colombia	Ambassador C Moreno De Caro
Republic of Lithuania (non-resident, resident in Tel Aviv)	Ambassador A Skaisgirytė Liauškienė
People's Republic of China	Ambassador Zhong Jianhua



4. TABLES



August 2007	
Republic of Rwanda	Ambassador E Munyakyanza
Republic of Botswana	High Commissioner SM Molomo
Republic of Liberia	Ambassador L Brutus
September 2007	
Republic of Cyprus	High Commissioner Argyros Antoniou
Republic of Germany	Ambassador Dieter Walter Haller
October 2007	
Royal Netherlands	Ambassador Robert Gerard De Vos
Kingdom of Norway	Ambassador Tor Christian Hildan
Czech Republic	Ambassador Martin Pohl
United Mexican States	Ambassador Luis Cabrera Cuaron
December 2007	
State of Qatar	Ambassador Bashir Issa Al-Shirawi
Islamic Republic of Mauritania	Ambassador Mohamed Lemine Ould Mohamed Salem Ould Selmane
Republic of Hungary	Ambassador István Emri
Kingdom of Saudi Arabia	Ambassador Mohammed Mahmoud Bin Ali Al-Ali
Republic of Kenya	High Commissioner Thomas B Amolo
January 2008	
State of Kuwait	Ambassador Hassan Bader Al-Oqab
Federative Republic of Brazil	Ambassador José Vicente De Sá Pimentel
Republic of Madagascar	Ambassador Dennis Ah Andriamandroso
Islamic Republic of Iran	Ambassador Asghar Ebrahimi ASL
March 2008	
People's Republic of Bangladesh	High Commissioner Shahidul Islam
Republic of Cameroon	High Commissioner Adrien Kouambo Jomague

TABLE 13: EXECUTIVE ACTS OF THE PRESIDENT, 1 APRIL 2007 TO 31 MARCH 2008

Presidential acts processed by legal and executive services unit

Type	Number
Assent of acts of Parliament	43
Foreign visits by Ministers	383
Foreign visits by Deputy Ministers	50
Leave of absence: Ministers	16
Leave of absence: Deputy Ministers	3
Appointment of Commissioners of Inquiry	1
Total	496

Presidential minutes processed by legal and executive services unit

Type	Number
Proclamations	27
Pardons	292
International agreements	100
Appointment of ambassadors, consular generals, judges and other persons to hold office in public institutions	114
Total	533
Executive acts of the President processed	1 029

TABLE 14: BILLS INTRODUCED, 1 APRIL 2007 TO 31 MARCH 2008

Year / bill no.	Name of bill
2007	
7	Prohibition or Restriction of Certain Conventional Weapons Bill
8	Mandating Procedures of Provinces Bill
9	Municipal Fiscal Powers and Functions Bill
10	Mineral and Petroleum Resources Development Amendment Bill
11	Pension Funds Amendment Bill
12	Banks Amendment Bill
13	Cooperative Banks Bill
14	South African Express Bill
15	Criminal Law (Sentencing) Amendment Bill
16	Human Sciences Research Council Bill
17	Astronomy Geographic Advantage Bill
18	Taxation Laws Amendment Bill
19	Taxation Laws Second Amendment Bill
20	Traditional Health Practitioners Bill
21	Choice on Termination of Pregnancy Amendment Bill
22	Diamond Export Levy Bill
23	Diamond Export Levy (Administration) Bill
24	Constitution Thirteenth Amendment Bill
25	Cross-boundary Municipalities Laws Repeal and Related Matters Amendment Bill
26	Broadband Infraco Bill
27	Transport Agencies General Laws Amendment Bill
28	Local Government Laws Amendment Bill
29	Social Housing Bill
30	Rental Housing Amendment Bill
31	National Gambling Amendment Bill
32	Correctional Services Amendment Bill
33	Education Laws Amendment Bill
34	Repeal of the Black Administration Act and Amendment of Certain Laws Amendment
35	National Environment Laws Amendment Bill
36	National Environmental Management Amendment Bill
37	Special Adjustments Appropriation Bill (2007/2008 Financial Year)
38	Electronic Communications Amendment Bill
39	National Environmental Management: Waste Bill
40	National Environmental Management: Integrated Coastal Management Bill
41	Adjustments Appropriation Bill
42	Revenue Laws Amendment Bill
43	Revenue Laws Second Amendment Bill
44	Securities Transfer Tax Bill
45	Securities Transfer Tax Administration Bill
46	Standards Bill
47	National Regulator for Compulsory Specifications Bill
48	Jurisdiction of Regional Courts Amendment Bill



4. TABLES



Mojanku Gumbi
Legal Adviser



Titus Mafolo
Political Adviser



John Jeffery
Parliamentary Counsellor

Year / bill no.	Name of bill
49	Technology Innovation Agency Bill
50	Judicial Service Commission Amendment Bill (introduced as Judicial Officers Amendment Bill)
51	Cross-Border Road Transport Amendment Bill
2008	
1	Housing Development Agency Bill
2	Second-hand Goods Bill
3	Appropriation Bill
4	Division of Revenue Bill
5	Renaming of High Courts Bill
6	Defence Amendment Bill
7	Tobacco Products Control Amendment Bill
8	Prevention of Illegal Eviction from and Unlawful Occupation of Land Amendment Bill
9	Castle Management Act Repeal Bill (subsequently withdrawn)
10	Reform of Customary Law of Succession and Regulation of Related Matters Bill
11	Refugees Amendment Bill
12	Prevention of and Treatment for Substance Abuse Bill
13	Taxation Laws Amendment Bill
14	Taxation Laws Second Amendment Bill

Total number of bills introduced = 59

Note: Bills 1 to 6 for the year 2007 were introduced before 1 April 2007

TABLE 15: ADVISERS TO THE PRESIDENT

Adv Mojanku Gumbi	Legal Adviser
Mr Titus Mafolo	Political Adviser
Mr John Jeffery	Parliamentary Counsellor

TABLE 16: ADVISERS TO THE DEPUTY PRESIDENT

Mr Ayanda Nkuhlu	Political Adviser
Amb Zolile Magugu	Special Adviser
Ms Raisibe Morathi	Economic Adviser
Ms Nonhlanhla Mjoli-Mncube	Economic Adviser
Ms Dorothy Motubatse	Parliamentary Counsellor

TABLE 17: SPECIAL EXPERTS ON ASGISA

Dr Neva Makgetla	Sector Strategy Coordinator
Dr Zaverah Rustomjee	Infrastructure Coordinator
Ms Dillo Lehlokoe	Human Resource Development Coordinator

TABLE 18: ADVISERS TO THE MINISTER

Prof Anver Saloojee	Political and Governance
Mr Tony Heard	Communications

TABLE 19: PUBLICATIONS OF THE PRESIDENCY

Annual Report 2006/07
Strategic Plan 2007 – 2010
Development Indicators 2007
JIPSA Annual Report 2007
AsgiSA Annual Report 2007

TABLE 20: INDICATIVE LIST OF APPROVED AGREEMENTS

a) Bilateral agreements signed between 1 April 2007 and 31 March 2008

Country	Title
Burkina Faso	Agreement on the Establishment of a Joint Commission of Cooperation
Malta	Agreement in respect of Police Cooperation
Tanzania	Agreement concerning Merchant Shipping and other Related Matters
Tanzania	Agreement on Cooperation in areas of Migration Matters
Tanzania	Agreement regarding the Waiver of Visa requirement for holders of Diplomatic, Service and Official Passports
Permanent Court of Arbitration	Agreement regarding the Establishment of a Regional Facility of the Permanent Court of Arbitration for Africa
Spain	Agreement concerning Defence Cooperation
UNDP	Cost Sharing Agreement for a Joint Country Level Evaluation of the Role of the United Nations in Contributing to South Africa's Development
USA	Memorandum of Understanding on the Fulbright Exchange Program
Flanders	Third Joint Commission for Cooperation Programme for the Years 2007, 2008 and 2009
AU	Agreement on the Material and Technical Organisation of the Retreat of Ministers of Foreign Affairs to Reflect on the State of the African Union and an Extraordinary Session of the Executive Council of the African Union
Niger	Agreement on the Establishment of a Joint Commission of Cooperation
Switzerland	Convention for the Avoidance of Double Taxation with respect to Taxes on Income
Sudan	Memorandum of Understanding on Development Cooperation for Policing in Sudan
EU	The South African-European Union Strategic Partnership Joint Action Plan
AU	Memorandum of Understanding contributing member of the South African Police Service to the AU Electoral and Security Assistance mission to the Comoros
Netherlands	Agreement concerning the Status of Military and Civilian Personnel of their Department/Ministry of Defence present in each other's Territory for activities related to Military Cooperation
Netherlands	Arrangement on a Financial Contribution towards the South African Department of Defence's Participation in the African Union Special Task Force in Burundi
Slovak Republic	Memorandum of Cooperation (Foreign Affairs)
Lesotho	Agreement on the Facilitation of Cross Border Movement of Citizens
Lesotho	Memorandum of Understanding on Cooperation in the Field of Correctional Services
Lesotho	Memorandum of Understanding on Cooperation in the Management of Wild Fires and other Forest Management Issues
Korea Dem People's Republic	Memorandum of Understanding on Bilateral Cooperation in the Field of Sport and Recreation



Ayanda Nkuhlu
Political Adviser



Zolile Magugu
Special Adviser



Raisibe Morathi
Economic Adviser

4. TABLES



Nonhlanhla Mjoli-Mncube
Economic Adviser



Dorothy Motubatse
Parliamentary Counsellor

Country	Title
Cuba	Agreement on the Employment of Cuban Technical Advisers
Lesotho	Memorandum of Understanding on Cooperation in the Field of Agriculture
Malaysia	Memorandum of Understanding on Agricultural Cooperation
People's Republic of China	Memorandum of Understanding on Sport Cooperation
Guinea-Bissau	Agreement on Defence Cooperation
Malawi	Agreement on Scientific and Technological Cooperation
DRC	Joint Declaration of Intent concerning Support and Assistance to the Democratic Republic of Congo in the Reform of the Armed Forces
DRC	Memorandum of Understanding on Development and Cooperation in Transport Related Matters
DRC	Protocol on Hospital Services
Finland	Agreement concerning the Knowledge Partnership on Information and Communication Technology
Mozambique	Agreement on Combined Border Control Posts on the Mozambique-South Africa Border
Mozambique	Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income
IBRD	Global Environment Facility Trust Fund Grant Agreement Plus Project Agreement with Indian Ocean Commission and Project Agreement with the South African Maritime Safety Authority
ICAO	Memorandum of Understanding between the Republic of South Africa and the International Civil Aviation Organisation regarding Safety Oversight Audit
People's Republic of China	Agreement on Cooperation in the Minerals and Energy Sector
People's Republic of China	Agreement on Cooperation in the Field of Education
People's Republic of China	Memorandum of Understanding between the Ministry of Public Service and Administration of the Republic of South Africa and the Ministry of Personnel of the People's Republic of China on Cooperation in the Fields of Human Resources Development and Public Administration
UNDP	Agreement on Establishing a Service Centre in South Africa
Kenya	Agreement for the Establishment of a Joint Commission of Cooperation
EU	Additional Protocol to the Agreement on Trade, Development and Cooperation
AU	Agreement on the Material and Technical Organisation of the Conference of African Ministers responsible for Road Transport
Namibia	Agreement on the Transfer of Status Records of Persons Born, Married or Died in Namibia Held by the Government of the Republic of South Africa
Namibia	Memorandum of Understanding on Diplomatic Consultations
Mauritania	Cooperation Agreement in the field of Mining and Mineral Resources
Mauritania	Cooperation Agreement in the fields of Petroleum and Energy
UNEP	The fifth session of the Conference of parties to the entry into force: Nairobi Convention and the eighth session of the Conference of parties to the Abidjan Convention
Sudan	Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income
Sudan	Agreement for the Reciprocal Promotion and Protection of Investments
Sudan	Memorandum of Understanding on Cooperation in Immigration, Population and Election Matters
Sudan	Memorandum of Understanding on Defence Cooperation
Sudan	Memorandum of Understanding regarding Economic Cooperation
Sudan	Statement of Intent on Cooperation in the area of Social Development
Sudan	Trade Agreement

Country	Title
UK	Memorandum of Understanding concerning Defence Cooperation
DRC	Memorandum of Understanding on Cooperation on Issues related to Public Works
Mozambique	Agreement for the Establishment of a Joint Permanent Commission on Defence and Security
Angola	Cooperation Agreement between the Government of the Republic of South Africa and the Government of the Republic of Angola in the field of Petroleum
Angola	Agreement on Cooperation in the Field of Tourism
Zimbabwe	Agreement on Scientific and Technological Cooperation
Zambia	Agreement on Scientific and Technological Cooperation
Denmark	Agreement between the Government of the Kingdom of Denmark and the Government of the Republic of South Africa regarding accelerating child and women's protection through prevention and response to violence and HIV/AIDS in South Africa (2007-2009)
USAID	Memorandum of Understanding between the Government of the Republic of South Africa through the Department of Education and the Government of the United States through the United States Agency for International Development on Cooperation in the development of textbooks and learning materials
The League of Arab States	Agreement on Establishing a Mission in South Africa
India	Agreement on Cooperation and Mutual Assistance in Customs Matters
India	Agreement regarding the Waiver of Visa Requirements for Holders of Diplomatic and Official Passports
India	Programme of Cooperation in Science and Technology
Malawi	Memorandum of Understanding on Defence Cooperation
Egypt	Executive Programme of Cooperation for the Implementation of the Agreement on Cooperation in the Fields of Arts and Culture
France	Agreement on Cooperation in the Field of Energy
France	Agreement on Cooperation pertaining to Tourism
France	Agreement on Scientific and Technological Cooperation
France	Agreement on Transport-Related Matters
France	Declaration on South Africa-French Cooperation on JIPSA
France	Statement of Intent on the Extension of the Continental Shelf, the Surveillance of Fisheries and Scientific Research Cooperation in the Waters Adjacent to the French Southern and Antarctic Territories and Marion and Prince Edward Islands
Indonesia	Joint Declaration on a Strategic Partnership for a Peaceful and Prosperous Future
Indonesia	Memorandum of Understanding on Cooperative Activities in the Field of Defence
Indonesia	Memorandum of Understanding on Cultural Cooperation
Indonesia	Statement on the New Asian-African Partnership
Ethiopia	Agreement for the Promotion and Reciprocal Protection of Investments
Ethiopia	Agreement on the Establishment of a Joint Ministerial Commission
Ethiopia	Memorandum of Understanding regarding Industrial and Technical Cooperation
AU	Memorandum of Understanding contributing Military Resources to the African Union Mission in the Sudan
Australia	Protocol Amending the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

b) Multilateral instruments signed, ratified or acceded to between 1 April 2007 and 31 March 2008



Susilo Bambang Yudhoyono
President
Republic of Indonesia

4. TABLES



Country	Title
Multilateral	Convention on the Physical Protection of Nuclear Material
Multilateral	Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
Multilateral	Sixth Additional Protocol to the Constitution of the Universal Postal Union
Multilateral	International Convention on Mutual Administrative Assistance in Customs Matters
Multilateral	International Convention for the Suppression of Acts of Nuclear Terrorism
Multilateral	Protocol on the Facilitation of Movement of Persons (SADC)
Multilateral	Free Trade Agreement between the EFTA States and the SACU States
Multilateral	Convention on the Rights of Persons with Disabilities
Multilateral	Optional Protocol to the Convention on the Rights of Persons with Disabilities
Multilateral	Memorandum of Understanding amongst the Southern African Development Community Member States on the establishment of a Southern African Development Community Standby Brigade
Multilateral	Memorandum of Understanding amongst the Member States of the Southern Africa Development Community on the New Headquarters of SADC
Multilateral	Agreement on Customs and Tax Administration Cooperation (IBSA)
Multilateral	Memorandum of Understanding on Cooperation in the Field of Public Administration and Governance (IBSA)
Multilateral	Memorandum of Understanding on Cooperation in the Field of Social Issues (IBSA)
Multilateral	Memorandum of Understanding on Cooperation in the Field of Health and Medicine (IBSA)
Multilateral	Memorandum of Understanding on Cooperation in Wind Resources (IBSA)
Multilateral	Memorandum of Understanding on Cooperation in the Field of Higher Education (IBSA)
Multilateral	Memorandum of Understanding on Cultural Cooperation (IBSA)
Multilateral	Memorandum of Understanding on Cooperation in the Area of Anti-Corruption

TABLE 21: HOSTING AND VISITING HEADS OF STATE AND OTHERS

Date	Hosting/Visiting	Place
5 April 2007	Tanzania/SA Presidential Economic Commission	Tanzania
10 - 11 April	Working visit	Sudan
12 April	Working visit	France
19 April	Incoming state visit Singapore	Union Buildings
4 May	Courtesy call by Vincent Biruta, President of the Senate of the Republic of Rwanda	Tuynhuys
4 May	Courtesy call by Chief Letaba Makhola, President of the Senate of the Kingdom of Lesotho	Tuynhuys
4 May	Courtesy call by AK Kapera, Chairman of the National Council of Namibia	Tuynhuys
4 May	Courtesy call by D Brouer, Representative of the President of the Bundesrat of the Federal Republic of Germany	Tuynhuys
8 May	Courtesy call by President John Kufuor of Ghana	Union Buildings
9 May	Courtesy call by the President-Elect of Nigeria, President Amaru Yar'Adua	Mahlamba Ndlopfu
23 - 25 May	State visit to Vietnam	Vietnam

Date	Hosting/Visiting	Place
29 May	Inauguration of the President-Elect	Nigeria
1 June	Official visit by Prime Minister Tony Blair of the United Kingdom	Union Buildings
14 June	State visit by President Joseph Kabila of the DRC	Tuynhuys
30 July	Working visit to Ivory Coast	Ivory Coast
21 August	DRC / South Africa Bi-national Commission	DRC
22 August	Courtesy call by Ms Sonia Gandhi	Genadendal
13 September	Meeting with President Yayi Boni of Republic of Benin	Tuynhuys
18 September	Working visit by President Armando Guebuza of the Republic of Mozambique	Presidential Guesthouse
5 October	Official visit by Chancellor Angela Merkel of the Federal Republic of Germany	Union Buildings
11 October	Working visit by President Hifikepunye Pohamba of the Republic of Namibia	Union Buildings
19 - 21 October	Working visit to France	France
30 – 31 October	Outgoing state visit to Namibia	Namibia
6 November	Official visit by Omar Hassan Ahmer El-Bashir of Sudan	Tuynhuys
22 November	Working visit to Zimbabwe	Zimbabwe
15 January 2008	Courtesy call by Prime Minister of Ireland, Bertie Ahern	Union Buildings
17 January	Working visit to Zimbabwe	Harare
18 February	Meeting with Deputy Prime Minister and Minister of Foreign Affairs, Shaikh Mohamed Sabah Al-Salem Al-Sabah, of Kuwait	Mahlamba Ndlopfu
28 February	State visit by Nicolas Sarkozy, President of the French Republic	Tuynhuys
10 March	Courtesy call by Sergey Ivanov, First Deputy Chairman of the Russian Federation Delegation	Union Buildings
11 – 12 March	Outgoing visit: 40 th Anniversary of Independence	Mauritius
17 March	State visit by President Susilo Bambang Yudhoyono of Indonesia	Union Buildings



Angela Merkel
Chancellor
Federal Republic of Germany



A stylized, white line-art graphic of a tree with many branches, positioned in the upper right corner of the page, partially overlapping the title area.

SECTION C

PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008



PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

This section provides an overview of The Presidency's programme performance in realising government's strategic agenda. It is guided by and structured according to the requirements issued by the National Treasury on performance information.

The President, together with Cabinet, is mandated to lead government in the development, management and execution of policy to the benefit of the people of South Africa. Consequently, The Presidency performs leadership, planning, policy coordination and executive management functions in support of the President to ensure harmonious and integrated service delivery throughout the state system.

There are three broad programmes within The Presidency: *Administration*, *Communications* and *Executive Coordination*. To serve these functions as efficiently and effectively as possible, The Presidency was structured into six branches during the review period: the Private Office of the President; the Private Office of the Deputy President; the Cabinet Office; Policy Coordination and Advisory Services; Communications; and Strategy and Operations (which includes the offices of the Director-General and the Chief Operations Officer).

1. VOTED FUNDS

Appropriation (*000)	Main appropriation	Adjusted appropriation	Actual amount spent	Over/under expenditure
MTEF allocation	254 741	272 101	264 200	7 901
Statutory appropriation	2 219	2 219	2 316	nil
Responsible minister	Minister in The Presidency			
Administering department	The Presidency			
Accounting officer	Chief Operations Officer in The Presidency			

2. AIM OF VOTE

The mission of The Presidency is to lead, develop and manage government's strategic agenda. The Presidency's overall mandate and core business is to provide high-quality, professional support to the President, Deputy President and Minister in the execution of their executive responsibilities.

3. KEY MEASURABLE OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS

3.1 Strategic objectives

Following its mid-year review in 2007, The Presidency refined its strategic objectives and enhanced the associated strategies to better achieve the targets and outcomes.

The following are the refined strategic objectives for The Presidency:

- To strengthen strategic management and leadership capability to achieve greater organisational cohesion
- To improve management, access and sharing of information
- To coordinate, monitor, evaluate and communicate government policies and programmes and accelerate integrated service delivery
- To foster nation-building and social cohesion to give effect to the People's Contract
- To promote the integrated approach to governance for accelerated service delivery
- To support, develop and consolidate initiatives for building a better Africa and a better world
- To promote accelerated and shared economic growth and development with emphasis on the Second Economy and social inclusion.



3.2 Programmes

Programme 1: Administration

The programme is responsible for the overall administration and management of The Presidency as well as the planning and coordination of support services. The programme oversees the strategic agenda of government by maintaining high-level liaison and coordination with ministries and government departments. The programme is divided into four sub-programmes:

- Minister
- Management
- Support Services to the President
- Support Services to the Deputy President.

Programme 2: Communications

The programme assists the President, Deputy President and the Minister in the execution of their constitutional and political functions by providing communications, research and information services to enable them to communicate effectively in government and with society. Communications is responsible for the effective management of media liaison, research and knowledge, speechwriting, and events and public participation.

Programme 3: Executive Coordination

The programme provides policy advice, monitoring and evaluation services to enable The Presidency, Cabinet and government to plan, coordinate and implement government's programme. Executive Coordination provides for the strategic management of the business of Cabinet and its committees, as well as technical support to facilitate the operational and strategic content of the work of Cabinet. The programme is divided into four sub-programmes:

- Policy Coordination and Advisory Services
- Cabinet Office
- Gender, Disability and Children
- National Youth Commission.



PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

3.3 STRATEGIC OBJECTIVES, STRATEGIES, MEASURABLE OBJECTIVES AND ACHIEVEMENTS

S/O No.	Presidency strategic objectives	S/I No.	Presidency strategies per objective	M/O No.
1.	To strengthen strategic management and leadership capability to achieve greater organisational cohesion	1.1	Strategies and plans of action for all spheres of government and organs of state aligned with government priorities and geared towards the achievement of its electoral mandate	1.1.1
				1.1.2
				1.1.3
		1.2	Coordinate and facilitate development of strategic management and leadership capacity and capability of government	1.2.1
				1.2.2
		1.3	Strengthen strategic management and leadership capability and promote greater organisational cohesion in The Presidency	1.3.1
				1.3.2



Presidency measurable objectives	Achievements per measurable objective
Annually updated MTSE, with correlation of measured progress and mandated outcomes, aligned to strategic agenda of government	<ul style="list-style-type: none"> • MTSE updated with correlation to government priorities • Programme of Action updated and published • 24 Apex Priorities identified and published • Summary report on alignment of MTSE and MTEF prepared • Annual monitoring/assessment report on the legislative programme compiled
Establishment and enhancement of coherent and integrated government strategic planning	<ul style="list-style-type: none"> • Final draft proposals and updated report presented to FOSAD and Lekgotla on the capacity for national strategic planning • Assessment of status of provincial growth and development strategies completed and a report prepared • National planning framework now used as a management and planning tool in government • Electronic template for Cabinet memoranda refined and distributed to departments and ministries
Improved alignment and coordination of strategies, programmes and plans, including between MTSE, NSDP, PGDSes and district IDPs	<ul style="list-style-type: none"> • 13 district IDPs completed • Interventions to improve alignment implemented – 10 district municipalities initiated • Steering committee meeting held to facilitate aligned planning across levels of government
Provision of strategic support to government programmes aimed at strengthening capacity and macro-organisation of the state	<ul style="list-style-type: none"> • Report on strengthening capacity of state completed • Three meetings held to induct and orientate about 200 officials from senior management and ministerial staff to develop Cabinet memoranda • Report on workflow analysis of the legislative process and process map finalised • Legislative Drafters Forum established
Framework for intergovernmental cohesion implemented, with particular reference to issue escalation process to The Presidency and advisory process	<ul style="list-style-type: none"> • Inputs and participation in various processes supporting intergovernmental cohesion took place • DPLG and governance and administration sector worked on the intergovernmental relations framework
Norms and standards ensuring organisational cohesion in The Presidency, including annual coordination, alignment, reviewing and defining of budgeting and planning processes and systems	<ul style="list-style-type: none"> • Annual Presidency planning processes are implemented, fully aligned and institutionalised • Aligned Estimates of National Expenditure to strategic plan • Review and update of policies and procedures undertaken, with policies enhanced
Aligned human resources management and development strategy; business continuity strategy and master systems plan implemented in The Presidency	<ul style="list-style-type: none"> • Development of an integrated human resource management and development strategy • Human resource service delivery model developed and aligned to strategy • Developed master systems plan • Worked to enhance existing business continuity strategy

PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

3.3 STRATEGIC OBJECTIVES, STRATEGIES, MEASURABLE OBJECTIVES AND ACHIEVEMENTS

S/O No.	Presidency strategic objectives	S/I No.	Presidency strategies per objective	M/O No.
2.	To improve management, access and sharing of information	2.1	Ensure improvement of management, access and sharing of information	2.1.1
		2.2	Ensure effective communication with internal and external stakeholders	2.2.1
3.	Coordinate, monitor, evaluate and communicate government policies and programmes and accelerate integrated service delivery	3.1	Lead and ensure the development and maintenance of a coordinated government-wide M&E system	3.1.1
				3.1.2
				3.1.3
		3.2	Lead and facilitate effective communication of government policies and programmes	3.2.1



Presidency measurable objectives	Achievements per measurable objective
Integration and coordination of information flow, institutional memory and information management systems within The Presidency	<ul style="list-style-type: none"> • Enhancements to information management systems completed • Recommendations on improvements to Cabinet system published • Report on workflow analysis of legislative process and process map finalised • Plan for institutional memory and information security incorporated into business continuity strategy
Comprehensive and cohesive Presidency communication and public relations strategy implemented	<ul style="list-style-type: none"> • Review of 2007/08 communications performance conducted • 2007/08 communications strategy adopted • Draft public relations strategy developed • Knowledge management policy developed
Standardised, institutionalised and effective M&E framework and policy platform	<ul style="list-style-type: none"> • National M&E policy framework document developed and published • M&E coordinating forum reconvened • Report with indicators that assess functionality of all national departments developed • Learning network for M&E practitioners established and launched with 300 participants and international speakers • Annual operational plan of all national M&E projects compiled • Draft concept note on coordinated geographic information system in government developed
Interventions to enhance level and quality of executive oversight	<ul style="list-style-type: none"> • Two additional Programme of Action cycles programmed and fully automated • Web-based system tested for enhanced Programme of Action • Comprehensive report with series of indicators that assess the functionality of all national departments developed • Designed, sourced data and developed set of uniquely South African development indicators; published and distributed 20 000 booklets • Annual operational plan of all national M&E projects compiled
Database providing accurate, current information on status of programmes and policies	<ul style="list-style-type: none"> • Compiled baseline data to disaggregate disability statistics and develop disability-specific indicators • 2008 legislative programme agreed and oversight to ensure submission to Parliament commenced • Target for 2008/09 revised to include development of database
Effective strategy and mechanism for proactive communication of policies and programmes	<ul style="list-style-type: none"> • Initiative with GCIS to develop effective strategy and mechanism for proactive communication of government policies and programmes under way

PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

3.3 STRATEGIC OBJECTIVES, STRATEGIES, MEASURABLE OBJECTIVES AND ACHIEVEMENTS

S/O No.	Presidency strategic objectives	S/I No.	Presidency strategies per objective	M/O No.
4.	To foster nation-building and social cohesion to give effect to the People's Contract	4.1	Provide leadership and facilitate participatory and democratic governance systems that contribute to the mobilisation of society to engage in collective action with the state towards achievement of its goals	4.1.1
				4.1.2
5.	To promote the integrated approach to governance for accelerated service delivery	5.1	Promote coordination of implementation of integrated programmes across government that result in accelerated service delivery for sustainable development	5.1.1
				5.1.2
		5.2	Deepen governance and accountability through application of principles and practices of good governance	5.2.1
				5.2.2



Presidency measurable objectives	Achievements per measurable objective
Achievement of milestones in refinement and implementation of a cohesive and coordinated agenda for nation-building	<ul style="list-style-type: none"> • Provision of oversight for the refinement and implementation of the frameworks towards a cohesive and coordinated agenda for nation-building • Macro-social strategic framework revised and developed • Draft anti-poverty strategy presented at 2008 January Cabinet Lekgotla • Framework for coordinating special projects developed and implemented
Coordinated public participation strategy and plan implemented, resulting in social cohesion and engagement of society in government initiatives	<ul style="list-style-type: none"> • Draft public participation policy and plan developed • Events management protocol drafted • Izimbizo protocol finalised • Draft events manual developed
Interventions and programmes on macro-organisation of the state towards coordinated and integrated service delivery identified, consolidated and implemented, and cluster system cascaded to all spheres of government	<ul style="list-style-type: none"> • Completed reports on the functionality of the cluster system • Developed national disability policy framework; reviewed integrated national disability strategy • Successful planning, coordination and execution of 12 presidential working group meetings and four presidential advisory council meetings • National cluster system promoted and implementation has commenced in provinces • 2007 annual report for the Independent Commission for the Remuneration of Public Office Bearers published
Address bottlenecks in formulation and implementation of programmes and policies	<ul style="list-style-type: none"> • The Presidency, National Treasury, DPSA, Stats SA, DPLG and South African Management Development Institute have M&E policy frameworks • Government's bimonthly reporting cycle has been automated • Programme of Action standardised
Good governance measures implemented in all branches of The Presidency	<ul style="list-style-type: none"> • Second review report and annual remuneration recommendations due for publication • Risk management unit established in Office of the COO and fully functional • Formal risk management structure (risk management committee) established • Draft risk management framework finalised
Legislation developed in accordance with policy, including accountability for its intended impact, to ensure enhancement in legislative environment and role of Leader of Government Business	<ul style="list-style-type: none"> • RIA project being implemented by task team composed of PCAS, Cabinet Office and Treasury • Guidelines for development of legislation drafted • RIA progress report submitted to Cabinet in February 2008 • Progress report incorporating monitoring/assessment of departments in respect of compliance submitted to Cabinet • Draft political management guideline for legislation completed

PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

3.3 STRATEGIC OBJECTIVES, STRATEGIES, MEASURABLE OBJECTIVES AND ACHIEVEMENTS

S/O No.	Presidency strategic objectives	S/I No.	Presidency strategies per objective	M/O No.
6.	To support, develop and consolidate initiatives for building a better Africa and a better world	6.1	Facilitate and lead a progressive role in Africa and the world resulting in improved conditions of peace, stability, security, democracy and good governance for sustainable development	6.1.1
				6.1.2
				6.1.3
7.	To promote accelerated and shared economic growth and development with emphasis on the Second Economy and social inclusion	7.1	Facilitate coordinated interventions and macroeconomic approaches towards broad socioeconomic development, social inclusion and reduced inequality Promote integration of formal and informal economies	7.1.1



Presidency measurable objectives	Achievements per measurable objective
Areas requiring oversight and leadership by The Presidency defined, with facilitation and oversight of interventions as required to ensure the enhancement of governance, reduction in conflict and enhanced post-conflict reconstruction through just and equitable multilateral and bilateral agreements	<ul style="list-style-type: none"> • Dialogue between the parties in Zimbabwe achieved through facilitation • Prepared and participated in the grand debate on formation of an AU government in Ghana (outcome was the Accra Declaration) • Joint Statement between the G8 presidency and leaders of Brazil, China, India, Mexico and South Africa committing to embark on high-level dialogue on specific challenges as proposed by the G8 (Heiligendamm Process) • South Africa hosted the 2nd IBSA Summit, resulting in the Tshwane Declaration, which expressed the pledge of the three countries to deepen south-south cooperation for sustainable development • The EU-Africa Summit endorsed the Africa-EU Strategy, which focuses on peace and security, good governance and human rights, trade, regional integration and developmental issues • The Deputy President co-chaired the 3rd South Africa-China binational commission in preparation for the celebration of 10 years of the establishment of SA-China diplomatic relations and to forge partnerships for growth and development, with a focus on the Apex Priorities • Support meetings of the NEPAD 6+2 forum coordinated with the Department of Foreign Affairs contributed to South Africa's input into the NEPAD steering committee and heads of state and government implementation committee
Facilitation of conditions for sustainable investment and growth in Africa	<ul style="list-style-type: none"> • Launch of Pan African Infrastructure Development Fund as a financing platform for infrastructure development that will accelerate Africa's growth to its target of a sustainable 7% growth per annum • Presentation of South Africa's African Peer Review Mechanism Country Review Report and the National Programme of Action to the APR Summit Forum in Accra, Ghana
Systems for feedback, reporting and monitoring to ensure continuity of international programme	<ul style="list-style-type: none"> • Institutional memory systems enhanced • Coordination plan defined for capturing, reporting and communication of decisions and commitments made by the principals
Areas requiring oversight and leadership by The Presidency defined and implemented, resulting in broad socioeconomic development and social inclusion	<ul style="list-style-type: none"> • AsgiSA, JIPSA and Second Economy interventions and reports • Work on regulatory reform for small business • Framework for regulators in energy, telecoms and rail with clear objectives linked to AsgiSA • Oversight visits to 2010 host cities • Report on jobs for growth completed • Coordinated learnerships for persons with disabilities in the private sector • Reports on modelling and scenario planning for AsgiSA • Database website www.jobs.co.za

PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

3.4 Overview of the service delivery environment 2007/08

Reasons for virement between appropriation allocations

Virement took place mainly from goods and services to the compensation of employees. This was necessitated by an underestimation of the cost of filling vacancies at the time of the Adjustment Estimates for 2007. The bulk of the funds were shifted to Programme 3: Executive Coordination.

Report on rollovers

The Presidency received an additional R17.36 million through rollovers with the 2007/08 Adjustments Estimate. This was intended to fund additional administrative expenditure and the relocation of staff to alleviate the pressure on office accommodation in the Union Buildings. However, the designated staff providing corporate services will only be relocated in 2008/09 because of a delay in finding an appropriately located and secure building.

3.5 Overview of the organisational environment for 2007/08

The Presidency made a major effort to ensure that the vacancy rate for the review period was drastically reduced, from 25.1 percent in the previous financial year to 16.4 percent (see Tables 2.2 and 2.3 in Section D). However, a conscious decision was taken to freeze two major posts – the Deputy Directors-General for Communications and for the Private Office – because the period remaining until the end of the term of the principals was too short to attract the necessary skills. Posts were rationalised to enhance the delivery of the strategic objectives and create a more effective organisation.

The turnover rate (Tables 4.1 and 4.2) is 16.5 percent. The majority of exits were in the human resources and finance disciplines. Of the 77 employees who left the organisation, 33 transferred to other departments and 20 resigned, mostly because of better salary offers and career prospects.

During the review period, The Presidency hired five additional employees with disabilities. While this resulted in achievement of its 2 percent target, The Presidency remains committed to appoint more employees with disabilities. The Presidency continues to strive to reach the target of employing 50 percent women in management positions by 2009 (2007/08: 40.7 percent).

3.6. Strategic overview and key policy developments for 2007/08

The Presidency coordinates policy and monitors its implementation in government. The President, in his capacity as the leader of government, assents to legislation.

4. DEPARTMENTAL REVENUE, EXPENDITURE AND OTHER SPECIFIC TOPICS

4.1 Collection of departmental revenue

The Presidency does not render services to the public and therefore has very low departmental revenue. It mainly consists of subsistence and travel refunds, staff debt and refunds due by other departments in the event that they had to pay initially for certain expenses – for example, the Department of Foreign Affairs, which assists with overseas travel by the President, Deputy President and Minister.

DEPARTMENTAL REVENUE (R'000)	2004/05	2005/06	2006/07	2007/08	2007/08	% DEVIATION
	Actual	Actual	Actual	Target	Actual	From target
Tax revenue	Nil	Nil	Nil	Nil	Nil	Nil
Non-tax revenue	94	72	84	101	123	1
Sales of goods and services produced	67	69	80	93	104	1
Transfers received	22					
Interest, dividends and rent on land	5	3	4	8	19	30
Total departmental receipts	509	126	1 738	119	289	2

DEPARTMENTAL REVENUE (R'000)	2004/05	2005/06	2006/07	2007/08	2007/08	% DEVIATION
	Actual	Actual	Actual	Target	Actual	From target
Sales of capital assets (capital reserve)	0		1 076	32		
Financial transactions (recovery of loans and advances)	415	54	578	134	166	51
Total departmental receipts	509	126	1 738	119	289	2

4.2 Departmental expenditure (R'000)

	Voted for 2007/08	Rollovers and adjustments	Virement	Total voted	Actual expenditure	Variance
Programme 1	157 904	14 195	-3 580	168 519	162 186	6 333
Programme 2	19 334	-834	-1 435	17 065	16 195	870
Programme 3	77 503	3 999	4 918	86 420	85 819	601
Sub-total	254 741	17 360	-97	272 004	264 200	7 804
Statutory appropriation	2 219	0	97	2 316	2 316	0
Total	256 960	17 360	0	274 320	266 516	7 804

4.3 Transfer payments

The National Youth Commission

The Minister in The Presidency serves as the Executing Authority of the National Youth Commission, which was established in terms of the National Youth Commission Act (1996). The powers and duties of the Commission are conferred or assigned to it under the abovementioned act. It reports directly to the Minister in The Presidency and quarterly to the Accounting Officer in The Presidency. Funds are transferred to the entity on a quarterly basis after the quarterly reports have been received.

Isigodlo Trust

The Isigodlo Trust was initiated and championed by the spouse of the President for women's development issues in rural and semi-rural areas. Its programmes support government's strategic objectives. Funds are transferred to the trust based on claims submitted requesting reimbursements.

Transfer payments (R'000)

Name of institution	Amount transferred	Estimate expenditure
Vehicle licence	2	2
National Youth Commission	20 614	20 614
South African Chapter of the African Renaissance	1 000	1 000
Isigodlo Trust	3 000	3 000
Non life insurance premiums	35	102
Employee social benefits	441	441
Total	25 092	25 159



PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

4.4 Conditional grants and earmarked funds

The Presidency has not received or granted any conditional grants.

4.5 Capital investment, maintenance and asset management plan

Capital investment

The Presidency did not engage in any capital investment project and there was no work in progress from the previous year.

Maintenance

The Presidency does not pay for the maintenance of fixed property, as this is the responsibility of the Department of Public Works.

Asset management

Asset holdings have changed by R5.38 million during the year, of which R5.017 million were acquisitions, R395 000 were adjustments to the previous year and R32,000 were for disposals.

A continuous process of refining and updating asset policies, procedures, guidelines and documentation to enhance the asset management process within the organisation is being done. The continued skills transfer and training of staff complement the process as this is part of the implementation plans.

All data equipment at the Union Buildings and Tuynhuys was upgraded and storage area network and disaster recovery equipment was acquired.

The Presidency has in place a supply chain management unit that conduct tender processes according to relevant legislation and National Treasury guidelines. The bid committee ensures that the evaluation process is fair, equitable, transparent, competitive and cost-effective.

5. PROGRAMME PERFORMANCE INFORMATION: PROGRAMME PERFORMANCE AGAINST OPERATIONAL PLANS FOR 2007/08

Programme performance information per programme and sub-programme

The individual programme performance information per measurable objective indicated in the *Strategic Plan: 2007/08-2009/10* is described in the annexures below:

Annexure 1: Administration

Annexure 2: Communications

Annexure 3: Executive coordination



ANNEXURE 1

Administration

Purpose: To provide effective leadership, management and administrative support to the principals and branches of The Presidency.

MEASURABLE OBJECTIVE 1

Oversight and facilitation to ensure the establishment and enhancement of coherent and integrated strategic planning processes and sessions.

Service delivery objectives and indicators

Facilitation and coordination provided to the Deputy President's leadership role in updating and aligning the MTSE. Indicators include reports on provincial cycle visits, quarterly progress reports for special projects and AsgiSA, and Second Economy progress reports.

Service delivery achievements

- Enhanced alignment through provincial visits
- Launched the 2010 mid-term report
- Developed and implemented a framework for coordinating the Moral Regeneration Movement, South African National Aids Council, AsgiSA and special projects related to traditional, cultural, religious and linguistic affairs.

MEASURABLE OBJECTIVE 2

Norms and standards ensuring organisational cohesion in The Presidency, including the annual coordination, alignment, review and definition of budgeting and planning processes and systems.

Service delivery objectives and indicators

- Align Presidency planning and budgeting processes
- Align Presidency policies, processes and procedures
- Draft framework on good governance
- Improve organisational cohesion
- Revisit and review outcomes of process management intervention

- Research organisational cohesion models and find suitable approaches
- Draft framework for organisational cohesion.

Service delivery achievements

- Implemented, aligned and institutionalised annual planning processes
- Aligned strategic plan to the *Estimates of National Expenditure*
- Aligned 80 percent of Presidency work plans in 2007/08, a year ahead of target
- Reviewed and updated policies and procedures
- Developed draft change navigation framework.

MEASURABLE OBJECTIVE 3

An aligned human resource management and development strategy, business continuity strategy and master systems plan implemented in The Presidency.

Service delivery objectives and indicators

- Implement and institutionalise an integrated human resources management and development strategy
- Evaluate alignment between the two strategies
- Develop draft business continuity strategy and implement plan
- Implement and institutionalise the annual milestones in the master systems plan.

Service delivery achievements

- Completed an integrated human resources management and development strategy
- Developed a human resource service delivery model aligned to the strategy
- Developed a draft document on how to address the skills audit and areas of development for senior management service
- Developed master systems plan
- Developed business continuity plan
- Completed preparatory work on business continuity strategy.



PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

MEASURABLE OBJECTIVE 4

A coordinated public participation strategy and plan implemented, resulting in social cohesion and engagement of society in government initiatives.

Service delivery objectives and indicators

- Report on coordinated, monitored and actively supported Izimbizo and action on commitments made by the Deputy President emerging from the Izimbizo
- Strategic management of the principals' visibility and engagement with society
- Effective logistical support to the public participation, protocol and nation-building strategies.

Service delivery achievements

- Reached a range of stakeholders in pursuit of social cohesion imperatives such as youth, labour, children, business, traditional leaders, etc. through public events
- Supported Director General's work on public participation programme
- Completed audit of National Orders policies and procedures
- Warrants for existing National Orders have been approved
- Allocated protocol support to all public events attended by political principals
- Edited a manual on executive services
- A chapter on Izimbizo outcomes is a permanent feature of provincial reports.

MEASURABLE OBJECTIVE 5

Address bottlenecks in formulation and implementation of programmes and policies.

Service delivery objectives and indicators

- Develop and monitor the implementation of adjustments to remove bottlenecks
- Identify and recommend solutions to bottlenecks.

Service delivery achievements

- Coordinated interventions with other key departments to remove bottlenecks
- Conducted advance planning and provided timely information to principals to alleviate bottlenecks, focusing on issues raised during State of the Nation Address
- Followed up on issues raised during provincial visits and special projects.

MEASURABLE OBJECTIVE 6

Good governance measures implemented in all branches of The Presidency.

Service delivery objectives and indicators

- Ensure good governance measures are consistently implemented in The Presidency.

Service delivery achievements

- Completed budget control reviews; internal controls were adequate and effective
- Audited donor funding management, revenue and receivables, ledger maintenance, and purchases and payables
- The following areas were audited and are awaiting reports: human resource management, suspense accounts review, cash management and Paymaster General, transfer payments, IT general controls review and corporate governance review
- Reported loss of state assets to the police as required
- Complied with internal control requirements
- Complied with statutory requirements
- Completed MTEF and ENE budget documents on time
- Completed annual financial statements on time
- Published 2007 annual report for the Independent Commission for the Remuneration of Public Office Bearers
- Established risk management unit in the Office of the Chief Operations Officer
- Established the risk management committee
- Finalised the draft risk management framework.



MEASURABLE OBJECTIVE 7

Legislation developed in accordance with policy, including accountability for its intended impact, to ensure enhancement in the legislative environment and the role of the Leader of Government Business.

Service delivery objectives and indicators

- Synchronise and liaise with the Cabinet Office towards seamless role for the Leader of Government Business
- Report on the work of the Leader of Government Business.

Service delivery achievements

- Developed draft business process
- Finalised legislative programme for the year
- Improved efficiency, communication and synchronicity of the work of parliamentary officers, counsellors and advisers.

MEASURABLE OBJECTIVE 8

Good governance, peace, stability and security in Africa and the world promoted through The Presidency's leadership and oversight role.

Service delivery objectives and indicators

- Develop, approve and implement 2007/08 coordination plan for the international programme in line with foreign policy.
- Service delivery achievements
- Finalised the international programme for 2008
- Significantly improved planning of international engagements
- Secured support to JIPSA in international partnerships with India, China, France, Germany, Australia, South Korea, the Netherlands, the United States and New Zealand.

MEASURABLE OBJECTIVE 9

Development of institutional memory systems for international engagements – including feedback, reporting and monitoring – to ensure continuity.

Service delivery objectives and indicators

- Coordination of capturing, reporting and communication of decisions and commitments made by the principals.

Service delivery achievements

- Defined a coordination plan for capturing, reporting and communication of decisions and commitments made by the principals
- Process to formalise information flow from the advisers for improved effectiveness, institutionalisation and knowledge management.

MEASURABLE OBJECTIVE 10

Areas requiring oversight and leadership by The Presidency defined and implemented, resulting in broad socioeconomic development and social inclusion.

Service delivery objectives and indicators

- Develop, approve and implement 2007/08 enhancement strategy for the coordination of administrative support to the Deputy President
- Report on issues requiring the Deputy President's intervention
- Report on a communications framework for Second Economy issues.

Service delivery achievements

- Held international meetings to support skills programme resulting in, for example, 100 artisans being sent to India and 50 youth sent to the Netherlands for training.
- Conducted oversight visits to 2010 host cities.
- Reviewed Second Economy programmes, sector strategies and infrastructure monitoring framework and developed anti-poverty strategy.
- Intervention in the Qaukeni community and the provincial government on an AsgiSA project. The intervention eliminated constraints in AsgiSA implementation within the three spheres of government.
- Coordinated the JIPSA Joint Task Team, the Youth Development Forum, the AsgiSA High Level Task Team, the Jobs for Growth Programme and Interministerial committees.



PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

ANNEXURE 2

Communications

Purpose: To provide communications, research and information services to enable The Presidency to communicate effectively with the public and within government.

MEASURABLE OBJECTIVE 1

Integration and coordination of information flow, institutional memory and information management systems within The Presidency.

Service delivery objectives and indicators

- Develop and implement information management systems
- Greater integration and coordination of information flows and institutional memory.

Service delivery achievements

- Complied with minimum information security standards protocols
- Fulfilled requirements of Access to Information Act.

MEASURABLE OBJECTIVE 2

Institutionalisation of a comprehensive and cohesive communications and public relations strategy in The Presidency.

Service delivery objectives and indicators

- Review 2007/08 communications performance
- Report on improved systems to support integrated communications strategy
- Implement project team approach
- Implement milestones in the 2007/08 internal communications strategy
- Review 2007/08 internal communications performance
- Update internal communications strategy for 2008/09

- Report on evidence of monitoring of communications and media environment.

Service delivery achievements

- Reviewed 2007/08 communications performance
- Adopted 2007/08 communications strategy
- Developed draft public relations strategy
- Developed content approval policy
- Developed knowledge management policy
- Developed an approved internal communications strategy that is still being fully implemented.

MEASURABLE OBJECTIVE 3

An effective strategy and mechanism for proactive communication of government policies and programmes.

Service delivery objectives and indicators

- Accurate, effective coverage and discussion of government's agenda.

Service delivery achievements

- Produced quarterly report on implementation of Presidency communications strategy
- Maintained website
- Produced annual report and other publications, including quarterly internal newsletter
- Drafted press statements, media alerts, newspaper articles and other materials.

MEASURABLE OBJECTIVE 4

A coordinated public participation strategy and plan implemented, resulting in social cohesion and engagement of society in government initiatives.

Service delivery objectives and indicators

- Completion and approval of public relations strategy, public participation policy and events management manual/protocol



- Approve Izimbizo protocol
- Approve events manual
- Draft public participation and events calendar for 2008/09.

Service delivery achievements

- Developed the public participation strategy, but this was not approved
- Events management protocol drafted, but not approved
- Izimbizo protocol finalised
- Draft events manual developed.





PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

ANNEXURE 3

Executive coordination

Purpose: To provide policy advice, monitoring and evaluation services enabling The Presidency, Cabinet and government to plan, coordinate and ensure the implementation of government programmes. The programme also provides strategic and administrative services to enable the Cabinet to plan and ensure the implementation of the agenda of government, through the Cabinet Office sub-programme.

MEASURABLE OBJECTIVE 1

Annually updated MTSF, with correlation of measured progress and mandated outcomes, aligned to the strategic agenda of government.

Service delivery objectives and indicators

- Update MTSF for July Lekgotla
- Report on alignment between MTEF and MTSF
- Evidence of aligned template for year-end reports to MTSF objectives
- Align annual reports and strategy plans of departments with MTSF
- Quality quarterly reports promoting greater compliance with implementation deadlines.

Service delivery achievements

- Updated and correlated MTSF to government priorities; MTSF adopted at Lekgotla and distributed
- Updated and published Programme of Action
- Prepared summary report on alignment of MTSF and MTEF
- Completed report on functionality project
- Compiled annual monitoring/assessment report on legislative programme.

MEASURABLE OBJECTIVE 2

Oversight and facilitation to ensure establishment and enhancement of coherent and integrated government strategic planning processes and sessions.

Service delivery objectives and indicators

- Report to July Lekgotla on options for South Africa arising from the study of six cases on national development planning in developing countries and following up on issues that emerge
- Improve coherence in planning of sector programmes
- Revise national planning framework and report on level of state institutions' compliance with revised framework
- Provide strategic support to departments and clusters to develop and implement programmes and monitor implementation
- Review, improve and communicate a framework for discussion of strategic issues
- Ensure oversight of enhanced management of Makgotla, Cabinet and committees
- Improve quality of Cabinet and committee minutes
- Report on improvements to preparation of committee meetings and related inputs
- Develop, approve and implement annual Cabinet programme
- Quarterly report to reflect on the quality and accuracy of Cabinet records
- Quarterly report on compliance with technical requirements.

Service delivery achievements

- Presented final draft proposals and updated report to FOSAD and Lekgotla on the institutional machinery linking the budgeting and planning of departments
- Completed assessment of PGDS process and prepared a report
- Used national planning framework as a management and planning tool
- Approved framework for January 2008 Cabinet Lekgotla with a view to ensuring the alignment of submissions to MTSF
- Refined and distributed electronic template for Cabinet memoranda.



MEASURABLE OBJECTIVE 3

Oversight and facilitation of interventions to improve alignment and coordination of strategies, programmes and plans, and improve the level of alignment and coordination between the MTSE, NSDP, PGDSes and IDPs.

Service delivery objectives and indicators

- Integrate and align national, provincial and local development plans
- Complete implementation work in pilot districts
- Facilitate alignment of activities of provincial executives and Cabinet
- Enhance the role of provincial secretariats.

Service delivery achievements

- Completed alignment and coordination of MTSE, NSDP, PGDSes and 13 district IDPs
- Initiated interventions to improve alignment in 10 district municipalities
- Held steering committee meeting to facilitate alignment throughout government.

MEASURABLE OBJECTIVE 4

The provision of strategic support to government programmes aimed at strengthening capacity and the macro-organisation of the state.

Service delivery objectives and indicators

- Report by governance and administration cluster to July Cabinet Lekgotla
- Lekgotla report on strengthening capacity and organisation of the state
- Enhance leadership of integrated strategic planning processes
- Strengthen strategic management capacity and capability across government
- Train officials who develop Cabinet memoranda
- Include approach to improving quality of legislative programme and RIA in briefing, induction and orientation of officials trained on Cabinet memoranda.

Service delivery achievements

- Prepared report on strengthening capacity of the state for July Cabinet Lekgotla
- Held meetings to induct officials who develop Cabinet memoranda
- Finalised report on workflow analysis of the legislative process and process map
- Established Legislative Drafters Forum.

MEASURABLE OBJECTIVE 5

A framework for intergovernmental cohesion implemented, with particular reference to the escalation process for issues to The Presidency and the advisory process.

Service delivery objectives and indicators

- Report on implementation of framework for intergovernmental cohesion
- Report on extent of participation in intergovernmental cohesion processes.

Service delivery achievements

- Completed a report on extent of inputs and participation in various processes supporting intergovernmental cohesion.
- Did not complete the report on implementation of framework for intergovernmental cohesion. Primary responsibility for this project lies with the DPLG and Cabinet's governance and administration cluster. The target was adjusted for 2008/09.

MEASURABLE OBJECTIVE 6

Integration and coordination of information flow, institutional memory and information management systems within The Presidency.

Service delivery objectives and indicators

- Respond effectively to political requests and topical issues
- Evaluate the Cabinet system and issue recommendations for improvements



PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

- Document and archive all meetings of political principals
- Provide administrative and strategic support to The Presidency.

Service delivery achievements

- Improved information management systems
- Published recommendations to improve Cabinet system
- Finalised process map and report on workflow analysis of legislative process
- Incorporated plans for institutional memory and information security into the business continuity plan.

MEASURABLE OBJECTIVE 7

Implementation of a standardised, institutionalised and effective M&E framework and policy platform.

Service delivery objectives and indicators

- Develop and publish a national M&E framework document
- Provide leadership and support to the development of a broader M&E policy platform
- Reconvene the M&E coordinating forum chaired by PCAS
- Compile annual operational plan of all national M&E projects
- Establish and launch the learning network for M&E practitioners.

Service delivery achievements

- Developed and published a national M&E policy framework document
- Provided leadership and support to the development of the M&E policy platform, including programme performance information framework and statistical quality assurance framework
- PCAS chaired the M&E coordinating forum
- Compiled annual operational plan of all national M&E projects
- Launched learning network for M&E practitioners.

MEASURABLE OBJECTIVE 8

Interventions to enhance the level and quality of executive oversight.

Service delivery objectives and indicators

- Stabilise IT platform for Programme of Action system
- Additional Programme of Action cycles programmed and automated
- Develop a functionality report and indicators assessing all national departments
- Design, source data and develop a set of uniquely South African development indicators for publication and distribution
- Develop draft concept note on coordinated geographic information system in government.

Service delivery achievements

- Developed fully web-enabled Programme of Action system, including additional automated cycles
- Improved bimonthly cluster reports on Programme of Action guidelines
- Prepared comprehensive report on functionality of departments
- Initialised system automation
- Designed and sourced data and developed development indicators; published and distributed 20 000 booklets.

MEASURABLE OBJECTIVE 9

Availability and accuracy of information on the implementation of programmes and policies established. Database of policies and programmes developed and implemented.

Service delivery objectives and indicators

- Develop database of policies on gender, disability and children
- Maintain and enhance database
- Consolidate annual report on legislation.



Service delivery achievements

- Developed baseline data to disaggregate disability statistics and indicators
- Prepared input on the need for departments to streamline and prioritise the 2008 legislative programme before submission to Parliament
- Established baseline on legal compliance by The Presidency
- The target to maintain and improve the database was not achieved because no consolidated database was developed; the 2008/09 target was revised to include development of the database
- Verification of all legislation since 1994 was not achieved; the 2008/09 targets were revised to include this issue.

MEASURABLE OBJECTIVE 10

A cohesive and coordinated agenda for nation-building refined and implemented.

Service delivery objectives and indicators

- Finalise and implement macro-social strategic framework
- Finalise and implement an integrated anti-poverty framework.

Service delivery achievements

- Refined and implemented a framework towards a cohesive and coordinated agenda for nation-building:
 - Revised and developed the macro-social strategic framework
 - Presented the draft anti-poverty strategy at the January 2008 Cabinet Lekgotla
 - Developed and implemented framework for coordinating special projects.

MEASURABLE OBJECTIVE 11

Interventions and programmes supporting the macro-organisation of the state towards coordinated and integrated service delivery identified, consolidated and implemented. Cluster system cascaded to all spheres of government.

Service delivery objectives and indicators

- Report on enhanced strategic support to be given to departments
- Facilitate implementation of Programme of Action
- Report on provincial cluster system and recommendations to strengthen it
- Early warning system to identify systemic problems emerging in departments
- Support to political principals
- Manage FOSAD effectively
- Integrate decision-making to enhance Cabinet systems.

Service delivery achievements

- Produced reports on the functionality of the cluster system
- Developed the National Disability Policy Framework
- Planned and coordinated meetings of the Presidential Working Group, Inter-Ministerial Committee and the Presidential Advisory Council
- Provinces have begun organising themselves along the national cluster system.

MEASURABLE OBJECTIVE 12

Address bottlenecks in formulation and implementation of programmes and policies.

Service delivery objectives and indicators

- Propose and monitor corrective adjustments to identified bottlenecks
- Publish reporting schedule
- Support the review of directors general clusters as required
- Publish an annual schedule for Makgotla planning and reporting on clusters, and improve the strategic nature of Makgotla reports.

Service delivery achievements

- The Presidency, National Treasury, DPSA, Stats SA, DPLG and South African Management Development



PROGRAMME PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

Institute formalised their contributions to the M&E terrain in a series of policy frameworks

- Automated the bimonthly reporting cycle of government
- Standardised the Programme of Action.

MEASURABLE OBJECTIVE 13

Legislation developed in accordance with policy, including accountability for its intended impact, to ensure enhancement in the legislative environment and the role of the Leader of Government Business.

Service delivery objectives and indicators

- Establish RIA as a pilot programme in five national departments
- Manage and plan RIA process integration
- Support effective management of the legislative programme.

Service delivery achievements

- Established a task team composed of PCAS, Cabinet Office and Treasury that is driving the RIA project
- Developed guidelines for development of RIA legislation
- Submitted RIA progress report to Cabinet
- Submitted a progress report on departmental compliance to Cabinet submissions
- Completed a draft political management guideline for legislation.

MEASURABLE OBJECTIVE 14

Enhanced governance, and conditions of peace, stability and security in Africa and the world promoted through The Presidency's leadership and oversight role.

Service delivery objectives and indicators

- Report on strengthened role of Presidency
- Coordinate annual international programme in line with foreign policy
- Attend relevant international forums on governance to share experiences.

Service delivery achievements

- Facilitated negotiation processes in Zimbabwe
- Participated in IBSA summit
- Technical team visited China
- Held 3rd South Africa-China bi-national commission
- Prepared for Africa-EU summit
- Supported meetings of the NEPAD 6+2 Forum
- Finalised the President's international programme for 2007/08
- Participated in international programmes related to gender, disability and children's rights.

MEASURABLE OBJECTIVE 15

Development of institutional memory systems for international engagements – including feedback, reporting and monitoring – to ensure continuity.

Service delivery objectives and indicators

- Enhance Presidency role in coordinating development of guidelines for conduct of international relations by all tiers of government.

Service delivery achievements

- Improved systems for institutional memory in international interventions, including feedback, reporting and monitoring systems
- Defined a coordination plan for capturing, reporting and communicating decisions and commitments made by the principals.

MEASURABLE OBJECTIVE 16

Coordinated interventions and macroeconomic approaches resulting in broad socioeconomic development and social inclusion.

Service delivery objectives and indicators

- Facilitation and coordination of initiatives supporting achievement of the goal.



Service delivery achievements

- Led AsgiSA, JIPSA and Second Economy interventions
- Initiated regulatory reform for small businesses
- Developed framework for regulators in energy, telecoms and rail linked to AsgiSA
- Conducted oversight visits to 2010 host cities
- Completed report on jobs for growth
- Coordinated learnerships for persons with disabilities in the private sector
- Launched JobACCESS programme.







SECTION D

HUMAN RESOURCES OVERSIGHT





HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

During 2007/08 The Presidency continued to appoint staff to support the AsgiSA and JIPSA projects and to provide learners and interns with practical work experience (Table 2.1).

A total amount of R6 137 000 was spent on overtime mostly in Programme 1, which provides support services to the organisation. Table 1.4 shows that the highest overtime as percentage of total cost was at salary levels 3-5 (15.4 percent). These are the levels at which the majority of household staff are employed. The staff in the households often work erratic hours depending on the demands on the time of the Principals. It can also be noted from the same table that employees at salary levels 1-8 are contributing very little to medical aid. Since the introduction of the Government Employees Medical Scheme, employees at salary levels 1-5 can belong to medical schemes without necessarily contributing, depending on the package they choose.

Table 2.1 indicates that a total of 42 employees were appointed additional to the establishment for the period under review. These appointments consist of short-term appointments such as experts, donor funded contract employees, interns and learners, etc. The Presidency achieved a reduction in the vacancy rate from 25.1 percent, in the previous financial year, to 16.4 percent for the review period (see Tables 2.2 and 2.3). Expertise was contracted to militate against the high vacancy rate in the Finance and Human Resource Management units. Two major posts of Deputy Directors General: Communications and Private Office were frozen because the positions would not be filled before a new government is elected.

The Internal Audit unit, Supply Chain Management, Finance and Human Resource Management structures were reviewed to meet the legislative requirements of ensuring a segregation of duties and to undertake forensic audits as may be required (See Table 3.1). Resolution 1 of 2007 resulted in 12 officials at salary level 2 being promoted to salary level 3 in recognition of 20 years service in their current positions (See Table 3.3). The Presidency recruited and retained staff above the salary levels determined by the job evaluation system, to meet the demand for skilled personnel.

The turnover rate (Tables 4.1 and 4.2) is 16.5 percent. An analysis of tables indicates a high turnover in skilled, highly skilled and management staff corresponding to the general high demand for skills.

The Presidency used the services of officials seconded from other institutions to create flexibility close to the end of term of government. Out of the 77 employees who left the organisation, 33 left as a result of transfers to other departments and 20 resigned mostly because of better offers (Table 4.3).

During the review period The Presidency employed additional employees with disabilities, and met the national target of 2 percent. The Presidency is committed to appoint more employees with disabilities to provide leadership. The Presidency has achieved the target of employing 50 percent of women in management positions by 2009, although there has been competition for staff with other departments. Table 4.4 and 4.5 indicates that 51.7% of employees received a notch progression including the employees who were employed less than one year and were not eligible for pay progression. This performance should be seen in the context of significant strides in aligning employee work plans the outcomes of the organization and improving the monitoring and assessment of staff.

Table 8.1 shows that a large number of employees (349 of 501) made use of sick leave. However, only six employees utilised temporary incapacity leave. The employee wellness programme will be expanded to address this trend.

The strike action during the 2007 salary negotiations cost The Presidency 131 working days (Table 10.6). The Presidency implemented the “no work, no pay” rule during this period and R46 000 was deducted from employees’ salaries.

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

EXPENDITURE

Table 1.1 - Personnel costs by programme

Programme	Total voted expenditure (R'000)	Compensation of employees expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Compensation of employees as percent of total expenditure	Average compensation of employees cost per employee (R'000)	Employment
Pr1: Administration	162 186	81 650	0	0	50.3	212	385
Pr2: Communications	16 195	10 025	0	0	61.9	304	33
Pr3: Executive Coordination	85 819	29 533	0	0	34.4	356	83
Z=Total as on financial systems (BAS)	238 334	121 208	0	0	50.9	242	501

Table 1.2 - Personnel costs by Salary band

Salary bands	Compensation of employees cost (R'000)	Percentage of total personnel cost for department	Average compensation cost per employee (R)	Total personnel cost for department including goods and transfers (R'000)	Number of employees
Lower skilled (levels 1-2)	18 407	100	15.2	317	58
Skilled (levels 3-5)	23 766	100	19.6	410	103
Highly skilled production (levels 6-8)	32 751	100	27	565	162
Highly skilled supervision (levels 9-12)	26 871	100	22.2	463	120
Senior management (levels 13-16)	19 413	100	16	335	58
Total	121 208	100	100	242	501

Table 1.3 - Salaries, overtime, home owners allowance and medical aid by programme

Programme	Salaries (R'000)	Salaries as % of personnel cost	Overtime (R'000)	Overtime as % of personnel cost	HOA (R'000)	HOA as % of personnel cost	Medical ass. (R'000)	Medical ass. as % of personnel cost	Total personnel cost per programme (R'000)
Pr1: Administration	49 453	60.6	6 097	7.5	1 157	1.4	3 263	4	81 650
Pr2: Communications	6 650	66.3	40	0.4	51	0.5	170	1.7	10 025
Pr3: Executive Coordination	18 376	62.2	0	0	394	1.3	756	2.6	29 533
Total	74 479	61.4	6 137	5.1	1 602	1.3	4 189	3.5	121 208

TABLE 1.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of personnel cost	Overtime (R'000)	Overtime as % of personnel cost	HOA (R'000)	HOA as % of personnel cost	Medical Ass. (R'000)	Medical ass. as % of personnel cost	Total Personnel Cost per Salary Band (R'000)
Lower skilled (Levels 1-2)	5,481	94.4	537	9.2	296	5.1	423	7.3	5,808
Skilled (Levels 3-5)	8,530	12.3	2,357	15.4	423	2.8	897	5.9	15,292
Highly skilled production (Levels 6-8)	20,400	88.1	1,467	4.8	559	1.8	2,028	6.6	30,802
Highly skilled supervision (Levels 9-12)	22,439	63.8	1,776	5.1	324	0.9	841	2.4	35,152
Senior management (Levels 13-16)	17,629	51.6	0	0	0	0	0	0	34,154
Total	74,479	61.4	6,137	5.1	1,602	1.3	4,189	3.5	121,208

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

EMPLOYMENT

Table 2.1 - Employment and vacancies by programme at end of period

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Administration, permanent	448	385	14.1	36
Communications, permanent	52	33	36.5	1
Executive coordination, permanent	99	83	16.2	5
Total	599	501	16.4	42

EMPLOYMENT

Table 2.2 - Employment and vacancies by salary band at end of period

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (levels 1-2), permanent	61	58	4.9	20
Skilled (levels 3-5), permanent	124	103	16.9	7
Highly skilled production (levels 6-8), permanent	191	162	15.2	2
Highly skilled supervision (levels 9-12), permanent	156	120	23.1	3
Senior management (levels 13-16), permanent	67	58	13.4	10
Total	599	501	16.4	42

Table 2.3 - Employment and vacancies by critical occupation at end of period

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Administrative related, permanent	109	99	9.2	22
Advocates, permanent	0	0	0	0
Cleaners in offices workshops hospitals etc., permanent	47	45	4.3	6
Book binding and machine related	3	3	0	0
Client inform clerks(switchboard receipt inform clerks), permanent	12	12	0	0
Communication and information related, permanent	23	14	39.1	0
Finance and economics related, permanent	7	2	71.4	0
Financial and related professionals, permanent	14	11	21.4	0
Financial clerks and credit controllers, permanent	11	6	45.5	0
Food services aids and waiters, permanent	57	48	15.8	0
Head of department/ chief executive officer, permanent	1	1	0	0
Household food and laundry services related, permanent	48	46	4.2	0
Human resources & organisat developm & relate prof, permanent	18	10	44.4	0
Human resources clerks, permanent	7	7	0	4
Human resources related, permanent	7	4	42.9	0
Information technology related, permanent	13	12	7.7	0
Legal related, permanent	2	1	50	0
Librarians and related professionals, permanent	3	3	0	0
Library mail and related clerks, permanent	7	7	0	0
Logistical support personnel, permanent	16	16	0	0
Material-recording and transport clerks, permanent	10	9	10	0
Messengers porters and deliverers, permanent	5	5	0	0
Motor vehicle drivers, permanent	20	20	0	0
Other administrative policy and related officers, permanent	13	8	38.5	0
Other occupations, permanent	0	0	0	0
Risk and security services	2	2	0	0
Secretaries & other keyboard operating clerks, permanent	77	52	32.5	0
Senior managers, permanent	67	58	13.4	10
Total	599	501	16.4	42

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

JOB EVALUATION

Table 3.1

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated	Number of posts upgraded	% of upgraded posts evaluated	Number of posts downgraded	% of downgraded posts evaluated
Lower skilled (levels 1-2)	0	0	0	0	0	0	0
Skilled (levels 3-5)	1	0.8	1	100	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	12	7.7	12	100	0	0	0
Senior management service band A	1	3.1	1	100	0	0	0
Senior management service band B	0	0	0	0	0	0	0
Senior management service band C	0	0	0	0	0	0	0
Senior management service band D	0	0	0	0	0	0	0
Total	14	2.3	14	100	0	0	0

Table 3.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

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

Table 3.3 - Employees whose salary level exceed the grade determined by job evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	No of employees in dept
Cleaners	9	2	3	Upgraded in terms of Resolution 1 of 2007	501
Food services aids	3	2	3	Upgraded in terms of Resolution 1 of 2007	501
Senior secretaries	2	6	7	Recruitment	501
Senior secretaries	1	6	8	Retention	501
Senior secretaries	2	6	9	Recruitment	501
Assistant directors	4	9	10	Recruitment	501
Assistant directors	1	8	10	Retention	501
Deputy directors	2	11	12	Recruitment	501
Deputy directors	3	12	13	Retention	501
Directors	1	13	14	Retention	501
Chief director	1	14	15	Recruitment	501
Chief specialists	3	14	15	Retention	501
Deputy-director-generals	3	15	16	Recruitment	501
Total	35				501
Percentage of total employment	6.99				

Table 3.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	11	0	8	0	19
Male	12	1	3	0	16
Total	23	1	11	0	35
Employees with a disability	0	0	0	0	0

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

ANNUAL TURNOVER RATES BY SALARY BAND

Table 4.1

Salary band	Employment at beginning of period (April 2007)	Appointments	Terminations	Turnover rate
Lower skilled (levels 1-2), permanent	68	3	2	2.9
Skilled (levels 3-5), permanent	96	24	10	10.4
Highly skilled production (levels 6-8), permanent	125	26	22	17.6
Highly skilled supervision (levels 9-12), permanent	105	30	24	22.9
Senior management service band A, permanent	21	6	6	28.6
Senior management service band B, permanent	17	2	1	5.9
Senior management service band C, permanent	13	3	1	7.7
Senior management service band D, permanent	6	0		0
Contract (levels 1-2), permanent	0	23	0	0
Contract (levels 3-5), permanent	5	11	7	140
Contract (levels 6-8), permanent	2	3	2	100
Contract (levels 9-12), permanent	3	11	0	0
Contract (band A), permanent	1	3	1	100
Contract (band B), permanent	2	1	1	50
Contract (band C), permanent	0	0	0	0
Contract (band D), permanent	2			0
Total	466	146	77	16.5

Table 4.2 - Annual turnover rates by critical occupation

Occupation	Employment at beginning of period (April 2007)	Appointments	Terminations	Turnover rate
Administrative related, permanent	54	21	9	16.7
Book binding and machine related, permanent	3	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	45	14	2	4.4
Client inform clerks/switchboard reception clerks, permanent	4	2	0	0
Communication and information related, permanent	16	11	2	12.5
Computer programming, permanent	2	5		
Financial and related professionals, permanent	9	2	7	77.8
Financial clerks and credit controllers, permanent	9	2	5	55.6
Food services aids and waiters, permanent	16	14	1	6.3
Head of department/chief executive officer, permanent	1	0	0	0
Households, permanent	74	18	0	0
Human resources & organisational development & related professional, permanent	15	7	3	20
Human resources clerks, permanent	10	16	13	130
Information technology related, permanent	7	3	0	0
Legal related, permanent	7	0	2	28.6
Library mail and related clerks, permanent	10	5	4	40
Logistical support personnel, permanent	22	0	0	0
Material-recording and transport clerks, permanent	2	0	0	0
Messengers porters and deliverers, permanent	5	0	0	0
Motor vehicle drivers, permanent	12	0	1	8.3
Other administrative policy and related officers, permanent	7	1	1	14.3

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

ANNUAL TURNOVER RATES BY SALARY BAND

Table 4.2 - Annual turnover rates by critical occupation

Occupation	Employment at beginning of period (April 2007)	Appointments	Terminations	Turnover rate
Risk management and security related, permanent	6	1	3	50
Secretaries & other keyboard operating clerks, permanent	68	8	15	22.1
Policy analysis/specialists	19	5	5	26.3
Senior managers, permanent	43	11	4	9.3
Total	466	146	77	16.5

Table 4.3 - Reasons why staff are leaving the department

Termination type	Number	Percentage of total resignations	Percentage of total employment	Total	Total employment
Death	1	1.3	0.2	77	466
Resignation, permanent	20	26	4.3	77	466
Expiry of contract, permanent	2	2.6	0.4	77	466
Expiry of contract, temporary	17	22.1	3.6	77	466
Dismissal-misconduct, permanent	1	1.3	0.2	77	466
Retirement, permanent	3	3.9	0.6	77	466
Transfers to other departments	33	42.9	7.1	77	466
Total	77	100	16.5	77	466
Resignations as % of employment	4.29				

Table 4.4 - Promotions by critical occupation

Occupation	Employment at beginning of period (April 2007)	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Administrative related	54	16	29.6	35	64.8
Book binding and machine related operators	3	0	0	3	100
Cleaners in offices workshops hospitals etc.	45	0	0	24	53.3
Client inform clerks (switchb recept inform clerks)	4	2	50	7	175
Communication and information related	16	1	6.3	2	12.5
Computer programmers	2	0	0	0	0
Financial and related professionals	9	3	33.3	8	88.9
Financial clerks and credit controllers	9	2	22.2	6	66.7
Food services aids and waiters	16	0	0	10	62.5
Head of department/chief executive officer	1	0	0	1	100
Household food and laundry services related	74	0	0	30	40.5
Human resources & organisat developm & relate prof	15	9	60	6	40
Human resources clerks	10	0	0	6	60
Information technology related	7	2	28.6	4	57.1
Legal related	7	1	14.3	3	42.9
Library mail and related clerks	10	0	0	5	50

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

ANNUAL TURNOVER RATES BY SALARY BAND

Table 4.4 - Promotions by critical occupation

Occupation	Employment at beginning of period (April 2007)	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Logistical support personnel	22	0	0	13	59.1
Material-recording and transport clerks	2	0	0	1	50
Messengers porters and deliverers	5	0	0	5	100
Motor vehicle drivers	12	0	0	12	100
Other administrat & related clerks and organisers	7	1	14.3	2	28.6
Risk management and security services	6	2	33.3	2	33.3
Secretaries & other keyboard operating clerks	68	7	10.3	28	41.2
Policy analysis	19	1	0	8	42.1
Senior managers	43	3	7	20	46.5
Total	466	50	10.7	241	51.7

Table 4.5 - Promotions by salary band

Salary band	Employment at beginning of period (April 2007)	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Lower skilled (levels 1-2), permanent	68	0	0	34	50
Skilled (levels 3-5), permanent	96	2	2.1	65	67.7
Highly skilled production (levels 6-8), permanent	125	18	14.4	74	59.2
Highly skilled supervision (levels 9-12), permanent	105	27	25.7	47	44.8
Senior management (levels 13-16), permanent	57	3	5.3	21	36.8
Contract (levels 3-5), permanent	5	0	0	0	0
Contract (levels 6-8), permanent	2	0	0	0	0
Contract (levels 9-12), permanent	3	0	0	0	0
Contract (levels 13-16), permanent	5	0	0	0	0
Total	466	50	10.7	241	51.7

EMPLOYMENT EQUITY

Table 5.1 - Total number of employees (incl. employees with disabilities) per occupational category (SASCO)

Occupational categories	Male, African	Male, coloured	Male, Indian	Male, total blacks	Male, white	Female, African	Female, coloured	Female, Indian	Female, total blacks	Female, white	Total
Legislators, senior officials and managers, permanent	12	3	0	15	5	15	0	2	17	2	39
Professionals, permanent	26	4	2	32	2	28	3	4	35	7	76
Clerks, permanent	19	2	1	22	0	64	9	3	76	5	103
Labourers and related workers	45	5	0	50	0	49	8	0	57	0	107

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

EMPLOYMENT EQUITY

Table 5.1 - Total number of employees (incl. employees with disabilities) per occupational category (SASCO)

Occupational categories	Male, African	Male, coloured	Male, Indian	Male, total blacks	Male, white	Female, African	Female, coloured	Female, Indian	Female, total blacks	Female, white	Total
Service and sales workers, permanent	9	1	2	12	2	29	3	1	33	0	47
Plant and machine operators and assemblers, Permanent	17	4	0	21	0	0	0	0	0	0	21
Technicians and associate professionals	42	1	0	43	0	52	4	3	59	6	108
Total	170	20	5	195	9	237	27	13	277	20	501

Table 5.2 - Total number of employees (incl. employees with disabilities) per occupational bands

Occupational bands	Male, African	Male, coloured	Male, Indian	Male, total blacks	Male, white	Female, African	Female, coloured	Female, Indian	Female, total blacks	Female, white	Total
Top management, permanent	4	1	0	5	2	2	0	0	2	0	9
Senior management, permanent	8	2	0	10	2	13	0	2	15	2	29
Professionally qualified and experienced specialists and mid-management, permanent	26	4	2	32	2	28	3	4	35	7	76
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	28	5	1	34	1	85	9	6	100	6	141
Semi-skilled and discretionary decision making, permanent	59	1	0	60	0	57	7	0	64	0	124
Unskilled and defined decision making, permanent	25	5	0	30	0	23	8	0	31	0	61
Contract (top management), permanent	3	0	0	3	1	3	0	0	3	0	7
Contract (senior management), permanent	1	1	0	2	0	3	0	0	3	1	6
Contract (professionally qualified), permanent	7	1	2	10	1	5	0	1	6	1	18
Contract (skilled technical), permanent	0	0	0	0	0	1	0	0	1	3	4
Contract (semi-skilled), permanent	3	0	0	3	0	5	0	0	5	0	8
Contract (unskilled), permanent	6	0	0	6	0	12	0	0	12	0	18
Total	170	20	5	195	9	237	27	13	277	20	501
Employees with disabilities	4	1	1	6	0	4	0	0	4	0	10

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

EMPLOYMENT EQUITY

Table 5.3 - Recruitment

Occupational bands	Male, African	Male, coloured	Male, Indian	Male, total blacks	Male, white	Female, African	Female, coloured	Female, Indian	Female, total blacks	Female, white	Total
Senior management, permanent	3	0	0	3	0	4	0	2	6	0	9
Professionally qualified and experienced specialists and mid-management, permanent	10	0	0	10	1	14	0	3	17	1	29
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	11	0	0	11	0	14	0	1	15	0	26
Semi-skilled and discretionary decision making, permanent	6	0	0	6	0	18	0	0	18	0	24
Unskilled and defined decision making, permanent	0	0	0	0	0	3	0	0	3	0	3
Contract (top management), permanent	2	1	0	3	1	2	0	0	2	0	6
Contract (senior management), permanent	0	1	0	1	1	3	0	0	3	1	6
Contract (professionally qualified), permanent	3	0	1	4	0	2	0	0	2	0	6
Contract (skilled technical), permanent	0	0	0	0	0	1	0	0	1	2	3
Contract (semi-skilled), permanent	2	0	0	2	0	9	0	0	9	0	11
Contract (unskilled), permanent	8	0	1	9	0	14	0	0	14	0	23
Total	45	2	2	49	3	84	0	6	90	4	146
Employees with disabilities	1	0	0	1	0	2	0	0	2	0	3

Table 5.4 - Promotions

Occupational bands	Male, African	Male, coloured	Male, Indian	Male, total blacks	Male, white	Female, African	Female, coloured	Female, Indian	Female, total blacks	Female, white	Total
Top management, permanent	0	0	0	0	0	0	0	0	0	0	0
Senior management, permanent	1	0	0	1	0	2	0	0	2	0	3
Professionally qualified and experienced specialists and mid-management, permanent	11	0	1	12	1	12	0	0	12	2	27

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

EMPLOYMENT EQUITY

Table 5.4 - Promotions

Occupational bands	Male, African	Male, coloured	Male, Indian	Male, total blacks	Male, white	Female, African	Female, coloured	Female, Indian	Female, total blacks	Female, white	Total
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	7	0	0	7	1	8	2	0	10	0	18
Semi-skilled and discretionary decision making, permanent	2	0	0	2	0	0	0	0	0	0	2
Unskilled and defined decision making, permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (top management), permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (senior management), permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (professionally qualified), permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (semi-skilled), permanent	0	0	0	0	0	0	0	0	0	0	0
Total	21	0	1	22	2	22	2	0	24	2	50
Employees with disabilities	0	0	0	0	0	2	0	0	2	0	2

Table 5.5 - Terminations

Occupational bands	Male, African	Male, coloured	Male, Indian	Male, total blacks	Male, white	Female, African	Female, coloured	Female, Indian	Female, total blacks	Female, white	Total
Top management, permanent	0	0	0	0	0	1	0	0	1	0	1
Senior management, permanent	1	0	1	2	1	2	0	2	4	0	7
Professionally qualified and experienced specialists and mid-management, permanent	6	1	0	7	0	16	1	0	17	0	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	7	0	0	7	0	6	0	4	10	0	17
Semi-skilled and discretionary decision making, permanent	2	1	0	3	0	4	0	0	4	0	7
Unskilled and defined decision making, permanent	0	1	0	1	0	1	0	0	1	0	2
Contract (senior management), permanent	0	0	0	0	1	3	0	0	3	0	4
Contract (professionally qualified), permanent	0	0	0	0	0	0	0	0	0	0	0

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

EMPLOYMENT EQUITY

Table 5.4 - Promotions

Occupational bands	Male, African	Male, coloured	Male, Indian	Male, total blacks	Male, white	Female, African	Female, coloured	Female, Indian	Female, total blacks	Female, white	Total
Contract (skilled technical), permanent	0	0	0	0	0	1	0	0	1	1	2
Contract (semi-skilled), permanent	4	0	0	4	0	9	0	0	9	0	13
Contract (unskilled), permanent	0	0	0	0	0	0	0	0	0	0	0
Total	20	3	1	24	2	43	1	6	50	1	77
Employees with disabilities	0	0	1	1	0	0	0	0	0	0	1

Table 5.6 - Disciplinary action

Disciplinary action	Male, African	Male, coloured	Male, Indian	Male, total blacks	Male, white	Female, African	Female, coloured	Female, Indian	Female, total blacks	Female, white	Total
Breach of security regulations	1	0	0	1	0	1	0	0	1	0	2
False disclosure of financial status	0	0	0	0	0	3	0	0	3	0	3
Negligence in the performance of duties	2	0	0	2	0	0	0	0	0	0	2
Refusal to execute duties	0	0	0	0	0	1	0	0	1	0	1
Late coming	0	0	0	0	0	1	0	0	1	0	1
Unacceptable behaviour	0	0	0	0	0	1	0	0	1	0	1
Insubordination	1	0	0	1	0	0	0	0	0	0	1
Fraud	1	0	0	1	0	0	0	0	0	0	1
Accident with state vehicle	1	0	0	1	0	0	0	0	0	0	1
Theft	1	0	0	1	0	0	0	0	0	0	1
Total	7	0	0	7	0	7	0	0	7	0	14

Table 5.7 - Skills development

Occupational categories	Male, African	Male, coloured	Male, Indian	Male, total blacks	Male, white	Female, African	Female, coloured	Female, Indian	Female, total blacks	Female, white	Total
Legislators, senior officials and managers	9	1	1	11	0	0	0	0	0	0	11
Professionals	11	1	1	13	2	12	1	1	14	0	29
Technicians and associate professionals	5	1	0	6	0	5	0	1	6	0	12
Clerks	15	3	0	18	1	20	5	1	26	0	45
Service and sales workers	0	0	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	4	0	0	4	0	7	1	0	8	0	12
Elementary occupations	24	2	0	26	0	26	6	0	32	0	58
Other	3	0	1	4	0	7	1	0	8	0	12
Total	71	8	3	82	3	77	14	3	94	0	179
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

PERFORMANCE

Table 6.1 - Performance rewards by race, gender and disability

Demographics	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
African, female	71	240	28.2	970	13 663
African, male	42	156	24.9	757	18 021
Indian, female	7	12	50	131	18 703
Indian, male	2	7	25	91	45 587
Coloured, female	14	28	51.9	143	10 207
Coloured, male	8	27	40	259	32 431
Total blacks, female	92	280	31.4	1 244	13 521
Total blacks, male	52	190	26.4	1 108	21 298
White, female	5	22	22.7	67	13 467
White, male	5	9	45.5	181	36 204
Employees with a disability	2	10	28.6	20	10 007
Total	156	501	29.4	2 620	16 794

Table 6.2 - Performance rewards by salary band for personnel below senior management service

Salary band	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Lower skilled (levels 1-2)	10	61	16.4	41	4 100
Skilled (levels 3-5)	32	118	27.1	158	4 938
Highly skilled production (levels 6-8)	50	151	33.1	430	8 600
Highly skilled supervision (levels 9-12)	44	72	61.1	912	20 727
Contract (levels 1-2)	0	19	0	0	0
Contract (levels 3-5)	0	8	0	0	0
Contract (levels 6-8)	0	4	0	0	0
Contract (levels 9-12)	1	18	5.6	14	14 000
Total	137	451	30.4	1 555	11 350

Table 6.3 - Performance rewards by critical occupation

Critical occupations	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Administrative related	29	108	26.9	640	22 069
Cleaners in offices workshops hospitals etc.	10	38	26.3	41	4 100
Book binding and machine related	3	3	100	5	1 667
Client inform clerks (switchb receipt inform clerks)	3	12	25	19	6 333
Communication and information related	3	14	21.4	70	23 333
Finance and economics related	1	2	50	9	9 000
Financial and related professionals	4	11	36.4	41	10 250

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

PERFORMANCE

Table 6.3 - Performance rewards by critical occupation

Critical occupations	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Financial clerks and credit controllers	0	6	0	0	0
Food services aids and waiters	11	48	22.9	53	4 818
Head of department/ chief executive officer	3	1	300	440	146 667
Household food and laundry services related	15	46	32.6	168	11 200
Human resources & organisat developm & relate prof	1	10	10	9	9 000
Human resources clerks	1	7	14.3	6	6 000
Human resources related	2	4	50	25	12 500
Information technology related	3	12	25	31	10 333
Legal related	0	1	0	0	0
Librarians and related professionals	0	3	0	0	0
Library mail and related clerks	3	7	42.9	17	5 667
Logistical support personnel	9	16	56.3	77	8 556
Material-recording and transport clerks	4	9	44.4	22	5 500
Messengers porters and deliverers	1	5	20	3	3 000
Motor vehicle drivers	6	20	30	36	6 000
Other administrative policy and related officers	2	7	28.6	61	30 500
Other occupations	0	0	0	0	0
Risk and security services	1	2	50	5	5 000
Secretaries and other keyboard operating clerks	25	51	49	225	9 000
Senior managers	16	58	27.6	624	39 000
Total	156	501	31.1	2627	16 840.00

Table 6.4 - Performance related rewards (cash bonus) by salary band for senior management service

Sms band	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)	% of sms wage bill	Personnel cost sms (R'000)
Band A	7	23	30.4	239	3 414	1.6	14 487
Band B	5	15	33.3	207	4 140	1.8	11 233
Band C	1	9	11.1	178	17 800	1.8	10 036
Band D	3	3	100	440	14 667	5.4	8 148
Total	16	50	32	1 064	40 021	2.4	43 904

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

FOREIGN WORKERS

Table 7.1 - Foreign workers by salary band

Salary band	Employment at beginning period	Percentage of total	Employment at end of period	Percentage of total	Change in employment	Percentage of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
Total	Nil	0	0	0	0	0	0	0	0

Table 7.2 - Foreign workers by major occupation

Major occupation	Employment at beginning period	Percentage of total	Employment at end of period	Percentage of total	Change in employment	Percentage of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
Total	Nil	0	0	0	0	0	0	0	0

LEAVE

Table 8.1 - Sick leave for Jan 2007 to Dec 2007

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)	Total number of employees using sick leave	Total number of days with medical certification
Lower skilled (levels 1-2)	534	94.2	42	12	13	91	349	503
Skilled (levels 3-5)	678	91	80	22.9	8	145	349	617
Highly skilled production (levels 6-8)	786	85	109	31.2	7	316	349	668
Highly skilled supervision (levels 9-12)	469	85.9	63	18.1	7	386	349	403
Senior management (levels 13-16)	241	89.6	33	9.5	7	524	349	216
Contract (levels 1-2)	4	100	3	0.9	1	0	349	4
Contract (levels 3-5)	20	60	5	1.4	4	4	349	12
Contract (levels 6-8)	1	100	1	0.3	1	0	349	1
Contract (levels 9-12)	62	88.7	7	2	9	48	349	55
Contract (levels 13-16)	44	84.1	6	1.7	7	98	349	37
Total	2839	88.6	349	100	8	1 612	349	2 516

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

LEAVE

Table 8.2 - Disability leave (temporary and permanent) for Jan 2007 to Dec 2007

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)	Total number of days with medical certification	Total number of employees using disability leave
Lower skilled (levels 1-2)	48	100	2	33.3	24	8	48	6
Highly skilled production (levels 6-8)	16	100	1	16.7	16	8	16	6
Highly skilled supervision (levels 9-12)	14	100	2	33.3	7	11	14	6
Senior management (levels 13-16)	13	100	1	16.7	13	36	13	6
Total	91	100	6	100	15	63	91	6

Table 8.3 - Annual leave for Jan 2007 to Dec 2007

Salary band	Total days taken	Average days per employee	Number of employees who took leave
Lower skilled (levels 1-2)	930	19	48
Skilled (levels 3-5)	2 289	21	111
Highly skilled production (levels 6-8)	3 070	19	158
Highly skilled supervision (levels 9-12)	2 160	18	123
Senior management (levels 13-16)	1 082	18	60
Other	8	4	2
Contract (levels 1-2)	44	5	9
Contract (levels 3-5)	130	10	13
Contract (levels 6-8)	31	8	4
Contract (levels 9-12)	190	14	14
Contract (levels 13-16)	147	11	14
Total	10 081	18	556

Table 8.4 - Capped leave for Jan 2007 to Dec 2007

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2007	Number of employees who took capped leave	Total number of capped leave available at 31 December 2007	Number of employees as at 31 December 2007
Lower skilled (levels 1-2)	2	2	35	1	810	23
Skilled (levels 3-5)	61	8	61	8	3 559	58
Highly skilled production (levels 6-8)	46	5	20	10	1 208	59
Highly skilled supervision (levels 9-12)	54	8	35	7	1 894	54
Senior management (levels 13-16)	3	2	37	2	1 114	30
Total	166	6	38	28	8 585	224

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

LEAVE

Table 8.5 - Leave Payouts

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Capped leave payouts on termination of service for 2007/08	84	9	9 333.00
Current leave payout on termination of service for 2007/08	66	10	6 600.00
Total	150	19	7 895.00

HIV

Table 9.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
All employees of The Presidency commemorate Candle Light World AIDS Days as well as other major events	Continuously conduct awareness campaigns and commemorate Candle Light World AIDS Days as well as other major events

Table 9.2 - Details of health promotion and HIV/AIDS programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Sydney Mashiloane, Director: HRM
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	1		The post is currently vacant
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	X		Counselling Care and support and working with Department of Home Affairs HIV and AIDS Workplace Programme Awareness Programme and Health Promotion campaigns
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (c) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Sydney Mashiloane, Vusi Tywabi, Mbangiseni Dzhivani, Rhoda Maponya, John Olivier, Linese Long
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Employment policies do not discriminate against people living with HIV and AIDS
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.	X		Through awareness campaigns and Peer Educators were trained to assist in raising the level of awareness
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.		X	Voluntary Counselling was conducted in the 2006/07 financial year
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	X		Reports of employees attending counselling sessions

LABOUR RELATIONS

Table 10.1 - Collective agreements

Subject matter	Date
None	N/A

Table 10.2 - Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	Percentage of total	Total
Total	15	100	15

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

LABOUR RELATIONS

Table 10.3 - Types of misconduct addressed and disciplinary hearings

Type of misconduct	Number	Percentage of total	Total
Breach of security regulations	1	7.1	1
False disclosure of financial status	3	21.4	3
Negligence in the performance of duties	3	21.4	3
Refusal to execute duties	1	7.1	1
Late coming	1	7.1	1
Unacceptable behaviour	1	7.1	1
Insubordination	1	7.1	1
Fraud	1	7.1	1
Accident with state vehicle	1	7.1	1
Theft	1	7.1	1
Total	14	100	14

Table 10.4 - Grievances lodged

Number of grievances addressed	Number	Percentage of total	Total
Not resolved	7	100	7
Total	7	100	7

Table 10.5 - Disputes lodged

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	1	100
Total	1	

Table 10.6 - Strike actions

Strike actions	
Total number of person working days lost	131.45
Total cost (R'000) of working days lost	46
Amount (R'000) recovered as a result of no work no pay	46

Table 10.7 - Precautionary suspensions

Precautionary suspensions	
Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	95
Cost (R'000) of suspensions	25

SKILLS DEVELOPMENT

Table 11.1 - Training needs identified

Occupational categories	Gender	Employment	Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	19	0	15	0	15
	Male	20	0	13	1	14

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

SKILLS DEVELOPMENT

Table 11.1 - Training needs identified

Occupational categories	Gender	Employment	Learnerships	Skills programmes & other short courses	Other forms of training	Total
Professionals	Female	42	0	11	1	12
	Male	34	0	30	5	35
Legislators, senior officials and managers	Female	19	0	6	0	6
	Male	20	0	5	1	6
Professionals	Female	42	0	11	1	12
	Male	34	0	30	5	35
Technicians and associate professionals	Female	65	0	20	0	20
	Male	43	0	18	0	18
Clerks	Female	81	0	25	0	25
	Male	22	0	8	0	8
Service and sales workers	Female	33	0	0	0	0
	Male	14	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	6	6
	Male	21	0	4	2	6
Labour and related workers	Female	57	8	8		8
	Male	50	4	4		4
Gender sub totals	Female	297	8	70	7	85
	Male	204	4	69	8	81
Total		501	12	139	15	166

Table 11.2 - Training provided

Occupational categories	Gender	Employment	Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	19	0	6	0	6
	Male	20	0	5	0	5
Professionals	Female	42	0	8	0	8
	Male	34	0	18	2	20
Technicians and associate professionals	Female	65	0	10	0	10
	Male	43	0	8	0	8
Clerks	Female	81	0	12	0	12
	Male	22	0	7	0	7
Service and sales workers	Female	33	0	0	0	0
	Male	14	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	3	3
	Male	21	0	2	2	4
Labour and related workers	Female	57	0	0	0	0
	Male	50	0	2	0	2
Other	Females		8	0	0	8
	Males		4	0	0	4
Gender sub totals	Female	297	8	36	3	47
	Male	204	4	42	4	50
Total		501	12	78	7	97

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008

INJURIES

Table 12.1 - Injury on duty

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

CONSULTANTS

Table 13.1 - Report on consultant appointments using appropriated funds

Project title	Total number of consultants that worked on the project	Duration: work days	Contract value in Rand
Nil	n/a	n/a	n/a
Total number of projects	Total individual consultants	Total duration: work days	Total contract value in Rand
Nil	n/a	n/a	n/a

Table 13.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Nil	n/a	n/a	

Table 13.3 - Report on consultant appointments using donor funds

Project title	Total number of consultants that worked on the project	Duration: work days	Donor and contract value in Rand
Nil	n/a	n/a	n/a
Total number of projects	Total individual consultants	Total duration: work days	Total contract value in Rand
Nil	n/a	n/a	n/a

Table 13.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

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

HUMAN RESOURCES OVERSIGHT

FOR THE YEAR ENDED 31 MARCH 2008







SECTION E

ANNUAL FINANCIAL STATEMENTS



REPORT OF THE ACCOUNTING OFFICER

TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

FOR THE YEAR ENDED 31 MARCH 2008

1. GENERAL REVIEW OF STATE OF FINANCIAL AFFAIRS

The financial affairs of The Presidency continue to improve as they have over the past three years. There is pressure on the finances because there is a continued focus on building the ability of government and The Presidency to ensure an integrated, coherent socio-economic development while being responsive to the needs of people. Spending has responded to these needs but it is affected by the nature of the work of coordination in that some matters are outside its direct control. The improvement in financial management in areas such as cash flow has yielded positive results despite the pressures mentioned above.

BUDGET ALLOCATION FOR THE 2007/2008 FISCAL YEAR			
	R'000	R'000	R'000
Description	2007/2008	2006/2007	Increase/Decrease
Budget allocation	272 101	238 865	33 236
Statutory allocation	2 219	2 154	65
Total budgeted allocation	274 320	241 019	33 301

The Presidency received an additional R17.360 million, in the 2007/08 Adjustments Estimate to fund additional administrative expenditure and the relocation of staff to alleviate the pressure on office accommodation in the Union Buildings. However, the designated staff providing corporate services will only be relocated in the 2008/09 financial year because of a delay in finding an appropriately located and secure building. It is envisaged that the move will take place during July/August 2008.

The Statement of Financial Performance indicates actual appropriation, actual expenditure and is detailed in the notes to the financial statements.

Funds were transferred between the main divisions of the Vote and approved by the accounting officer through the Virement process, according to the table below.

VIREMENT BETWEEN MAIN DIVISIONS IN VOTE 1.					
To programme	R'000	From programme	R'000	R'000	
Amount	Amount	Amount	Appropriation	%	
Programme 2		Programme 1	3 483	172 099	2
Programme 3	4 918	Programme 2	1 435	18 500	7.8
Total	4 918		4 918		

2. SERVICES RENDERED BY THE DEPARTMENT

Services are not rendered directly to the public. The Presidency's overall mandate and core business is to provide high-quality, professional support to the President, Deputy President and Minister in the execution of their executive responsibilities, namely the executive management of government.

Inventories

The inventories on hand at year end were as follows:

Stationery	R1 906 983
Cleaning materials	R 196 464

3. CAPACITY CONSTRAINTS

The work of The Presidency requires highly specialised staff. In the current environment of scarce skills, it faces a challenge in attracting the high-quality people needed to reach the set targets. The relatively high turnover rate of personnel and lengthy security vetting procedures for recruitment militate against filling vacancies across the spectrum. The lack of office space also constrained the ability to fill posts. This will be addressed with the relocation of a number of officials as previously discussed. Despite the skills shortage, The Presidency, nevertheless, manages to deliver the outputs needed to support the principals in the executive management of government including performing the coordinating, monitoring and evaluation roles.

4. UTILISATION OF DONOR FUNDS

The Presidency received amounts of R1.506 million and R1.614 million from the Flemish government and the European Union respectively. The latter is for the programme to support pro-poor policy development and the former for the awareness-raising campaign managed by the Office on the Status of Disabled Persons.

Persistent efforts by The Presidency to obtain adequate reports from a reputable non governmental organisation on the balance of a project, to which funds were allocated in 2002/03, to date has proved unsuccessful because the NGO had closed. The Presidency therefore paid back an amount of R3.021 million to the Swedish Government. An investigation has been launched to determine accountability

REPORT OF THE ACCOUNTING OFFICER

TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

FOR THE YEAR ENDED 31 MARCH 2008

for the loss to the State. A dedicated official has been tasked to deal with donor funding in the executive coordination.

5. PUBLIC ENTITIES

The National Youth Commission (NYC) receives transfer payments from the Presidency to conduct its affairs. The NYC works to create a united, non-racial, non-sexist and prosperous society in which the youth of South Africa promote national reconciliation and unity, and seek to build a new patriotism and to foster a culture of peace, justice and human rights.

The Commission is established under the National Youth Commission Act, 1996. A total of R20 614 000 was transferred to the NYC during the period under review. The Presidency transfers the funds to the NYC, in tranches, based on a review of their quarterly reports. Discussions are held periodically with the NYC to assist in addressing historic constraints.

6. ORGANISATIONS TO WHICH TRANSFER PAYMENTS HAVE BEEN MADE

In total, The Presidency paid R3 000 000 and R1 000 000 to the Isigodlo Trust and the South African Chapter on the African Renaissance respectively. The organisations carry out programmes supporting government's African agenda and its socio-economic development programmes.

7. PUBLIC/PRIVATE PARTNERSHIPS (PPP)

The Presidency is participating in PPP, as a user department, arranged for national government by the National Department of Transport. This Agreement is a (Transport) full maintenance lease transversal contract regulated by the National Treasury's PPP and supply chain management regulations. The Presidency leases short-term, long-term and chauffeur-driven vehicles. The service level agreement with the service provider clearly stipulates the service levels to be achieved including the time frames for vehicle bookings by The Presidency. An official letter from the Department of Transport dated, 18 October 2006, gave permission to The Presidency to utilise the PPP contract. The contract term is five years, after which, the information relating

to the management of the fleet services is provided to government.

8. CORPORATE GOVERNANCE ARRANGEMENTS

Despite vacancies in the corporate services environment The Presidency operates within the legislative framework of government. A chief financial officer was appointed from 1 May 2007. The Presidency has an effective and efficient audit committee supported by a fully functional internal audit unit. A risk management framework and a draft fraud prevention plan have been adopted by The Presidency. A disaster recovery plan has been implemented.

The Presidency has a management process to avoid members having a conflict of interest in their decisions on various procurement committees. Top management, branch heads and responsibility managers of senior management service meet monthly and contribute further to corporate governance. Quarterly meetings review The Presidency's performance against its stated objectives and remedial action is monitored at the monthly meetings.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

None

10. NEW/PROPOSED ACTIVITIES

The Anti-Poverty War-room, an Apex Priority declared by the President in the State of the Nation Address, is being implemented in 2008/09. The compression of the legislative programme announced by Parliament has resulted in the need for increased oversight ability to support the Leader of Government Business.

11. ASSET MANAGEMENT

The Presidency compiled an Asset Register containing all major assets during the 2006/2007 financial year. Major Assets for the period 1 April 2002 to 31 March 2007 were captured at cost; except in instances where supporting documentation could not be found. In these instances the major assets for which the cost could not be determined were captured at R1.

REPORT OF THE ACCOUNTING OFFICER

TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

FOR THE YEAR ENDED 31 MARCH 2008

In accordance with Treasury guidance, all Major Assets (5 000.00 and above) procured from 1 April 2002 should be recorded with the relevant source documentation at cost and assets prior to 1 April 2002 can be shown at R1.00.

As of the 31 May 2008, the Presidency found a technical error in its Fixed Asset Register updated for 2007/08. A corrective action plan was immediately implemented to address the above mentioned error.⁴

12. EVENTS AFTER REPORTING DATE

None

13. PERFORMANCE INFORMATION

The performance information reflects an alignment between the strategic objectives of The Presidency, the strategies to achieve each objective, the desired outcome, the annual targets and the achievements against the predetermined targets. Each target is directly related to the mission of "Leadership, management and development of the strategic agenda of government".

Leadership and management of government is reflected in the strategic planning and their alignment across all spheres of government and organs of state as reflected in strategies 1.1 through 1.3. The leadership and management of government is also reflected in the effective communication within government as reflected in strategies 2.1 and 2.2. The leadership of government and society includes the communication of programmes and its achievements as reflected in 3.2 and 4.1.

Management of government programmes is given effect through the monitoring, evaluation and oversight strategies as reflected in 3.1, 3.2, 5.1 and 5.2. The development of government's strategic agenda is given effect through the participatory governance programmes, accountability measures, engagement with Africa and society and engagement with the content and implementation of socio-economic programmes as reflected in 4.1, 5.1, 5.2, 6.2 and 7.1.

⁴ The Presidency scrutinized the asset register and embarked on a rectification process to address the above mentioned concerns in accordance with current governance standards. This process was subject to oversight by external auditors. The completeness and accuracy of this will further be audited by the Auditor General in May 2009 as part of the annual financial statements year end audit.

Please refer to Section C of the Annual Report for more information in this regard.

14. SCOPA RESOLUTIONS

None.

15. PRIOR MODIFICATIONS TO THE AUDIT REPORT

During 2006/07 a special investigation was initiated by The Presidency into irregular payments made via electronic funds transfer mentioned in the Report of the Auditor General, under Other Matters. Criminal cases are still not finalised by SAPS.

16. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

The National Treasury approved that funds specifically allocated for the relocation and administrative obligations (refer to paragraph 1) be used for the compensation of employees. This was done on the condition that The Presidency finances the projects in the 2008/09 financial year within the annual allocation.

17. OTHER

None

18. APPROVAL

The Annual Financial Statements set out on pages 121 to 156 have been approved by the Accounting Officer.



TG Fowler
Chief Operations Officer
Date: 31 May 2008

AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

We are pleased to present our report for the financial year ended 31 March 2008.

Audit Committee Members and Attendance:

The Audit Committee consist of the members listed hereunder and meets at least 4 times per annum as per its approved terms of reference. During the 2007/08, 5 meetings were held.

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Ms ZP Manase	5
Mr.NK Mlamla	5
Mr. Abie Seedat	3
Ms N Lila	3
Mr. GM Negota	4

In-camera meetings: The main meetings for the committee are preceded by an in-camera session of Audit Committee members only and concluded by a separate in-camera session with the following key invitees:

- Management
- Internal Audit
- External Audit

Audit Committee Responsibility

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

The committee is chaired by Ms Zodwa Manase (independent audit committee member). The Chief Operating Officer, Chief Finance Officer, internal and external audit representatives attend all committee meetings as permanent attendees.

The internal and external auditors have unrestricted access to the committee and its chairperson.

Internal Audit Services

The Presidency internal audit function is mainly responsible for providing assurance on controls in The Presidency. The function reports administratively to the COO and functionally to the Chairperson of the Audit Committee.

Internal audits are performed on a risk-based audit approach to ensure that assurances can be given on the mitigation of inherently high risks.

In execution of its duties during the financial year, the Audit Committee has:

- Reviewed the effectiveness and adequacy of the internal audit department and adequacy of its coverage plan.
- Reviewed the results of the work performed by the internal audit function in relation risk areas, internal control and any significant investigation and management response.

The Effectiveness of Internal Control

The Audit Committee is to a great extent satisfied that the internal controls systems of The Presidency are adequate to assist the organisation to achieve its objectives for the period under review. However there is room for improvement as the organisation evolves with special focus on addressing the high vacancy rate that exists in the organisation.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and the Accounting Officer the annual financial statements;
- Approved the revised Internal Audit and Audit Committee Charters for 2007/08;
- Approved the revised three-year Strategic Internal Audit plan for the 2007/08 to 2009/10 including the Annual Internal Audit Operational Plan for the 2007/08 financial year as developed based on the updated key risks areas for The Presidency.
- Reviewed the Auditor-General's final management report and management responses thereto;
- Reviewed changes in the accounting policies and practices as recorded in the financial statements;
- Reviewed the in-year management monthly and quarterly reports.
- The Audit Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.



Ms ZP Manase
Chairperson of the Audit Committee
Date: 31 July 2008

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Presidency which comprise the appropriation statement and statement of financial position as at 31 March 2008 and statement of financial performance and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 121 to 156.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 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
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. 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.

6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements.

Basis for qualified opinion

Capital assets

9. The department has a material number of major capital assets that are included in the asset register at a value of R1 each. Assets acquired subsequent to 1 April 2002 should have been recorded at their actual cost or fair value. The asset register submitted for audit purposes contained assets at R1 values with acquisition dates subsequent to 1 April 2002. Management's representation was that these assets were actually acquired prior to 1 April 2002, which contradicted the information contained in the asset register. In the absence of full and proper records being kept by the department, I was unable to obtain sufficient and appropriate audit evidence regarding the actual acquisition dates and valuation of tangible assets. As a consequence, disclosure note 29 is misstated by a material amount which cannot be accurately determined.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

Qualified opinion

10. In my opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Presidency as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the PFMA.

OTHER MATTERS

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Internal controls

11. Section 38(1)(a)(i) of the PFMA states that the accounting officer must ensure that the department has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

REPORTING ITEM	CONTROL ENVIRONMENT	RISK ASSESSMENT	CONTROL ACTIVITIES	INFORMATION AND COMMUNICATION	MONITORING
Capital assets			✓	✓	
<p>Control environment: establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.</p> <p>Risk assessment: involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.</p> <p>Control activities: policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.</p> <p>Information and communication: supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.</p> <p>Monitoring: covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.</p>					

Matters of governance

12. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

MATTER OF GOVERNANCE	YES	NO
Audit committee		
The department had an audit committee in operation throughout the financial year.	✓	
The audit committee operates in accordance with approved, written terms of reference.	✓	
The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	✓	
INTERNAL AUDIT		
The department had an internal audit function in operation throughout the financial year.	✓	
The internal audit function operates in terms of an approved internal audit plan.	✓	
The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	✓	
OTHER MATTERS OF GOVERNANCE		
The annual financial statements were submitted for auditing as per the legislated deadlines (section 40 of the PFMA).	✓	
The financial statements submitted for auditing were not subject to any material amendments resulting from the audit.	✓	
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.		✓
The prior year's external audit recommendations have been substantially implemented.		✓

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

13. I have reviewed the performance information as set out on pages 68 to 75.

Responsibility of the accounting officer for the performance information

14. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

Responsibility of the Auditor-General

15. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.
16. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
17. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

OTHER REPORTS

Investigations

18. The investigation regarding the alleged irregular transfer of funds as reported in my previous audit report has been completed and the department has handed over the matter to the SA Police Services, to press criminal charges.

APPRECIATION

19. The assistance rendered by the staff of the Presidency during the audit is sincerely appreciated.

Auditor-General

Pretoria

31 July 2008



AUDITOR - GENERAL

APPROPRIATION STATEMENT

DETAIL PER PROGRAMME

FOR THE YEAR ENDED 31 MARCH 2008

APPROPRIATION PER PROGRAMME										
			2007/08						2006/07	
		Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration										
	Current payment	161 242	-	(3 805)	157 437	153 020	4 417	97.2	142 439	141 913
	Transfers and subsidies	4 178	-	367	4 545	4 478	67	98.5	8 688	8 688
	Payment for capital assets	6 679	-	(45)	6 634	4 688	1 946	70.7	7 361	7 361
2. Communications										
	Current payment	18 450	-	(1 480)	16 970	16 100	870	94.9	16 115	14 051
	Transfers and subsidies	-	-	-	-	-	-	-	6	5
	Payment for capital assets	50	-	45	95	95	-	100	50	50
3. Executive coordination										
	Current payment	60 053	-	4 918	64 971	64 971	-	100	44 648	44 648
	Transfers and subsidies	20 614	-	-	20 614	20 614	-	100	19 245	19 245
	Payment for capital assets	835	-	-	835	234	601	28	313	313
	Subtotal	272 101	-	-	272 101	264 200	7 901	97.1	238 865	236 274
	Statutory appropriation									
	Current payment	2 219	-	-	2 219	2 316	(97)	104.4	2 154	2 154
	TOTAL	274 320	-	-	274 320	266 516	7 804	97.2	241 019	238 428
Reconciliation with Statement of Financial Performance										
Add:										
Prior year unauthorised expenditure approved with funding						2 569				
Departmental receipts						289			1 738	
Local and foreign aid assistance received						3 120			-	
Actual amounts per Statements of Financial Performance (total revenue)						280 298			242 757	
Add:										
Local and foreign aid assistance						1 110				1 644
Prior year unauthorised expenditure approved						2 569				982
Actual amounts per Statements of Financial Performance (Total expenditure)						270 195				241 054

APPROPRIATION STATEMENT

DETAIL PER PROGRAMME

FOR THE YEAR ENDED 31 MARCH 2008

APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	116 667	-	4 883	121 550	121 150	400	99.7	104 219	102 155
Goods and services	123 078	-	(5 250)	117 828	112 941	4 887	95.9	98 843	98 317
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	140	140
Transfers and subsidies									
Provinces and municipalities	-	-	2	2	2	-	100	82	81
Departmental agencies and accounts	24 614	-	-	24 614	24 614	-	100	23 228	23 228
Public corporations and private enterprises	102	-	-	102	35	67	34.3	3 246	3 246
Non-profit institutions	-	-	-	-	-	-	100	440	440
Households	76	-	365	441	441	-	100.	943	943
Payments for capital assets									
Machinery and equipment	6 395	-	76	6 471	4 678	1 793	72.3	7 228	7 228
Software and other intangible assets	1 169	-	(76)	1 093	339	754	31	496	496
Total	272 101	-	-	272 101	264 200	7 901	97.1	238 865	236 274

STATUTORY APPROPRIATION									
	2007/08							2006/07	
Details of direct changes against the National Revenue Fund	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
President and Deputy President salaries	2 219		-	2 219	2 316	(97)	104.4	2 154	2 154
Total	2 219	-	-	2 219	2 316	(97)	104.4	2 154	2 154

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	2 219	-	-	2 219	2 316	(97)	104.4	2 154	2 154
Total	2 219	-	-	2 219	2 316	(97)	104.4	2 154	2 154

APPROPRIATION STATEMENT

DETAIL PER PROGRAMME 1 – ADMINISTRATION

FOR THE YEAR ENDED 31 MARCH 2008

		2007/08							2006/07	
	Programme per sub-programme	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1	Minister									
	Current payment	938	-	13	951	951	-	100	885	885
1.2	Management									
	Current payment	121 475	-	(7 412)	114 063	109 646	4 417	96.1	97 545	97 019
	Transfers and subsidies	178	-	367	545	478	67	87.7	1 132	1 132
	Payment for capital assets	6 058	-	(205)	5 853	3 907	1 946	66.8	7 312	7 312
1.3	Support services to the President									
	Current payment	25 808	-	1 286	27 094	27 094	-	100	31 008	31 008
	Transfers and subsidies	4 000	-	-	4 000	4 000	-	100	7 552	7 552
	Payment for capital assets	621	-	160	781	781	-	100	31	31
1.4	Support services to the Deputy President									
	Current payment	13 021	-	2 308	15 329	15 329	-	100	13 001	13 001
	Transfers and subsidies	-	-	-	-	-	-	-	4	4
	Payment for capital assets	-	-	-	-	-	-	-	18	18
	Total	172 099	-	(3 483)	168 616	162 186	6 430	96.2	158 488	157 962

	2007/08							2006/07	
Economic classification	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	80 295	-	1 452	81 747	81 650	97	99.9	71 473	71 473
Goods and services	80 947	-	(5 257)	75 690	71 370	4 320	94.3	70 888	70 362
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	78	78
Transfers and subsidies									
Provinces and municipalities	-	-	2	2	2	-	100	59	59
Departmental agencies and accounts	4 000	-	-	4 000	4 000	-	100	4 000	4 000
Public corporations and private enterprises	102	-	-	102	35	67	34.3	3 246	3 246
Non-profit institutions	-	-	-	-	-	-	-	440	440
Households	76	-	365	441	441	-	100	943	943
Payments for capital assets									
Machinery and equipment	6 187	-	(45)	6 142	4 349	1 793	70.8	6 884	6 884
Software and other intangible assets	492	-	-	492	339	153	68.9	477	477
Total	172 099	-	(3 483)	168 616	162 186	6 430	96.2	158 488	157 962

APPROPRIATION STATEMENT

DETAIL PER PROGRAMME 2 - SUPPORT SERVICES PRESIDENT AND DEPUTY PRESIDENT

FOR THE YEAR ENDED 31 MARCH 2008

		2007/08							2006/07	
	Programme per sub-programme	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1	Communications									
	Current payment	18 450	-	(1 480)	16 970	16 100	870	94.9	16 115	14 051
	Transfers and subsidies	-	-	-	-	-	-	-	6	5
	Payment for capital assets	50	-	45	95	95	-	100	50	50
	Total	18 500	-	(1 435)	17 065	16 195	870	94.9	16 171	14 106

	2007/08							2006/07	
Economic classification	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	11 808	-	(1 480)	10 328	10 025	303	97.1	9 387	7 323
Goods and services	6 642	-	-	6 642	6 075	567	91.5	6 695	6 695
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	33	33
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	6	5
Payments for capital assets									
Machinery and equipment	50	-	45	95	95	-	100	31	31
Software and other intangible assets	-	-	-	-	-	-	-	19	19
Total	18 500	-	(1 435)	17 065	16 195	870	94.9	16 171	14 106

	2007/08							2006/07	
Programme per sub-programme	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Policy coordination									
Current payment	35 647		4 658	40 305	40 305	-	100	22 961	22 961
Transfers and subsidies	-		-	-	-	-	-	10	10
Payment for capital assets	733		(98)	635	34	601	5.4	74	74
Gender, disability and children									
Current payment	12 883		(88)	12 795	12 795	-	100	11 824	11 824
Transfers and subsidies	-		-	-	-	-	-	3	3
Payment for capital Assets	-		-	-	-	-	-	65	65

APPROPRIATION STATEMENT

DETAIL PER PROGRAMME 3 – COMMUNICATIONS

FOR THE YEAR ENDED 31 MARCH 2008

	2007/08							2006/07	
Programme per sub-programme	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Cabinet Office									
Current payment	11 523		348	11 871	11 871	-	100	9 863	9 863
Transfers and subsidies	-		-	-	-	-	-	4	4
Payment for capital Assets	102		98	200	200	-	100	174	174
National Youth Commission									
Transfers and subsidies	20 614		-	20 614	20 614	-	100	19 228	19 228
Total	81 502	-	4 918	86 420	85 819	601	99.3	64 206	64 206

	2007/08							2006/07	
Economic classification	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	24 564	-	4 911	29 475	29 475	-	100	23 359	23 359
Goods and services	35 489	-	7	35 496	35 496	-	100	21 260	21 260
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	29	29
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	17	17
Departmental agencies and accounts	20 614	-	-	20 614	20 614	-	100	19 228	19 228
Payments for capital assets									
Machinery and equipment	158	-	76	234	234	-	100	313	313
Software and other intangible assets	677	-	(76)	601	-	601		-	-
Total	81 502	-	4 918	86 420	85 819	601	99.3	64 206	64 206

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

1. DETAILS OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT)

Details of these transactions can be viewed in note 8 (transfers and subsidies) and Annexure 1 (A-E) to the annual financial statements.

2. DETAILS OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT)

Details of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. DETAILS OF FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

Details of these transactions per programme can be viewed in note 7 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT)

Programme	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a % of final appropriation
Current payment:				
Programme 1	168 616	162 186	6 430	3.8
Programme 2	17 065	16 195	870	5.1
Programme 3	86 420	85 819	601	0.7

Programme 1: 5.7% under spending under Goods and Services and 29.2% under Capital Expenditure mainly due to the relocation not taking place.

Programme 2: 8.5% under Goods and Services.

Programme 3: A savings under Capital Expenditure due to software being purchased in the 2008/09 financial year.

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	121 550	121 150	400	0.3
Goods and services	117 828	112 941	4 887	4.1
Transfers and subsidies:				
Provinces and Municipalities	2	2	-	-
Departmental Agencies & Accounts	24 614	24 614	-	-
Public corporations and private enterprises	102	35	67	65.7
Households	441	441	-	-
Payment for capital assets:				
Machinery and equipment	6 471	4 678	1 793	27.7
Software and other intangible assets	1 093	339	754	69

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2008

	Note	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	1	272 101	238 865
Statutory appropriation	2	2 219	2 154
Appropriation for unauthorised expenditure approved	10	2 569	-
Departmental revenue	3	289	1 738
Local and foreign aid assistance	4	3 120	-
TOTAL REVENUE		280 298	242 757
EXPENDITURE			
Current expenditure			
Compensation of employees	5	123 466	104 309
Goods and services	6	112 941	98 317
Financial transactions in assets and liabilities	7	-	140
Local and foreign aid assistance	4	1 110	1 638
Unauthorised expenditure approved	10	2 569	982
Total current expenditure		240 086	205 386
Transfers and subsidies	8	25 092	27 938
Expenditure for capital assets			
Machinery and equipment	9	4 678	7 228
Software and other intangible assets	9	339	496
Local and foreign aid assistance	4	-	6
Total expenditure for capital assets		5 017	7 730
TOTAL EXPENDITURE		270 195	241 054
SURPLUS FOR THE YEAR		10 103	1 703
Reconciliation of surplus for the year			
Voted funds	15	7 804	1 609
Departmental revenue	16	289	1 738
Local and foreign aid assistance	4	2 010	(1 644)
SURPLUS FOR THE YEAR		10 103	1 703

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2008

	Note	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets		12 960	14 638
Unauthorised expenditure	10	2 567	5 136
Cash and cash equivalents	11	245	5 626
Prepayments and advances	13	1 415	196
Receivables	14	8 733	3 680
Non-current assets		25	18
Other financial assets	12	25	18
TOTAL ASSETS		12 985	14 656
Current liabilities			
		12 985	14 656
Voted funds to be surrendered to the National Revenue Fund	15	7 804	1 609
Departmental revenue to be surrendered to the National Revenue Fund	16	23	130
Payables	17	1 293	11 062
Local and foreign aid assistance unused	4	3 865	1 855
Non-current liabilities		-	-
TOTAL LIABILITIES		12 985	14 656

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

	Note	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		280 266	241 681
Annual appropriated funds received	1.1	272 101	238 865
Statutory appropriated funds received	2	2 219	2 154
Appropriation for unauthorised expenditure received	10	2 569	-
Departmental revenue received		257	662
Local and foreign aid assistance received	4	3 120	-
Net (increase)/decrease in working capital		(13 472)	4 508
Surrendered to National Revenue Fund		(2 005)	5 546
Current payments		(240 086)	(204 404)
Unauthorised expenditure – current payment	10	-	(982)
Transfers and subsidies paid		(25 092)	(27 938)
Net cash flow available from operating activities	18	(389)	18 411
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(5 017)	(7 730)
Proceeds from the sale of capital assets	3	32	1 076
Increase in other financial assets	12	(7)	(18)
Net cash flows from investing activities		(4 992)	(6 672)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (decrease)/increase in cash and cash equivalents		(5 381)	11 739
Cash and cash equivalents at the beginning of the period		5 626	(6 113)
Cash and cash equivalents at end of period	19	245	5 626

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

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.

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

Total appropriated funds are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Statutory appropriation

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the Statement of Financial Performance.

Unexpended statutory appropriations are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.3 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.3.1 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services are recognised in the Statement of Financial Performance when the cash is received.

2.3.2 Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

2.3.3 Interest, dividends and rent on land

Interest, dividends and rent on land are recognised in the Statement of Financial Performance when the cash is received.

2.3.4 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

2.3.5 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

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

Forex gains are recognised on payment of funds.

2.3.6 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

2.4 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance is disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the statement of financial position.

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

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense 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).

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

All other payments are classified as current expense.

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 position.

3.1.2 Post retirement benefits

The department 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 (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of 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.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as expenses 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).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as expenses 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. These amounts are not recognised in the Statement of Financial Performance or position.

3.2 Goods and services

Payments made for goods and/or services are recognised as expenses 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). An expense is classified as capital if the goods and services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

3.3 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 amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

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

3.4 Unauthorised expenditure

When discovered, 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 recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.5 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

3.6 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.

3.7 Transfers and subsidies

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

3.8 Expenditure for capital assets

Payments made for capital assets are recognised as expenses 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).

4. ASSETS

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

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.

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.

Receivables outstanding at year-end are carried in the statement of financial position at cost.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the Statement of Financial Performance when the cash is received.

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

4.6 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Loans that are outstanding at year-end are carried in the statement of financial position at cost.

4.7 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.8 Capital assets

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 capital asset should be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets are only capitalised

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 29 and 30 reflect the total movement in the asset register for the current financial year.

5. LIABILITIES

5.1 Voted funds to be surrendered to the National Revenue Fund

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Bank overdraft

The bank overdraft is carried in the statement of financial position at cost.

5.4 Payables

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

5.5 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.6 Commitments

Commitments are not recognised in the statement of financial position as liability or as expenditures in the Statement of Financial Performance but are included in the disclosure notes.

5.7 Accruals

Accruals are not recognised in the statement of financial position as liability or as expenditures in the Statement of Financial Performance, but are included in the disclosure notes.

5.8 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.

5.9 Lease commitments

Lease commitments are not recognised in the statement of financial position as a liability or as expenditures in the Statement of Financial Performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

6. RECEIVABLES FOR DEPARTMENTAL REVENUE

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

7. KEY MANAGEMENT PERSONNEL

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

8. PUBLIC PRIVATE PARTNERSHIPS

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

1. ANNUAL APPROPRIATION

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for national departments (voted funds):

	Final appropriation	Actual funds received	Funds not requested/ not received	Appropriation received 2006/07
	R'000	R'000	R'000	R'000
Programme 1	168 616	168 616	-	158 488
Programme 2	17 065	17 065	-	16 171
Programme 3	86 420	86 420	-	64 206
Total	272 101	272 101	-	238 865

2. STATUTORY APPROPRIATION

	2007/08	2006/07
	R'000	R'000
President and Deputy President's salaries	2 219	2 154
Total	2 219	2 154
Actual statutory appropriation received	2 219	2 154

3. DEPARTMENTAL REVENUE

	Note	2007/08	2006/07
		R'000	R'000
Sales of goods and services other than capital assets	3.1	104	80
Interest, dividends and rent on land	3.2	19	4
Sales of capital assets	3.3	32	1 076
Financial transactions in assets and liabilities	3.4	134	578
Total revenue collected		289	1 738
Departmental revenue collected		289	1 738

3.1 Sales of goods and services other than capital assets

	2007/08	2006/07
	R'000	R'000
Sales of goods and services produced by the department	99	76
Other sales	99	76
Sales of scrap, waste and other used current goods	5	4
Total	104	80

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

3.2 Interest, dividends and rent on land

	2007/08	2006/07
	R'000	R'000
Interest	19	4
Total	19	4

3.3 Sale of capital assets

	2007/08	2006/07
	R'000	R'000
Other capital assets	32	1 076
Total	32	1 076

3.4 Financial transactions in assets and liabilities

Nature of recovery

	2007/08	2006/07
	R'000	R'000
Stale cheques written back	1	-
Other receipts including recoverable revenue	133	578
Total	134	578

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

4. LOCAL AND FOREIGN AID ASSISTANCE

4.1 Assistance received in cash from RDP

	2007/08	2006/07
	R'000	R'000
Foreign		
Opening balance	1 855	3 499
Revenue	3 120	-
Expenditure	(1 110)	(1 644)
Current	(1 110)	(1 638)
Capital	-	(6)
Closing balance	3 865	1 855
Total assistance		
Opening balance	1 855	3 499
Revenue	3 120	-
Expenditure	(1 110)	(1 644)
Current	(1 110)	(1 638)
Capital	-	(6)
Closing balance	3 865	1 855
Analysis of balance		
Local and foreign aid unutilised	3 865	1 855
Closing balance	3 865	1 855

5. COMPENSATION OF EMPLOYEES

5.1 Salaries and wages

	2007/08	2006/07
	R'000	R'000
Basic salary	76 263	63 316
Performance award	2 541	1 959
Service based	3	146
Compensative/circumstantial	9 807	8 371
Periodic payments	76	50
Other non-pensionable allowances	21 674	17 724
Total	110 364	91 566

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

5.2 Social contributions

5.2.1 Employer contributions

	2007/08	2006/07
	R'000	R'000
Pension	8 898	9 538
Medical	4 189	3 191
Bargaining council	15	14
Total	13 102	12 743
Total compensation of employees	123 466	104 309
Average number of employees	501	466

6. GOODS AND SERVICES

	Note	2007/08	2006/07
		R'000	R'000
Advertising		1 287	1 960
Bank charges and card fees		128	64
Bursaries (employees)		2 296	1 477
Catering		4 127	-
Communication		10 880	9 597
Computer services		1 676	1 504
Consultants, contractors and special services		29 063	14 131
Courier and delivery services		238	96
Entertainment		-	3 725
External audit fees	6.1	777	1 115
Equipment less than R5 000		2 648	2 261
Finance leases		3 103	2 684
Freight service		25	87
Honoraria (voluntary workers)		50	103
Inventory	6.2	4 846	4 983
Legal fees		445	471
Maintenance, repairs and running costs		1 388	900
Mint of decorations/medals		1 452	219
Plant flowers and other decorations		163	361
Printing and publications		860	284
Professional bodies and membership fees		67	4
Resettlement costs		315	513
Subscriptions		1 788	2 437
Translations and transcriptions		88	145
Travel and subsistence	6.3	40 102	39 769
Venues and facilities		4 987	8 578
Protective, special clothing and uniforms		142	849
Total		112 941	98 317

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

6.1 External audit fees

	2007/08	2006/07
	R'000	R'000
Regularity audits	729	1 050
Other audits	48	65
Total	777	1 115

6.2 Inventory

	2007/08	2006/07
	R'000	R'000
Domestic consumables	377	362
Food and food supplies	1 006	842
Other consumables	17	10
Stationery and printing	3 446	3 769
Total	4 846	4 983

6.3 Travel and subsistence

	2007/08	2006/07
	R'000	R'000
Local	28 262	26 714
Foreign	11 840	13 055
Total	40 102	39 769

7. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

	Note	2007/08	2006/07
		R'000	R'000
Material losses through criminal conduct		-	137
Other material losses	7.1	-	137
Debts written off	7.2	-	3
Total		-	140

7.1 Other material losses

		2007/08	2006/07
		R'000	R'000
Incident	Disciplinary Steps taken/Criminal proceedings		
Damage to hired and official vehicles		-	74
Lost and damaged equipment		-	42
Other smaller equipment		-	16
Fruitless expenditure		-	5
Total		-	137

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

7.2 Debts written off

	2007/08	2006/07
	R'000	R'000
Nature of debts written off		
Transfer to debts written off	-	3
Total	-	3

8. TRANSFERS AND SUBSIDIES

	Note	2007/08	2006/07
		R'000	R'000
Provinces and municipalities	<i>Annex 1A</i>	2	81
Departmental agencies and accounts	<i>Annex 1B</i>	24 614	23 228
Public corporations and private enterprises	<i>Annex 1C</i>	35	3 246
Non-profit institutions	<i>Annex 1D</i>	-	440
Households	<i>Annex 1E</i>	441	943
Total		25 092	27 938

9. EXPENDITURE FOR CAPITAL ASSETS

	Note	2007/08	2006/07
		R'000	R'000
Machinery and equipment	28	4 678	7 228
Software and other intangible assets		339	496
Computer software	29	339	496
Total		5 017	7 724

10. UNAUTHORISED EXPENDITURE

Reconciliation of unauthorised expenditure

	2007/08	2006/07
	R'000	R'000
Opening balance	5 136	6 118
Amounts approved by Parliament (with funding)	(2 569)	-
Current expenditure	(2 569)	-
Amounts approved by Parliament (without funding)	-	(982)
Current expenditure	-	(982)
Unauthorised expenditure awaiting authorisation	2 567	5 136

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

11. CASH AND CASH EQUIVALENTS

	2007/08	2006/07
	R'000	R'000
Consolidated Paymaster General account	176	4 781
Cash on hand	52	44
Cash with commercial banks (local)	17	801
Total	245	5 626

12. OTHER FINANCIAL ASSETS

	2007/08	2006/07
	R'000	R'000
Non-current		
Local		
Staff debts	25	18
Total	25	18

13. PREPAYMENTS AND ADVANCES

	2007/08	2006/07
	R'000	R'000
Travel and subsistence	65	46
Advances paid to other entities	1 350	150
Total	1 415	196

14. RECEIVABLES

	Note	Less than one year	One to three years	Older than three years	2007/08 R'000 Total	2006/07 R'000 Total
Staff debtors	14.1	1 761	598	112	2 471	768
Other debtors	14.2	3 082	2 129	22	5 233	2 138
Intergovernmental receivables	Annex 3	546	184	299	1 029	774
Total		5 389	2 911	433	8 733	3 680

14.1 Staff debtors

	2007/08	2006/07
	R'000	R'000
Debt account	1 165	433
Salary accounts	172	335
Travel	1 134	-
Total	2 471	768

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

14.2 Other debtors

	2007/08	2006/07
	R'000	R'000
Thefts and losses	5 233	2 138
Total	5 233	2 138

15. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	2007/08	2006/07
	R'000	R'000
Opening balance	1 609	(7 170)
Transfer from Statement of Financial Performance	7 804	1 609
(Paid)/received during the year	(1 609)	7 170
Closing balance	7 804	1 609

16. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

	2007/08	2006/07
	R'000	R'000
Opening balance	130	16
Transfer from Statement of Financial Performance	289	1 738
Paid during the year	(396)	(1 624)
Closing balance	23	130

17. PAYABLES – CURRENT

Description			2007/08	2006/07
			R'000	R'000
	Notes	30 Days	30+ Days	Total
Clearing accounts	17.1	948	71	1 019
Other payables	17.2	134	140	274
Total		1 082	211	1 293

17.1 Clearing accounts

	2007/08	2006/07
	R'000	R'000
Salary deductions	20	22
Various creditors	999	226
Total	1 019	248

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

17.2 Other payables

	2007/08	2006/07
	R'000	R'000
Outstanding payments	134	10 710
Cheques payable	46	46
Persal EBT account	94	58
Total	274	10 814

18. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	2007/08	2006/07
	R'000	R'000
Net surplus as per Statement of Financial Performance	10 103	1 703
Add back non cash/cash movements not deemed operating activities	(10 492)	16 708
(Increase)/decrease in receivables – current	(5 053)	720
(Increase)/decrease in prepayments and advances	(1 219)	484
Decrease in other current assets	2 569	982
(Decrease)/increase in payables – current	(9 769)	2 322
Proceeds from the sale of capital assets	(32)	(1 076)
Expenditure on capital assets	5 017	7 730
Surrenders to National Revenue Fund	(2 005)	5 546
Net cash flow generated by operating activities	(389)	18 411

19. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	2007/08	2006/07
	R'000	R'000
Consolidated Paymaster General account	176	4 781
Cash on hand	52	44
Cash with commercial banks (local)	17	801
Total	245	5 626

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

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

20. CONTINGENT LIABILITIES

Liable to	Nature	Note	2007/08	2006/07
			R'000	R'000
Motor vehicle guarantees	Employees	Annex 2A	98	98
Housing loan guarantees	Employees	Annex 2A	224	297
Claims against the department		Annex 2B	1 050	4 400
Other departments (interdepartmental unconfirmed balances)		Annex 4	14 022	19 592
Other		Annex 2B	18 900	16 500
Total			34 294	40 887

21. COMMITMENTS

	2007/08	2006/07
	R'000	R'000
Current expenditure		
Approved and contracted	13 875	1 105
Capital expenditure		
Approved and contracted	779	2 005
Total Commitments	14 654	3 110

22. ACCRUALS

Listed by economic classification	30 Days	30+ Days	2007/08	2006/07
			R'000	R'000
			Total	Total
Goods and services	290	3 604	3 894	2 966
Machinery and equipment	-	397	397	689
Total	290	4 001	4 291	3 655
Listed by programme level				
Administration			3 381	2 917
Communication			363	-
Executive coordination			547	738
			4 291	3 655

Confirmed balances with other Departments

Annex 4

62

-

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

23. EMPLOYEE BENEFITS

	2007/08	2006/07
	R'000	R'000
Leave entitlement	3 708	2 440
Thirteenth cheque	2 925	2 590
Capped leave commitments	4 904	5 144
Total	11 537	10 174

24. LEASE COMMITMENTS

Finance leases**

2007/2008	Land	Buildings and other fixed structures	Machinery and equipment	Total R'000
Not later than 1 year	-	-	1 016	1 016
Later than 1 year and not later than 5 years	-	-	978	978
Total present value of lease liabilities	-	-	1 994	1 994
Analysis				
Condoned	-	-	3 103	3 103
Total	-	-	3 103	3 103
2006/2007	Land	Buildings and other fixed structures	Machinery and equipment	Total R'000
Not later than 1 year	-	-	630	630
Later than 1 year and not later than 5 years	-	-	218	218
Total present value of lease liabilities	-	-	848	848
Analysis				
Condoned	-	-	2 684	2 684
Total	-	-	2 684	2 684

**This note excludes leases relating to the public-private partnership as they are separately disclosed to note No. 35.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

25. IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure

	2007/08	2006/07
	R'000	R'000
Opening balance	2 284	5 578
Add: irregular expenditure – current year	4 826	3 182
Less: amounts condoned	4 451	6 476
Current expenditure	4 451	6 476
Total	2 659	2 284
Irregular expenditure awaiting condonement	2 659	2 284
Current expenditure	2 659	2 284
Analysis of awaiting condonement per age classification		
Current	375	498
Prior years	2 284	1 750
Total	2 659	2 284

Irregular expenditure

		2007/08	2006/07
		R'000	R'000
Incident	Disciplinary Steps taken/Criminal proceedings		
Payment for training	Pending investigation	375	-
Total		375	-

26. KEY MANAGEMENT PERSONNEL

	No. of individuals	2007/08	2006/07
		R'000	R'000
Political office bearers (President, Deputy President and Minister)	3	3 267	3 039
Officials			
Level 15 to 16	8	6 057	5 593
Level 14 (incl. CFO)	3	880	544
Family members of key management personnel			
None			
Total		10 204	9 176

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

27. PUBLIC PRIVATE PARTNERSHIP

This agreement is a full maintenance lease transversal contract regulated by the National Treasury PPP and supply chain management regulations. The Presidency leases short-term, long-term and chauffeur and point-to-point driven services. The service level agreement signed with the service provider clearly stipulates the service levels that must be adhered to and the time frame within which such service is to be booked by the department. The contract term is five years. At the end of the five years the only thing that reverts to government is the information relating to the fleet service. No assets will be transferred to government. The following services are provided in the contract:

- Long-term fleet rental (five years)
- Short-term fleet rental (day to day)
- Short-medium term fleet rental (more than a month but less than a year)
- 24/7 call centre
- Internet based system with an electronic log book
- Chauffeur and point-to-point driven services
- Fuel management system
- Vehicle tracking device for long-term and short-medium term rental
- Classroom-based driver training
- Fleet consultancy services

Current expenditure

Finance leases

Total

2007/08	2006/07
R'000	R'000
13 473	6 101
13 473	6 101

28. PROVISIONS

Potential irrecoverable debts

Private enterprises

Other debtors

Total

2007/08	2006/07
R'000	R'000
20	-
50	-
70	-

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

29. TANGIBLE CAPITAL ASSETS

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	COST	COST	COST	COST	COST
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	20 926	395	4 678	32	25 967
Transport assets	1 359	395	1 434	32	3 156
Computer equipment	17 158	-	2 976	-	20 134
Furniture and office equipment	1 638	-	268	-	1 906
Other machinery and equipment	771	-	-	-	771
TOTAL TANGIBLE ASSETS	20 926	395	4 678	32	25 967

29.1 Additions to tangible capital assets per asset register for the year ended 31 March 2008

	Cash	Non-cash	(Capital work in progress current costs)	Received current, not paid (paid current year, received prior year)	Total
	COST	FAIR VALUE	COST	COST	COST
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	4 678	-	-	-	4 678
Computer equipment	1 434	-	-	-	1 434
Furniture and office equipment	2 976	-	-	-	2 976
Other machinery and equipment	268	-	-	-	268
TOTAL	4 678	-	-	-	4 678

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

29.2 Disposals of tangible capital assets per asset register for the year ended 31 March 2008

	Sold (Cash)	Non-cash	Total cost	Cash received actual
	COST	FAIR VALUE	COST	COST
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	32	-	32	32
Transport assets	32	-	32	32
TOTAL	32	-	32	32

29.3 Movement in tangible capital assets per asset register for the year ended 31 March 2007

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	14 774	7 228	1 076	20 926
Transport assets	2 435	-	1 076	1 359
Computer equipment	10 611	6 547	-	17 158
Furniture and office equipment	1 174	464	-	1 638
Other machinery and equipment	554	217	-	771
TOTAL TANGIBLE ASSETS	14 774	7 228	1 076	20 926

30. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	COST	COST	COST	COST	COST
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	884	-	339	-	1 223
TOTAL TANGIBLE ASSETS	884	-	339	-	1 223

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

30.1 Additions to intangible capital assets per asset register for the year ended 31 March 2008

	Cash	Non-cash	(Development work in progress – current costs)	Received current year, not paid (paid current year, received prior year)	Total
	COST	FAIR VALUE	COST	COST	COST
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	339	-	-	-	339
TOTAL	339	-	-	-	339

30.2 Movement in intangible capital assets per asset register for the year ended 31 March 2008

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	388	496	-	884
TOTAL	388	496	-	884

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

ANNEXURE 1A

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Name of Municipality	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	Amount	Roll overs	Adjust-ments	Total avail-able	Actual transfer	% of avail-able funds trans-ferred	Amount received by munici-pality	Amount spent by munici-pality	% of available funds spent by munici-pality	Total avail-able
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
RSC: Tshwane	-	-	-	-	-	0	-	-	-	78
RSC: Cape	-	-	-	-	-	0	-	-	-	1
Vehicle licence	2	-	-	2	2	100	2	-	-	3
	2	-	-	2	2	100	2	-	-	82

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Department/ agency/ account	TRANSFER ALLOCATION				TRANSFER		2006/07
	Adjusted Appropria-tion Act	Roll overs	Adjust-ments	Total avail-able	Actual transfer	% of available funds transferred	Final Appropria-tion Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
National Youth Commission	20 614	-	-	20 614	20 614	100%	19 228
SACAR	1 000	-	-	1 000	1 000	100%	1 000
Isigodlo Trust	3 000	-	-	3 000	3 000	100%	3 000
	24 614	-	-	24 614	24 614	100%	23 228

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

Name of public corporation/private enterprise	TRANSFER ALLOCATION				EXPENDITURE			2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public corporations								
Transfers								
Development Bank of South Africa	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Subsidies								
Total	-	-	-	-	-	-	-	-
Private Enterprises								
Transfers								
Non life insurance premiums	102	-	-	102	35	34.3	-	35
	102	-	-	102	35	34.3	-	35
Subsidies								
Total	102	-	-	102	35	34.3	-	35
TOTAL	102	-	-	102	35	34.3	-	35

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
CARS: CTR African Renaissance	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee social benefit	76	-	365	441	441	100%	943
Total	76	-	365	441	441	100%	943

ANNEXURE 1F

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
Received in cash						
Sweden			52	-	-	52
Flemish	Economic Assistance Programme:		(704)	1 506	-	802
	OSDP					
Denmark	Economic Assistance Programme:		2 440	-	978	1 462
	(EDEDP) OSW					
Sweden	Economic Assistance Programme:		67	-	-	67
	GDC research project					
European Union	Economic Assistance Programme:		-	1 614	132	1 482
	Pro Poor Policy Development Programme					
Subtotal			1 855	3 120	1 110	3 865
Received in kind						
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	Harmonisation and alignment of provincial growth and development.		-	2 102	2 102	-
GTZ	Review 2014 scenarios and develop 2025 scenarios.		-	1 148	1 148	-
GTZ	Fifteen year review project		-	2 841	2 841	-
Embassy of Belgium	Planning study on National Strategic Planning		-	70	70	-
Subtotal			-	6 161	6 161	-
TOTAL			1 855	9 281	7 271	3 865

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2008

NATURE OF GIFT, DONATION OR SPONSORSHIP

(Group major categories but list material items including name of organisation)

Settlement

TOTAL

2007/08	2006/07
R'000	R'000
46	-
46	-

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2007	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Currency revaluations	Closing balance 31 March 2008	Guaranteed interest for year ended 31 March 2008	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Stannic	Motor vehicles	296	98	-	-	-	98	-	-
		296	98	-	-	-	98	-	-
	Housing								
ABSA		37	74	-	37	-	37	-	-
Nedbank		59	59	-	-	-	59	-	-
Old Mutual Bank		72	72	-	-	-	72	-	-
Peoples Bank		12	12	-	-	-	12	-	-
Standard Bank		44	80	-	36	-	44	-	-
		224	297	-	73	-	224	-	-
Total		520	395	-	73	-	322	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2008

Nature of liability	Opening balance 01/04/2007	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable	Closing balance 31/03/2008
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Pending cases	4 400	250	3 600	-	1 050
	4 400	250	3 600		1 050
Other					
Pending cases	16 500	8 900	6 500	-	18 900
	16 500	8 900	6 500	-	18 900
Total	20 900	9 150	10 100		19 950

ANNEXURE 3

INTER-GOVERNMENT RECEIVABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Foreign Affairs	201	-	323	514	524	514
Justice & Constitutional Development	-	-	-	27	-	27
Land Affairs	-	-	-	20	-	20
Minerals & Energy	-	-	29	-	29	-
National Intelligence Agency	-	-	-	62	-	62
National Treasury	-	-	123	23	123	23
Public Service & Administration	-	-	7	22	7	22
Public Works	-	-	53	6	53	6
South African Police Service	5	5	-	-	5	5
Statistics South Africa	-	-	19	-	19	-
Transport	-	-	19	-	19	-
	206	5	573	674	779	679
Other government entities						
Bophirima	-	-	250	-	250	-
Secretariat of African Decade of Disabled	-	-	-	95	-	95
	-	-	250	95	250	95
TOTAL	206	5	823	769	1 029	774

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Agriculture	16	-	-	-	16	-
Social Development	25	-	-	-	25	-
Foreign Affairs	-	-	2 882	9 191	2 882	9 191
Government Printers	-	-	97	-	97	-
Safety & Security	-	-	-	19	-	19
Parliament	13	-	8	12	21	12
Justice & Constitutional Development	-	-	10 000	9 827	10 000	9 827
Transport & Public Works	-	-	1 008	543	1 008	543
Water Affairs	-	-	19	-	19	-
Environment & Tourism	8	-	8	-	16	-
Total	62	-	14 022	19 592	14 084	19 592





ACRONYMS

AsgiSA	Accelerated and Shared Growth Initiative of South Africa
AU	African Union
BBBEE	Broad-Based Black Economic Empowerment
DPLG	Department of Provincial and Local Government
DPSA	Department of Public Service and Administration
EPWP	Expanded Public Works Programme
EU	European Union
FOSAD	Forum of South African Directors General
GCIS	Government Communication and Information System
GDP	Gross domestic product
IBSA	India-Brazil-South Africa initiative
IDP	Integrated development plan
JIPSA	Joint Initiative on Priority Skills Acquisition
MTEF	Medium Term Expenditure Framework
M&E	Monitoring and evaluation
MTSF	Medium Term Strategic Framework
NEPAD	New Partnership for Africa's Development
NSDP	National Spatial Development Perspective
NYC	National Youth Commission
PCAS	Policy Coordination and Advisory Services
PFMA	Public Finance Management Act
PGDS	Provincial growth and development strategy
RIA	Regulatory impact assessment
SADC	Southern African Development Community
SETA	Sector Education and Training Authority
SMME	Small, medium and micro enterprises
UN	United Nations



NOTES



NOTES



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT 2007 - 2008

The Presidency, Union Buildings
Private Bag X1000
Pretoria, 0001