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Custodian of Good Governance

31 August 2008

Prof SS Sangweni
Chairperson of the Public Service Commission
Private Bag X121
PRETORIA
0001

Dear Prof Sangweni

I have the honour of submitting to you the Public Service Commission's Annual Report for the period 1 April 2007 to 31 March 2008.

The Report looks at the overall performance of the PSC and its contribution to public administration. Key achievements and challenges that the organisation faced in executing its mandate during the period under review are also highlighted in the Report.

Kind regards

**ODETTE R RAMSINGH**
**DIRECTOR-GENERAL**

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# THE CHAIRPERSON

## FOREWORD BY THE CHAIRPERSON

I am proud and confident to say that the 2007/2008 financial year was an eventful year for the Public Service Commission (PSC). Eventful in the sense that the PSC influenced the transformation agenda of the Public Service significantly by the extensive body of work it has produced and in so doing, has successfully established itself as custodian of good governance. The use of its work by stakeholders within and outside government, both nationally and internationally, attests to this assertion.

The PSC has made great strides in shaping the discourse of public administration in the South African Public Service. In the area of professional ethics, this is evident through the visibility it has given to the National Anti-Corruption Hotline (NACH), the improved, albeit not completely satisfactory, compliance rate by Senior Managers in the submission of their financial disclosure forms, and the instrumental role it has played in the implementation of the National Anti-Corruption Programme of the National Anti-Corruption Forum (NACF). Likewise, the PSC has made significant strides in its Monitoring and Evaluation (M&E) work with its transversal Public Service M&E System which it has been rolling out over the past six years. The annual State of the Public Service (SOPS) flagship report has become the medium of transmitting the PSC's M&E findings and this is at the core of its oversight function. Such strides have extended to the area of Public Service leadership where it has deepened the implementation of performance management through its facilitation of the evaluation of Heads of Department (HoDs), its pioneering work in organisational performance assessments and identifying key leadership issues within the Public Service. The PSC remains the leading arbiter in grievance resolution and has influenced the management of grievances within departments. Based on its experience in the handling of grievances and the monitoring of grievance resolution processes within departments, the PSC has proposed amendments to the Grievance Rules which seek to improve the management of the resolution of grievances in the Public Service, thereby contributing to labour stability. While promoting improvements within departments, the PSC has also bolstered its strong advocacy for greater public participation through its involvement in Citizen Satisfaction Surveys and Service Delivery Inspections.

In Chapter 2 of this report, we present an outline of the various contributions the PSC has made to the Public Service landscape. I would, however, want to give a preview of the varied engagements with our stakeholders, both nationally and internationally, and our role in strengthening the political oversight of Parliament.

The PSC's expertise in the area of good governance as well as its commitment to the renewal of Africa has seen it forging and strengthening ties with our peers in the continent. This is borne out by the increase of requests for support by our African counterparts and the influential role

**Professor Stan Sangweni**

that the PSC is currently playing leading to the formation of the Association of African Public Services Commissions (AAPSComs). The AAPSComs will create a platform for the sharing of best practices in public administration, thereby strengthening good governance in the continent. The PSC has also extended a hand of support to our counterparts in Southern Sudan, the Southern Sudan Civil Service Commission, by agreeing to extend to them technical assistance and capacity development. In addition, the PSC co-hosted in Cape Town an International Human Resource Conference with the International Public Management Association for Human Resources (IPMA-HR). The Conference focused on building public sector human resource capacity in a developmental state and was a resounding success.

The year under review has seen greater advocacy on the part of the PSC as it gave more emphasis to facilitating structured debate on its research approaches and their usefulness. It has initiated roundtables where it invites critical stakeholders to engage on public administration issues. These roundtables also allow for Public Service practitioners to share their experiences of a particular practice. The roundtables on the 2007 SOPS focusing on *Promoting Growth and Development through an Effective Public Service* and the reports on Financial Misconduct and Indebtedness of Public Servants were well attended and provided valuable insights. Given the successes of these roundtables we will continue to refine our engagement strategy and reach out to our diverse stakeholders.

The PSC responds to the needs of the Executive and has engaged in investigations and interventions at the request of the Executive. Over the years the PSC has witnessed an increase in the number of requests to participate in support interventions and has now become the first port of call where significant interventions are required. During the period under review, the PSC provided support to the Minister of Agriculture and Land Affairs when she needed assistance on critical areas of support and delivery in the Department of Land Affairs. Following an analysis of these areas, the Minister was provided with a report with recommendations. Our support to the Executive has also been provided through advice following our inspections of service delivery sites and the interaction with the top management of departments on individual M&E reports. These interactions enable the Executive to address problems immediately. Overall, the PSC has also provided advice through our various research reports.

The PSC continues to position itself as a technical oversight body whose products and services support Parliament and the Provincial Legislatures in fulfilling their political oversight role. The PSC has been able to present a significant number of reports to Portfolio Committees in Parliament and Provincial Legislatures. As a result greater demands have been made on the PSC by Parliamentary Committees for independent assessments of public administration practices. In the past year, the Standing Committee on Public Accounts

(SCOPA) called on the PSC to conduct an audit of vacancy rates in national and provincial departments. A comprehensive report was published on this subject by the PSC.
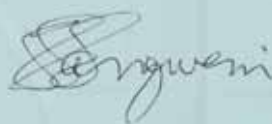
The PSC bid farewell to two of its members during the year under review. The Deputy Chairperson of the PSC, Mr J Ernstzen, took early retirement in February 2008 due to ill-health; and, the Commissioner based in the North West province, Mr JDS Mahlangu's contract was re-determined at the end of March 2008. Both members have contributed immensely to public administration and helped build the PSC into the formidable institution it has become today. Their departure inevitably has an impact on the capacity of the PSC. In this regard, I should add that 65% of the Commissioners' terms of contract will come to an end towards the end of the next financial year and in order to facilitate a smooth transition, it is desirable that these vacancies be filled as soon as possible.

As the Chairperson of the PSC, I am happy that the PSC has indeed seized the moment and stretched the boundaries of possibilities in terms of achieving its outputs. I would also like to take this opportunity to thank my fellow Commissioners for serving the PSC with distinction during the period under review. A big thank you to the staff of the Office, operating under the excellent leadership of Ms Odette Ramsingh, in implementing the strategic objectives of the PSC.

Earlier this year, South Africa and the PSC suffered a great loss with the untimely death of the Chairperson of the Portfolio Committee on Public Service and Administration, Mr John Gomomo, MP. He will be remembered for his humbleness and devotion to good governance in the Public Service. He was a great believer in the PSC as an essential pillar of our democracy.

In conclusion, I would like to thank the Minister for the Public Service and Administration, Ms Geraldine Fraser-Moleketi for her ongoing support. I would also like to congratulate Mr Richard Baloyi for his appointment as the new Chairperson of the Portfolio Committee on Public Service and Administration. Indeed, I would have failed in my duty if I did not thank him as well as the Chairperson of the Select Committee on Local Government and Administration, Mr Sicelo Shiceka, for their Committee's valuable support and interaction with the PSC during this reporting period.

Thank you.

**PROFESSOR SS SANGWENI**
**CHAIRPERSON:**
**PUBLIC SERVICE COMMISSION**

# CHAPTER : 1
# INTRODUCTION

## 1.1 OVERVIEW BY THE DIRECTOR-GENERAL

The environment in which the PSC operated during the period under review was somewhat exciting and simultaneously challenging. The PSC not only "went for broke" in terms of achieving its strategic objectives as outlined in the 2007/2008 workplan, but also exceeded its own expectations. This is evidenced by an array of flagship products as outlined in detail in Chapter 2 of this Annual Report. This success can be attributed to the quality of the research work produced as well as concerted efforts to reach out and engage with stakeholders.

The PSC's outreach efforts were not only limited to stakeholders within our borders. The endeavours also included forging and strengthening regional relations with other similar entities across the African continent, with a view to create a platform for like-minded stakeholders to share ideas on best practices around good governance and public administration. In this regard, the PSC chaired a gathering of more than 20 representatives from various African Public Service Commissions to draft the founding document for the newly established Association of African Public Services Commissions (AAPSComs) in Johannesburg in November 2007. The PSC's regional outreach also extended to Southern Sudan when in February 2008 a delegation from the PSC undertook a fact finding visit to assess areas for support and assistance to the Southern Sudan Civil Service Commission.

However, it was on our home front that satisfying achievements were made in promoting excellence in public administration. During this reporting period, the PSC remained at the forefront of Monitoring and Evaluation (M&E) in South Africa. This focus is not surprising given that M&E continues to be a priority in guiding the transformation of the Public Service into an effective institution that delivers on the objectives of Government. Our approach has been learning by implementation and reflection, and we have opted for a pragmatic rather than a theoretical approach to M&E. We want M&E to add value to the decision-making chain, and not just to be an approach that measures compliance and accountability. To this end, the PSC has deepened the implementation of its transversal Public Service M&E System that is used to monitor departments' compliance with the Constitutional values and principles by ensuring closer engagement with the top management of all departments on the system and the findings. Apart from resulting in greater cooperation from departments the interaction has deepened the significance of M&E in improving performance within departments. Through this process there has been candid reflection of when mistakes have been made and where opportunities can be seized to improve performance. The Fourth Consolidated M&E Report for the 2006/2007 research cycle is a product of the information gathered through the transversal Public Service M&E System.

**Ms Odette Ramsingh**

The most visible product of the PSC's M&E efforts is the State of the Public Service Report (SOPS). During the period under review, the PSC produced two editions of the annual SOPS. The 2007 edition focused on *Promoting Growth and Development through an Effective Public Service* whilst the 2008 edition focused on *A Mid-Term Review of Public Service Transformation.* We have noted that with each edition of SOPS produced, it continues to appeal to a diverse audience and is widely regarded as an authoritative barometer of trends in the South African Public Service.

The PSC continues to play a critical role in promoting sound Public Service leadership. Underscoring this focus has been the PSC's efforts in strengthening performance management, both on an individual and organisational basis. In terms of the former, the PSC continues to evaluate the quality of performance agreements of HoDs and facilitate their performance evaluations. On an annual basis the PSC produces guidelines for the evaluation of HoDs, as it did for the 2006/2007 evaluation cycle. Excitingly, the PSC's pioneering work in organisational performance assessments has been refined after the initial pilot and its implementation will contribute further towards a better understanding of the relationship between individual and organisational performance. Contributing to this body of work has been targeted research into Public Service Leadership and Human Resource Management Practices. This research included a report on the payment of incentives to HoDs without annual performance reviews, an audit into the granting of performance rewards in the Departments of Education and Social Development at both the national and provincial levels, a report on the quality and compliance of Performance Agreements in the North West Provincial Administration and a report on the verification of qualifications. Collectively, this research has made some insightful findings into the different practices and should contribute to improvements in public administration.

The importance of participatory governance, especially given the service delivery protests experienced during the 2006/2007 financial year in the country, cannot be overemphasised. The PSC has attempted to address its concerns around the uneven public participation and citizen engagement initiatives through its evaluation of the Batho Pele Principles, Citizen Satisfaction Surveys and Inspections of Service Delivery Sites. The evaluation of the implementation of the Batho Pele Principle of Consultation in the Public Service raised some critical challenges that impact on participatory governance. During this financial year, the PSC conducted its fifth Citizen Satisfaction Survey which focused on the Provincial Departments of Agricultural Services. These services were selected because of their strategic role in the promotion of growth and development. Results showed that there are gaps between service expectations and actual service delivery experienced. The research work done on public participation and citizen engagement was reinforced with an inspection programme that collects first hand information on performance of service delivery institutions. This year's

programme focused on national, provincial and district offices of the Department of Education as well as selected schools.

As part of its investigative research into public administration practices, the PSC, on an annual basis, reports on financial misconduct in the Public Service. This report has become a recognised research tool with stakeholders, and reliably the PSC again published an overview of financial misconduct for the 2006/2007 financial year which provides information on finalised financial misconduct cases reported to the PSC in terms of the Public Finance Management Act, 1999. Through the systematic tracking of financial misconduct, the PSC became interested in the ability of public servants to manage their personal finances. Alarmingly, research into the indebtedness of public servants highlighted that a very high number of public servants are in debt. The results of this research received widespread attention in both the public and private sectors. To further disseminate the research results on both reports a successful roundtable was hosted in February 2008.

Since its inception, the PSC has remained a flag bearer in the promotion of integrity in the Public Service and the fight against corruption. As the PSC continues to promote professional ethics and anti-corruption in the Public Service, it has also begun a series of provincial specific assessments of professional ethics and has already conducted these assessments in the Free State and KwaZulu-Natal Provincial Administrations. In putting the spotlight on the provinces, it is hoped that the specific recommendations emanating out of these assessments will result in proactive measures to build integrity. As with previous reporting cycles, the PSC also successfully discharged its duties as the Secretariat to the National Anti-Corruption Forum and produced an annual report on its activities. Since the inception of the National Anti-Corruption Hotline (NACH) in September 2004, the PSC has witnessed the continued increase of its utilisation to report acts of corruption. As at 31 March 2008, a total of 5546 cases were generated by the NACH. However, the PSC remains concerned at the limited resources available to departments to effectively investigate the alleged corruption. The PSC also dealt with complaints about poor service and suspected acts of corruption and related activities in the Public Service and published a report on trend analysis on complaints lodged with the PSC during the 2006/2007 financial year.

The PSC continued to monitor the Financial Disclosure Framework (FDF) for Senior Managers and at the same time continued to strongly advocate for a more structured approach to the management of conflicts of interest. While it believes that it continues to make inroads in improving the compliance rate of submissions of the FDF (which was 85% for provinces and 82% for national departments in this reporting period), the same success has not been achieved in respect of conflicts of interest legislation. Apart from publishing a report on the management of conflicts of interest

through financial disclosures, the PSC also conducted a survey and subsequently produced a report on the management of gifts in the Public Service.

In the area of human resource management, the PSC published a number of strategic research reports. The report on the evaluation of the training needs of senior managers (SMS) in the Public Service highlights, amongst others, the necessity to provide members of the SMS with an opportunity to further develop their managerial and technical competencies. Furthermore, in order to obtain a thorough understanding of the practical difficulties facing departments in recruiting and retaining persons with disabilities, the PSC conducted an assessment on disability equity in the Public Service. The assessment was done through formal inquiries with selected national and provincial HoDs. Not only did such inquiries allow for deeper interaction with HoDs, it also allowed people with disabilities to come into contact with key decision-makers and present a personal and lived experience of their difficulties. The PSC is confident that the report emanating from these inquiries will immensely assist the Public Service in dealing decisively with this transformation imperative.

In engaging with its stakeholders, the PSC made regular presentations to the Portfolio Committee on Public Service and Administration, Provincial Legislatures and the relevant national and provincial departments. A comprehensive list of all PSC reports is available via the website (www.psc.gov.za). As the work of the PSC largely involves gathering information from various departments, I would like to thank all the national and provincial departments for their co-operation. We hope to strengthen and build upon the relationships we have formed as we together strive for excellence in public administration.

I would also like to express my immense gratitude to our Chairperson, Professor Stan Sangweni, his former Deputy Chairperson, Mr John Ernstzen as well as the Commissioners for providing strategic guidance and for their ongoing support. I would also like to take this opportunity to bid farewell to the Deputy Chairperson as well as the former Commissioner based in the North West, Mr Squire Mahlangu, and thank them for their invaluable contributions during their terms of office.

Finally, the PSC would not have achieved its mandate and the milestones without the unwavering commitment and support of its staff. Hence I would like to convey my gratitude to each and every one of them for the selfless manner in which they executed their work for the benefit of the institution.

Thank you

**ODETTE R RAMSINGH**
**DIRECTOR-GENERAL:**
**OFFICE OF THE PUBLIC SERVICE COMMISSION**

## 1.2 Information about the Public Service Commission

### 1.2.1 Background

The Public Service Commission was established in terms of Section 196 of the Constitution of the Republic of South Africa, 1996. The Constitution stipulates that there is a single PSC for the Republic of South Africa, consisting of 14 members, five of which are appointed by the President on the recommendation of the National Assembly. One member is appointed from each of the nine provinces, after nomination by the Premier of the province on the recommendation of a committee of the Provincial Legislature. The PSC is accountable to the National Assembly and must report to it annually. It must also report to the Legislature of the province concerned on its activities in each province.

The President appointed the first members of the PSC with effect from 1 January 1999. However, the commencement of formal operations by the PSC was delayed until 1 July 1999 because of legal difficulties around certain aspects of the Public Service Laws Amendment Act, 1997.

### 1.2.2 Members

The following are members of the PSC:

Nominated by the National Assembly:

Prof SS Sangweni, Chairperson
Mr JH Ernstzen, Deputy Chairperson until February 2008
Dr EG Bain
Ms MRV Mashigo
Dr NJ Mxakato-Diseko

Nominated by the Provincial Legislatures:

Mr M Msoki (Eastern Cape)
Mr P Helepi (Free State)
Dr R Mgijima (Gauteng)
Ms PM Tengeni (KwaZulu-Natal)
Mr KE Mahoai (Limpopo)
Mr DW Mashego (Mpumalanga)
Mr KL Mathews (Northern Cape)
Mr JDS Mahlangu (North West - until March 2008)
Dr NV Maharaj (Western Cape)

# MEMBERS OF THE PUBLIC SERVICE COMMISION

**Prof SS Sangweni**
Chairperson

**Mr JH Ernstzen**
Deputy Chairperson

**Dr EG Bain**
(Pretoria)

**Ms MRV Mashigo**
(Pretoria)

**Ms N Mxakato-Diseko**
(Pretoria)

**Ms PM Tengeni**
(KwaZulu-Natal)

**Mr M Msoki**
(Eastern Cape)

**Mr P Helepi**
(Free State)

**Dr R Mgijima**
(Gauteng)

**Mr KE Mahoai**
(Limpopo)

**Mr DW Mashego**
(Mpumalanga)

**Mr JDS Mahlangu**
(North West)

**Mr KL Mathews**
(Northern Cape)

**Dr NV Maharaj**
(Western Cape)

### 1.2.3 Institutions falling under the control of the Chairperson of the PSC

During the reporting period, there were no such institutions.

### 1.2.4 Bills submitted during the period under review

During the reporting period, no bills were submitted.

### 1.2.5 Official visits aboard

The Chairperson of the PSC, Professor Stan Sangweni and eight Commissioners undertook official visits abroad as follows, during the period under review:

| DESTINATION | PERIOD | NAME OF COMMISSIONER | PURPOSE OF VISIT |
|---|---|---|---|
| Swakopmund, **Namibia** | 19 to 25 May 2007 | Dr EG Bain | To attend the Strategic Planning and Consultative Workshop of the Namibian Public Service Commission |
| Vienna, **Austria** | 24 to 30 June 2007 | Mr KE Mahoai | To attend the 7th Global Forum on Reinventing Government |
| Abu Dhabi, **United Arab Emirates** | 9 to 14 July 2007 | Dr NJ Mxakato-Diseko | To attend the 27th International Congress of Administrative Sciences |
| Mbabane, **Swaziland** | 3 to 7 Sept 2007 | Prof SS Sangweni Ms MRV Mashigo Dr NV Maharaj Dr NJ Mxakato-Diseko | To attend the African Association for Public Administration and Management (AAPAM) 29th Roundtable Conference |
| Chicago, **USA** | 29 Sept to 3 Oct 2007 | Dr NV Maharaj | To attend the International Personnel Management and Administration Human Resource (IPMA-HR) International Training Conference |
| London, **United Kingdom** | 19 to 23 Nov 2007 | Mr KL Mathews | To attend the Public Administration International Study Programme: Public Service Commissions Professionalism, performance excellence |
| Juba, **Southern Sudan** | 11 to 15 February 2008 | Prof SS Sangweni Dr NV Maharaj Dr NJ Mxakato-Diseko | Fact finding visit to the Southern Sudan Civil Service Commission |
| Colombo, **Sri Lanka** | 17 to 23 Feb 2008 | Dr NV Maharaj | Invited by the Association of Human Resource Professionals (HRP) in Sri Lanka as a member of the panel of judges to adjudicate the "HRM Awards-Super 10" |
| Ottawa, **Canada** | 24 to 28 March 2008 | Dr RR Mgijima Mr DW Mashigo | Study tour to the Institute for Citizen Centred Service (ICCS) |

## 1.3 Mission Statement

The PSC's vision and mission are derived from the values and principles of public administration laid down in the Constitution, 1996 (Section 195 (1) (a)-(i)).

### Vision
The PSC is an independent and impartial body created by the Constitution, 1996, to enhance excellence in governance within the Public Service by promoting a professional and ethical environment and adding value to a public administration that is accountable, equitable, efficient, effective, corruption-free and responsive to the needs of the people of South Africa.

### Mission
The PSC aims to promote the constitutionally enshrined democratic principles and values of the Public Service by investigating, monitoring, evaluating, communicating and reporting on public administration. Through research processes, it will ensure the promotion of excellence in governance and the delivery of affordable and sustainable quality services.

## 1.4 Legislative Mandate

The PSC derives its mandate from Sections 195 and 196 of the Constitution, 1996. Section 195 sets out the vaues and principles governing public administration, which should be promoted by the PSC. These values and principles are:

a. a high standard of professional ethics;
b. efficient, economic and effective use of resources;
c. a development-orientated public administration;
d. provision of services in an impartial, fair and equitable way, without bias;
e. responding to people's needs and encouraging the public to participate in policy-making;
f. accountable public administration;
g. fostering transparency;
h. the cultivation of good human resource management and career-development practices; and
i. a representative public administration with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past.

**In terms of Section 196(4) of the Constitution, 1996, the functions and powers of the PSC are:**

a. to promote the values and principles, as set out in Section 195, throughout the Public Service;
b. to investigate, monitor and evaluate the organisation, administration and personnel practices of the Public Service, in particular adherence to the values and principles set out in Section 195 and the Public Service procedures;
c. to propose measures to ensure effective and efficient performance within the Public Service;
d. to give directions aimed at ensuring that personnel procedures relating to recruitment, transfers, promotions and dismissals comply with the values and principles set out in Section 195;
e. to report on its activities and the performance of its functions, including any findings it may make and directions and advice it may give; and to provide an evaluation of the extent to which the values and principles set out in Section 195 are complied with; and
f. either of its own accord, or on receipt of any complaint,

    i. to investigate and evaluate the application of personnel and public administration practices and to report to the relevant executive authority and legislature;
    ii. to investigate grievances of employees in the Public Service concerning official acts or omissions and to recommend appropriate remedies;
    iii. to monitor and investigate adherence to applicable procedures in the Public Service; and
    iv. to advise national and provincial organs of state regarding personnel practices in the Public Service, including those relating to the recruitment, appointment, transfer, discharge and other aspects of the careers of employees in the Public Service.

**The Public Service Commission Act, 1997 provides for the regulation of the Public Service Commission with regard to:**

a. the Constitution of the Public Service Commission;
b. appointment of Commissioners;
c. designation of the Chairperson and Deputy Chairperson;
d. conditions of appointment of Commissioners;
e. removal from office of Commissioners;
f. functions of the Commission (inspections, inquiries, etc);
g. rules according to which the PSC should operate;
h. the Office of the Public Service Commission; and
i. transitional arrangements with regard to service commissions (created under the Interim Constitution, 1994).

## 1.5  Management Systems

The Office of the Public Service Commission (OPSC) supports the PSC, with its Head Office in Pretoria and regional offices in each province. The OPSC is headed by a Director-General, who is the Accounting Officer. The work of the PSC is structured around six key performance areas as outlined in **2.1.2.2.** These areas are divided into line function branches*.

**(i)** Branch: Investigations and Human Resource Reviews

This branch enables the PSC to contribute to improved labour relations and management, carry out audits and investigations into public administration practices, promote anti-corruption practices, and review the implementation of human resource policies in the Public Service.

**(ii)**  Branch: Monitoring and Evaluation

This branch enables the PSC to establish a high standard of Public Service leadership, good governance and improved service delivery through public participation.

**Corporate Services** supports the two line function branches by rendering administrative services.

*More information on the branches follows in Chapter 2 under Programme Performance.*

# CHAPTER : 2
# PROGRAMME PERFORMANCE

## 2.1 THE PUBLIC SERVICE COMMISSION

The activities undertaken by the PSC during the period under review are discussed in this chapter according to each programme and sub-programme. In order to contextualise the activities of the sub-programmes, a brief analysis of the aims and key objectives of Vote 10 (the Public Service Commission) is provided.

### 2.1.1 Aim of the vote

The aim of the PSC is to promote the Constitutional values and principles of public administration in the Public Service.

### 2.1.2 Key measurable objectives

The PSC's objectives are to promote and maintain effective and efficient public administration with a high standard of professional ethics. The core business of the PSC is to investigate, monitor, evaluate and advise on strategic Public Service issues. The PSC is a knowledge-based institution, which produces and applies information to contribute to a participatory and developmental Public Service.

#### 2.1.2.1 Key objectives of the PSC

- Build professional ethics and risk management
- Investigate allegations of corruption
- Monitor and evaluate service delivery and improve its management
- Monitor labour relations and improve human resource management and development
- Promote sound institution-building in the Public Service

#### 2.1.2.2 Key performance areas of the PSC

- Labour relations improvements
- Public administration investigations
- Professional ethics and human resource reviews
- Governance monitoring
- Leadership and performance improvements
- Service delivery and quality assurance

### 2.1.3 Summary of programmes

The activities of the PSC are categorised into three programmes: Administration, Investigations and Human Resource Reviews, and Monitoring and Evaluation.

- **Administration** conducts the overall managment of the PSC and provides centralised support services.
- **Investigations and Human Resource Reviews** enables the PSC to contribute to improved labour relations and management, carry out audits and investigations into public administration practices, promote anti-corruption practices, and review the implementaion of human resource policies in the Public Service.

**Ms Geraldine Fraser-Moleketi
(Minister for the Public Service & Administration)
Ms Fraser-Moleketi is responsible for presenting
the PSC budget in Parliament**

### Voted Funds

| | |
|---|---|
| Main Appropriation | R108 164 000 |

### Statutory Appropriations

| | |
|---|---|
| Responsible Minister | Minister for the Public Service and Administration |
| Administering Department | Office of the Public Service Commission |
| Accounting Officer | Director-General of the Office of the Public Service Commission |

- **Monitoring and Evaluation** enables the PSC to establish a high standard of Public Service leadership, good governance and improved service delivery through public participation.

### 2.1.3.1  Overview of the service delivery environment for the 2007/2008 financial year

This section provides an overview of the service delivery environment in which the PSC operated during the period under review. It covers amongst others, commentary on developments in the external environment that may have impacted of the PSC's delivery of services. This section also provides a broad overview of the organisation's overall performance as well as commentary on roll-over funds.

During the 2007/08 financial year the country experienced incidents of service delivery protests in certain areas. Although analyses in the media have differed on what the root causes of the protests were, there had been growing recognition that government would need to examine and improve its public participation processes. Taking these developments into account, it was important for the PSC to maintain the momentum of its work on citizens engagement. In this regard, the PSC conducted its fifth Citizen Satisfaction Survey which focused on the Provincial Departments of Agricultural Services. The report reflects on the surveys undertaken during 2007 to measure citizens' satisfaction with farmer support and development services to emerging farmers as well as food security projects by the Provincial Departments of Agriculture. These services were purposefully selected because of their critical role in the promotion of growth and development in line with the current strategies and priorities of Government's Accelerated and Shared Growth Initiative for South Africa.

The PSC believes that citizen engagement is not an end in itself. Instead, it is one of the important mechanisms through which the quality of Public Service delivery can be enhanced. In its oversight work, the PSC has thus continued to focus on service delivery in Public Service institutions. One of the mechanisms the PSC has used for this purpose is its programme of Inspections of Service Delivery sites. During the year under review, the PSC's inspections focused on national, provincial and district offices of the Department of Education as well as selected schools. The Inspections also included a citizens' engagement dimension since members of the public present at the inspection sites were also interviewed.

One of the Constitutional principles governing public administration is that people's needs must be responded to. In addition to involving the public through citizen satisfaction surveys and inspections, the PSC has also created access mechanisms for the public through its Complaints Rules and the National Anti-Corruption Hotline (NACH) launched in 2004. These mechanisms provide members of the public a platform to report to the PSC acts of maladministration,

as well as corruption in the Public Service. The Complaints Rules continue to be used actively by the public to report any substandard service they receive from the Public Service. It is through the complaints received that the PSC was able to produce a Report on Trend Analysis on Complaints Lodged with the PSC during the 2006/07 Financial Year. The report indicates an increase in the number of complaints received by the PSC in terms of the Complaints Rules from 116 in 2005/06 to 218 in 2006/07.

There also appears to be a greater level of awareness by the public regarding the NACH as a mechanism to report corruption. This is witnessed by the steady increase in its use on an annual basis by whistleblowers. As at 31 March 2008, a total of 5546 cases have been generated by the NACH since its inception in September 2004. Of these cases 3785 relate to corruption (bribery, embezzlement, fraud, favouritism, nepotism, conflict of interest, maladministration and abuse of government equipment), while 1082 relate to complaints regarding service delivery. A total of 172 cases fell outside the jurisdiction of the Public Service while 507 cases were frivolous.

The Constitution not only requires public participation, but also that the services rendered to the public must be provided impartially, fairly and equitably. This principle is further underscored by the need for the Public Service to be representative of the South African people. South Africa has made great strides in ensuring equity in the manner that its citizenry is treated and has put in place a sound legislative framework to promote equity in all spheres of society. The Employment Equity Act, 1998, has ensured that Affirmative Action is actively driven by all employers, including the Public Service. As a result, the Public Service has successfully transformed its employment profile to represent the racial demographics of the country. However, an area of transformation that has not been addressed sufficiently is the achievement of disability equity. The PSC during the 2007/08 financial year therefore deemed it appropriate to conduct an evaluation on the State of Disability Equity in the Public Service. Formal disability inquiries were held in the Western Cape, Mpumalanga, Free State, Gauteng and the Eastern Cape. A similar inquiry was also held with selected national departments. During the inquiries the Heads of all the relevant departments in the provinces and at national level were provided with an opportunity to share the successes and challenges faced in achieving disability equity to a panel of the PSC, which included the Secretary General of the Disabled People of South Africa, Mr M ka Toni. The inquiries enabled the PSC to obtain a thorough understanding of the practical difficulties facing departments in recruiting and retaining persons with disabilities and the PSC is confident that the findings and recommendations contained in its Report on Disability Equity will assist the Public Service in dealing decisively with this transformation imperative.

Given its expertise on a broad range of public administration issues, the PSC is increasingly requested to participate

in support interventions in the Public Service. During the period under review, assistance was provided to the Department of Land Affairs through an investigation into critical areas of support and delivery in the Department. The investigation focused on the following: *Human Resource Management, Financial Management, Deeds Office and State Land and Administration.* A report with findings and recommendations was submitted to the Minister of Agriculture and Land Affairs.

In terms of Treasury Regulations, funds appropriated but not spent in a particular financial year may be rolled-over to a subsequent year subject to approval of the relevant Treasury. During the period under review, the PSC rolled-over a total of R 2 807 000 (R200 000 for the evaluation of Government's poverty reduction programme, R267 000 for the centralised back-up library and R 2 280 000 for the recognition of service in the former non-statutory forces).

### 2.1.3.2   Overview of the organisational environment for the 2007/2008 financial year

Internal challenges that impacted on the operations of the PSC are dealt with in this section.

During the previous financial year, the PSC was concerned about the high staff turnover, particularly at middle management. In order to ensure that service delivery was not hampered due to staff turnover during the 2007/08 financial year, the PSC filled its vacant posts within the 3-month requirement of filling vacant posts. The Office was able to achieve this by implementing internal service standards for each step of the process and monitoring this tightly. Furthermore, all posts of Deputy Directors on salary level 11 were evaluated and subsequently upgraded to level 12 in an attempt to contain the high turnover at this level.

During the period under review, the PSC bid farewell to two of its members. The Deputy Chairperson of the PSC, Mr John Ernstzen, took early retirement in February 2008 due to ill-health, and the Commissioner based in the North West, Mr Squire Mahlangu's contract was re-determined at the end of March 2008. The departure of the Deputy Chairperson and the Commissioner has impacted on the PSC's capacity.

The Deputy Director-General: Corporate Services and Regional Liaison (DDG: CRL) resigned in December 2007. To mitigate the potential impact of this development, the Director: Finance and Procurement Management as well as the Director: Human Resource Management and Development were appointed Acting DDG: CRL on a rotational basis. Interviews for the DDG: CRL took place towards the end of the financial year and a memorandum containing a recommendation for the appointment of a candidate to the post was submitted to Cabinet for consideration.

The organisational structure of the PSC was realigned by grouping homogeneous functions together in order to meet the strategic objectives of the PSC. As a result of this realignment, the new structure now consists of four programmes instead of three. The new programmes are Administration, Leadership and Management Practices, Monitoring and Evaluation and Integrity and Anti-Corruption. The revised structure will come into effect during the 2008/09 financial year.

In its endeavour to enhance internal communication, the PSC held among others, successful information sessions that not only celebrated key national events but also served as a platform to share information pertaining to key organisational developments.

An important development that impacted on the legislative environment of the PSC has been the passing of the Public Service Amendment Act, 2007, by Parliament which makes directives issued by the PSC in terms of Section 196(4)(d) enforceable. The extent and impact of the policy changes emanating from the Amendment Act are discussed in detail in section 2.1.3.3 of this Annual Report dealing with the strategic overview and key policy developments for the 2007/08 financial year.

### 2.1.3.3   Strategic overview and key policy develoments for the 2007/2008 financial year

This section gives an overview of relevant, major policy developments and legislative changes that have taken place during the period under review.

#### Enforceability of the PSC's directives

In terms of section 196(4)(a)(d) of the Constitution 1996, the PSC is empowered to issue directives as far as the personnel practices of recruitment, promotions, transfers and dismissals are concerned to ensure compliance with the principles governing public administration contained in section 195 of the Constitution. Prior to 2007, there was no subordinate legislation that specifically provided for the enforceability of the PSC's directives. This has, however, been rectified through the Public Service Amendment Act, 2007, which provides for the PSC to conduct investigations on compliance with the Act and to issue directives in terms of section 196(4)(d) of the Constitution, 1996. Such directives must be implemented by executing authorities and heads of department within a period of three months from the date on which they were issued. Through this provision, the PSC's powers have been strengthened but it will also result in an increase of its workload which would have to be addressed through concomitant resource allocations in future.

#### Amendments to the Financial Disclosure Framework

Building on the work already conducted through its study on the management of conflicts of interest in the Public Service published during 2006, the PSC conducted an evaluation of the management of conflicts of interest through the Financial Disclosure Framework for Senior Managers during

the period under review. Emanating from this evaluation, a number of proposals relating to amendments to Chapter 3 of the Public Service Regulations were formulated for consideration by the Minister for the Public Service and Administration. The proposed amendments were designed to improve the ability of the PSC and executing authorities to identify and manage potential conflicts of interests through the Financial Disclosure Framework. In anticipation of the amendment of the Public Service Regulations, the PSC has also developed Draft Rules on the Management of Conflicts of Interest which will provide much needed structure to the PSC's scrutiny of financial disclosures to identify potential conflicts of interest and advise executing authorities accordingly.

### Amendments to the Grievance Rules

In September 2007, the PSC published a Report on Grievance Trends in the Public Service. This report highlighted the need for an amendment to the Grievance Rules, 2003, based on the PSC's own handling of grievances and the practical difficulties experienced by departments. The Public Service Amendment Act, 2007, has also introduced sections which require an amendment of the Grievance Rules, 2003. As a result, the PSC has formulated proposals for amendments to the Grievance Rules and have submitted these to the Department of Public Service and Administration for negotiation in the Public Service Coordinating Bargaining Council.

### The handling of Public Servants appointed as Municipal Councillors

The PSC has noted that there is a gap in the legislative framework that guides the handling of public servants who were appointed as municipal councillors following the local government elections held in March 2006. Given the findings of a previous study on the management of remunerative work outside the Public Service by health professionals in the Gauteng Provincial Government, the PSC was concerned that the legislative vacuum in respect of the handling of public servants appointed as councillors could have a negative impact if not properly managed. It therefore conducted an investigation into the handling of public servants appointed as municipal councillors in the provinces of the Western Cape and Limpopo. The investigation found that control measures applied by departments to ensure the productive employment of such public servants were not adequate. As a result, the PSC has recommended that the legislative framework be amended to appropriately address the conditions for the continued employment of such public servants.

### Monitoring and Evaluation

Monitoring and Evaluation (M&E) remains a critical process for promoting accountability and learning in public administration. During the year under review, efforts to strengthen the policy environment within which M&E takes place included the publication by National Treasury of a Framework for Managing Programme Performance Information.

The Presidency also published the Policy Framework for the Government Wide M&E System. These frameworks compliment each other and seek to improve the quality and reporting of M&E data. Drawing from its years of experience in practical M&E, the PSC completed an easy to use document on Basic Concepts on M&E. The document seeks to add value to the practice of M&E in public administration by explaining the key concepts involved. In addition, the PSC continued to apply its transversal Public Service Monitoring and Evaluation System (PSM&ES) in samples of departments. The system has been running for the past six years and has been successfully applied in 78 departments (23 national and 55 provincial). The PSM&ES is now recognised as a credible and useful system facilitating learning and reflection on public administration.

The Fourth Consolidated Monitoring and Evaluation Report for the 2006/07 Research Cycle was produced, based on information generated through the application of the PSM&ES. This report in turn contributed to the development of the seventh edition of the PSC's State of the Public Service (SOPS) Report. The theme of the SOPS Report was *A Mid-Term Review of Public Service Transformation*. The report provided a high-level analytical overview of the performance of the Public Service since 2004.

The PSC's work in M&E, including the SOPS Report, not only serves as instruments of accountability and collective learning, but it also seeks to generally promote a sound culture of M&E in the Public Service. As part of deepening this culture, the PSC has realised the importance of promoting a process of reflecting on M&E products to ensure that they meet certain important requirements. For this purpose, the PSC developed a Conceptual Framework for Meta-evaluation. Meta-evaluation essentially involves an 'evaluation of an evaluation', and the purpose of the conceptual framework is to promote a shared understanding of meta-evaluation and how it can add value to the oversight work of the PSC.

### Service Delivery Assessments

The principles of Batho Pele provide the basic framework which guides the transformation of service delivery in the Public Service. Evaluating the extent to which departments are implementing these principles has, therefore, been one of the important focal areas of the PSC's oversight work. During the period under review, the PSC completed an evaluation of the implementation of the Batho Principles of Value for Money, Consultation, and Openness and Transparency. The reports emanating from the evaluations highlight areas of progress as well as important considerations for deepening implementation.

In addition to the Batho Pele principles, the PSC's service delivery assessments also include an on-site collection of first-hand information on the performance of service delivery institutions. In this regard, during the period under review, the PSC conducted inspections in the Departments of Education. Reports with findings and recommendations de-

rived from the service delivery inspections were compiled and sent to the respective Executing Authorities and Heads of Department.

Central to many of the recommendations the PSC makes following its assessments is the need to improve not only the quality but the rate of service delivery as well. Unless the rate of service delivery is accelerated, the programmes of the Public Service will not optimally address the challenges of reconstruction and development that Government pursues. With this in mind, the PSC has also embarked on a series of assessments that focus on the rate of service delivery in selected departments. During the year under review, the PSC assessed the rate of the implementation of the Primary School Nutrition Programme of the Department of Education, focusing on Limpopo and the Eastern Cape. The PSC found that the programme was highly valued by communities, although challenges such as the effective monitoring of service providers continue to be problematic.

### Public Service Leadership

During the 2007/08 financial year, Government elevated the importance of effective performance management by announcing as part of the Apex Priorities, that Performance Agreements (PAs) of all Senior Managers should be concluded by June each year. The PSC has been playing a critical role in this area by quality assuring the PAs of Heads of Departments (HoDs) and filing them.  In addition, the PSC facilitates the evaluation process of HoDs as well as the evaluation of key programmes of Government in its effort to promote a high standard of Public Service leadership. During the period under review, 9 national and 11 provincial HoDs were evaluated. The guidelines for the evaluation of HoDs for the 2006/07 evaluation cycle were published and are aimed at assisting Executing Authorities and HoDs in preparing and conducting the evaluation of performance for a specific financial year.

The PSC has previously recommended that the evaluation of the performance of individual HoDs could be enhanced by linking it to the overall performance of the departments they are responsible for. Following an initial phase of piloting a framework for assessing organisational performance, the PSC has since gone a step further by reviewing its assessment framework to strengthen it, drawing from lessons learned during the pilot. Once completed, the revised assessment framework will be applied alongside the framework for the evaluation of HoDs.

### 2.1.4   Collection of departmental revenue

An amount of R170 000 was collected for the period under review in the form of departmental receipts comprising commissions received from financial institutions on insurance premium deductions from employee salaries, capital repayments of study loans as well as conditional bursaries, parking fees, private telephone use and stale cheques.

### 2.1.5   Transfer payments

An amount of R30 000 was paid for membership fees to international organisations.

### 2.1.6   Conditional grants and earmarked funds

There were no conditional grants. An amount of R1 500 000 was earmarked for information technology infrastructure.

### 2.1.7   Capital investment, maintenance and asset management plan

Capital assets to the value of R2 724 000 and current assets to the value of R710 000 were procured in line with the Office's asset acquisition plan.

### 2.1.8   Notes on programmes

For ease of reference, each Chief Directorate in a branch (programme) will be considered as a sub-programme.

**Ms Bontle Lerumo**
**Deputy Director-General**

## 2.2 PROGRAMME 1: ADMINISTRATION

The **purpose** of this programme is to manage, organise and provide administrative support to the PSC and its Office.

The **measurable objective** of this programme is to provide logistical and management support through efficient human resources management, accountable financial management, effective communication and information technology services.

The programme is divided into three sub-programmes: the PSC, Management and Corporate Services.

### 2.2.1 Sub-programme: Public Service Commission

#### Purpose
This sub-programme provides for the conditions of service of the 14 Commissioners appointed in terms of Section 196 of the Constitution, 1996.

#### Measurable objectives
The objectives and activities of the PSC are based on its Constitutional mandate and are presented in its business plan for each financial year.

The objectives and activities for the 2007/08 financial year are discussed in detail under Programme 2: Investigations and Human Resource Reviews and Programme 3: Monitoring and Evaluation.

### 2.2.2 Sub-programme: Management

#### Purpose
This sub-programme handles the overall management of the Office. It comprises the Office of the Director-General and the heads of the two line-function branches, as well as Corporate Services.

#### Measurable objectives
By means of strategic direction, management and control, the management of the Office of the Public Service Commission ensures that the business plan of the PSC is executed in an effective way. In addition, it ensures that the PSC is correctly advised on all matters emanating from its Constitutional mandate.

### 2.2.3 Sub-programme: Corporate Services

#### Purpose
The main aim of this sub-programme is to provide corporate services to the PSC and its Office.

#### Measurable objectives
The activities of this sub-programme are structured to meet the following objectives:

- Implement and maintain sound human resource management and development practices.
- Provide effective logistical support.
- Ensure accountable financial administration and management.
- Provide effective information technology services.
- Provide effective communication and information services.

#### 2.2.3.1 Service delivery objectives and indicators

The PSC has strengthened its financial management and planning through the hosting of regular Budget Committee meetings. These meetings afford Chief Directors an opportunity to discuss all financial related matters including monthly assessment of budget spending, cash flow projections and project costing. It is through this stringent financial management process that the PSC once again received a clean audit from the Auditor-General during the previous financial year. It is anticipated that our under expenditure will be around 0.03% for the current financial year.

In order to improve asset management and the tracking of assets, an electronic bar coding system was approved and is in the process of being implemented. The bar coding system assists with the provision of accurate information relating to cost and control over assets. Through the use of this system, resources are optimally utilised and monitored.

Great strides have been achieved in creating awareness around the work of the PSC and successfully positioning the organisation as the *Custodian of Good Governance.* Reports published by the PSC were tabled in Parliament timeously. In addition, selected PSC Reports were further publicised through media statements, briefings and interviews, thereby reaching a larger audience.

The PSC Magazine under the theme: *Capacity Challenges Facing the Public Service* was produced and published in November 2007. The Annual Report was once again timeously published and submitted to the Auditor-General and National Treasury by 31 August 2007 and subsequently tabled in Parliament in September 2007. The PSC also exhibited its work at numerous public outreach events thus increasing awareness around its role and activities.

The PSC introduced a mobile Short Message System (SMS) technology to improve service delivery to the public by promptly acknowledging receipt of their applications for employment. This and the automation of other PSC work processes, such as the web-based applications, placed an increased demand on the Information Communication Technology (ICT) infrastructure. As a result, the PSC successfully upgraded its ICT infrastructure, which included amongst others, switches, routers and data lines.

In promoting international collaboration, the PSC successfully developed the website of the Association of African Public Services Commissions.

The PSC continued to do well in ensuring that vacant posts are filled timeously. It has also improved the levels of representivity as far as females and persons with disabilities are concerned. The number of female employees rose from 106 in February 2007 to 116 in March 2008. In addition, the PSC managed to employ five people with disabilities, which translated to 2.3% of the total staff compliment. The PSC has therefore exceeded the national target of 2% by 0.3%.

## 2.2.3.2   Service delivery achievements

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance against target | |
|---|---|---|---|---|
| | | | Target | Actual |
| **Performance as per workplan for 2007/2008** | | | | |
| **Internal Audit** | Implementation on Fraud Prevention Plan | Effective internal controls | March 2008 | Existing Fraud Prevention Plan was reviewed during February and March 2008 |
| | Participating in Audit Committee Meetings | Regular attendance of Audit Committee Meetings | March 2008 | 6 Audit Committee meetings were held |
| | Implement a Risk Management Strategy | Improved risk management | March 2008 | The Strategic Risk Assessment which was conducted in December 2007 and February 2008 was subsequently approved in March 2008 |
| | Development and implementation of a Gift Register | Maintained and updated Gift Register | March 2008 | Gift Register was regularly updated |
| **Financial Management** | Financial reports that accurately present the financial position of the OPSC | Accurate recording of all financial transactions | March 2008 | Financial reports were submitted to National Treasury by the 15th of every month |
| | Proper monitoring of expenditure and budget on project

Proper budgeting and costing per project | Improved budget and expenditure management on projects | March 2008 | Expenditure and budget on projects was monitored |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance against target | |
|---|---|---|---|---|
| | | | Target | Actual |
| | Proper monitoring of expenditure against budget | Regular Budget Committee meetings to ensure that less than 2% of funds surrendered to National Treasury | March 2008 | 9 meetings were held with Chief Directors |
| Asset Management | Review OPSC Asset Management Policy | Effective asset management and internal controls | July 2007 | Asset Management Policy was reviewed and approved in August 2007 |
| | Proper assets tracking and management | Optimal and economical utilisation of assets | March 2008 | All assets were managed to ensure optimal utilisation |
| | | Periodic asset verification | | 4 asset verifications were conducted |
| | Implementation of the electronic system for bar coding and tracking of assets | Bar coded assets | December 2007 | The electronic system for bar coding and software was installed in March 2008 |
| Procurement Management | Review and implementation of the following OPSC existing policies: Transport, Cellphone, Postal Service, Telephone and Travel & Subsistence | Effective management and economic utilisation of OPSC resources | March 2008 | Telephone and Procurement Policies were reviewed and approved in September 2007 and October 2007 espectively<br><br>Cellphone and Postal Policies were reviewed and approved in October and November 2007 respectively<br><br>Records Management, Transport and Travel Policies are in the process of being reviewed |
| | Implementation of Early Warning System for contracts | Database of all contracts with the service providers created | December 2007 | Contracts Management System was implemented in May 2007 |
| | Implementation of 360 degree evaluation | Improved service delivery | December 2007 | The Service Delivery Improvement Plan (SDIP) was approved in November 2007 |
| Logistics Management | Implementation of an OPSC filing system in Head Office and Regional Offices | Improved filing and document tracking in Head Office and Regional Offices | March 2008 | The revised filing system was implemented in April 2007 |
| | Efficient and effective messenger services | Timely delivery/collection of documents | March 2008 | All documents were collected and delivered timeously |
| Property Management | Management of properties/ physical properties | Adequately maintained and repaired property | March 2008 | Municipal fees were paid monthly |
| | Payment of rental and municipal levies | Improved service delivery | March 2008 | Office accommodation payments for the 10 PSC Offices were paid quarterly |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance against target | |
|---|---|---|---|---|
| | | | Target | Actual |
| **Security Services** | Upgrade current security system | Proactive security and safe working environment | March 2008 | Security upgrade for the Gauteng and North West Regional Offices was completed in February and March 2008 respectively |
| | Proper screening of visitors and documents | Reduced incidents on breach of security | March 2008 | Security service was provided to the Office 24 hours a day, everyday. Visitors were screened when entering the premises |
| | Trained security officials | Improved security awareness | March 2008 | The Assistant Director: Security Service attended the National Intelligence Agency (NIA) Security Manager's course |
| | Security clearance of staff occupying sensitive posts | Staff occupying sensitive posts security cleared | March 2008 | Security clearance of 25 staff occupying sensitive posts was received from NIA |
| | Review implementation of the OPSC Contingency Plan | Effective and efficient handling of emergencies resulting in minimised risks and threats | March 2008 | OPSC Contingency Plan was implemented in phases: <br>• Fire Evacuation Drill was conducted in Commission House in August 2007 <br>• Fire evacuation equipment was procured in November 2007 <br>• Emergency evacuation speakers were installed in Commission House in December 2007 and tested in February 2008 |
| **Communication and Information Services** | Relevant library material purchased | Relevant library material purchased for users as and when necessary | March 2008 | Library material was purchased and made available to users as per request |
| | Market Information Resource Centre services | Information Resource Centre services marketed | March 2008 | Information Resource Centre hosted a book display on 30-31 October 2007 |
| | Compilation of the Annual Report in line with Treasury Guidelines | Annual Report published | August 2007 | Annual Report was published and submitted on 31 August 2007 |
| | Bi-monthly production and publishing of internal electronic newsletter – *Izwi lase OPSC* | Internal newsletter distributed online to staff every second month | March 2008 | Internal newsletter was compiled and disseminated bi-monthly |
| | Production and publishing of PSC's external magazine – *PSC News* | One issue of the magazine published | March 2008 | PSC News was published in November 2007 |
| | Management of printing requirements | Standardised look on PSC Reports maintained and timely printing of reports | March 2008 | All PSC Reports were standardised and printed timeously |

Custodian of Good Governance

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance against target | |
|---|---|---|---|---|
| | | | Target | Actual |
| | Production of promotional material | Production material to market the work of the PSC produced | March 2008 | A variety of corporate promotional material was produced in line with the corporate identity |
| | Improve media relations | Media liaison activities held | March 2008 | Media briefings were held and media releases on selected PSC published Reports were issued to members of the media |
| | Promote effective utilisation of the intranet and internet | Utilisation of intranet and internet services promoted and improved<br><br>Intranet and internet sites updated | March 2008 | Intranet and internet were updated regularly and staff informed accordingly |
| | Annual review of the Promotion of Access to Information Manual in line with the Promotion of Access to Information Act | Promotion of Access to Information Manual reviewed and published accordingly | August 2007 | The manual was updated and submitted to the Human Rights Commission in August 2007 |
| | Annual review of the Promotion of Access to Information Section 15 Notice in line with the Promotion of Access to Information Act | Promotion of Access to Information Section 15 Notice reviewed and published accordingly | August 2007 | The Promotion of Access to Information, Section 15 Notice, was updated and published in August 2007 |
| | Render communication support to the O/PSC | O/PSC projects and programmes successfully given communication support | March 2008 | Participated in exhibitions and provided support during various O/PSC events, such as roundtable discussions and Formal Disability Inquiries |
| | Staff informed about strategic decisions taken and also afforded an opportunity to raise their concerns and suggestions for consideration by management | Two information sessions held for the OPSC | March 2008 | Information sessions were held in December 2007 and in March 2008 |
| | Provide secretariat and support to MANCO of the OPSC | MANCO of the OPSC held | March 2008 | MANCO meetings were held in July and December 2007, and in March 2008 |
| Information Technology | Assess ICT enablement of business processes in the OPSC | Developed strategic information plan for business processes | March 2008 | Some OPSC business processes such as the HR scheduling system, IKM case management system and the DG tracking system have been automated to improve service delivery |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance against target | |
|---|---|---|---|---|
| | | | Target | Actual |
| | | | | The development of a strategic information plan has been carried over to the next financial year due to financial constraints in the period under review |
| | Implementation of the Virtual Private Network (VPN) | 99% network uptime | March 2008 | Phase one successfully implemented in March 2008 |
| | Implementation of Uninterrupted Power Supply (UPS) | Installed UPS with 45 min. battery backup | November 2007 | Implemented in May 2007 |
| | Installation of the backup Library Device for the servers | Centralised backup system in line with the Disaster Recovery Plan | March 2008 | Implemented in July 2007 |
| | Implementation of Voice and Fax over Internet Protocol (IP) and SMS technology | Significant cost reduction of voice and fax communication in the OPSC | September 2007 | Implemented in September 2008 |
| Information and Knowledge Management | Implementation of Document Management Tracking System and this includes DG Submission | Improved paperless environment and proper tracking of documents | March 2008 | Completed in March 2008 |
| | Promote effective use of Information and Knowledge Management system | Reach maximum number of IKM users | March 2008 | The IKM system was enhanced in March 2008 to improve the data capturing in the Case Management Module and to include a statistical report in the Management Module |
| | Uploading scanned documents and all related information in line with the Knowledge Management strategy | Centralised storage of data, information and knowledge | March 2008 | Data information stored on the centralised backup devise |
| | Hosting, development and management of an in-house intranet | Improved information management | March 2008 | In-house intranet was successfully managed |
| | Maintaining the existing Electronic Library System | Improved usage of the Electronic Library System | March 2008 | Electronic Library System was maintained on an ongoing basis |
| Human Resource Management | Reduction of staff turnover within OPSC | High staff morale<br><br>Capacity requirements of the OPSC are fully met | March 2008 | The draft Retantion Strategy was compiled in November 2007 |
| | Implementation of Plan for persons with disabilities (PWDs) employment<br><br>Recruitment of PWDs | PWDs employed | March 2008 | 5 people with disabilities were employed |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance against target | |
|---|---|---|---|---|
| | | | Target | Actual |
| | An HR Plan which addresses the Office's needs | Integrated HR requirements with overall objectives of the Office | March 2008 | The HR plan was approved in December 2007 and subsequently implemented |
| | Monitoring of revised OPSC Delegations | Ensured efficiency in HR management and administration through the delegation of powers to appropriate levels and the elimination of elaborate decision making process | March 2008 | Office Delegations were implemented and monitored continuously |
| | Verify qualifications on appointment and for serving employees | Qualifications of newly appointed and existing employees verified | March 2008 | Qualifications of existing employees were verified<br><br>Qualifications for new employees were verified upon appointment |
| | Revised EE Plan to address employment equity matters | Achieved equity in the OPSC workplace by promoting equal opportunities and fair treatment in employment through the elimination unfair discrimination | March 2008 | The EE Plan was approved in January 2008 and subsequently implemented |
| | Evaluation of posts at affected components | Correctly graded posts | July 2007 | In July 2007, the following posts were created and evaluated: Deputy Director-General: Leadership Management Practices, Deputy Director-General: Integrity and Anti-Corruption, Chief Director: Leadership and Human Resource Reviews and Director: National Anti-Corruption Hotline<br><br>In November 2007 the post of Deputy Director: Management of Conflict of Interests (MCI) and two posts of Assistant Director: MCI were also created and evaluated<br><br>In October 2007, all Deputy Director posts were evaluated and subsequently upgraded from level 11 to 12 in December 2007 |
| | Revision of HRM Policies | Approved HRM policies | March 2008 | The Resettlement Expenditure Policy was reviewed in November 2007 and submitted to the Departmental Bargaining Council for consultation in February 2008<br><br>The consultation process is still underway |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance against target | |
| --- | --- | --- | --- | --- |
| | | | Target | Actual |
| | Inducted and/orientated or re-oriented staff members | Staff members who know what is expected of them | March 2008 | The induction manual was approved in March 2008 |
| | Monitoring of employee wellness programmes | Healthy workforce within an environment that addresses staff emotional and performance needs | March 2008 | The utilisation of the Employee Assistance Programme increased to 10%<br><br>Wellness information and promotional material was distributed to staff |
| | Commemoration of National and International special events | Implementation of various government campaigns in compliance with goverment initiatives | March 2008 | Commemoration of National and International special events was done in line with the calendar of events from the Office of the Presidency |
| | Effective implementation of Employee Performance Management and Improvement System (EPMIS) | Revised EPMIS is applied in a sound, reliable and objective manner as well as linked to the OPSC's objectives | March 2008 | The reviewed EPMIS policy was approved in May 2007 |
| | Performance Management and Development System (PMDS) in line with the Senior Management Service (SMS) Handbook | PMDS is applied in a sound, reliable and objective manner as well as linked to the OPSC's objectives | March 2008 | Performance assessments for all staff and SMS members were finalised in October 2007 |
| | Submission of workplans and performance agreements | Workplans and performance agreements submitted on time | | Workplans and performance agreements were submitted in April 2007 |
| | Half-yearly assessments and mid-term assessments for SMS undertaken | Half-yearly assessments and mid-term assessments for SMS conducted on time | | Half-yearly and mid-term assessments took place in September and October 2007 |
| | Annual assessment undertaken in line with the EPMIS and PMDS | Annual assessments conducted on time | | Annual assessments were conducted timeously in line with the EPMIS and PMDS |
| | Training and skilling of workforce | Trained staff members who are customer-based and service delivery oriented in line with training needs identified in the Work Place Skills Plan | March 2008 | 214 employees were trained |
| | Placement of learners and interns in the OPSC | Skilled youth with qualifications and workplace experience to enter the open labour market | March 2008 | 10 interns and 7 learners with disabilities were placed. Out of the 7 learners placed, 1 was permanently employed by the OPSC, 2 received permanent employment in the Public Service and 1 in the private sector |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance against target | |
|---|---|---|---|---|
| | | | Target | Actual |
| | Improvement of Service Delivery with measurable standards | Approved Service Delivery Improvement Plan for the OPSC | September 2007-January 2008 | Service Delivery Improvement Plan for 2008/09 was approved in November 2007 and will be implemented with effect from 1 April 2008 |
| | Management of discipline and grievances in the OPSC | Informed workforce on labour relations matters | March 2008 | 1 case of misconduct entailing corrective counselling was handled in March 2008. 3 written warnings were issued. 1 person's services were terminated due to misconduct in November 2007 and 1 disciplinary hearing case was finalised in March 2008. 1 grievance case received was finalised in January 2008 |
| | Efficient functioning of the Departmental Bargaining Chamber (DBC) | Compliance with the labour relations prescripts | March 2008 | Meetings of the Departmental Bargaining Chamber were held monthly |

**Mr Admill Simpson**
**Deputy Director-General**

**Ms Mmathari Mashao**
**Chief Director**

## 2.3 PROGRAMME 2: INVESTIGATIONS AND HUMAN RESOURCE REVIEWS

The **purpose** of this programme is to enable the PSC to improve labour relations and management, carry out audits and investigations into public administration practices, promote anti-corruption practices, and review the implementation of human resource policies in the Public Service.

The **measurable objective** of this programme is to improve Public Service labour, human resource and ethics practices by providing information and support on investigations and reviews to departments.

The programme is divided into three sub-programmes, namely: Labour Relations Improvement, Public Administration Investigations as well as Professional Ethics and Human Resource Reviews.

### 2.3.1 Sub-programme: Labour Relations Improvement

Given the labour intensive nature of the Public Service the maintenance of labour peace is a fundamental requirement for the effective functioning of departments. The Public Service is dependent on sound labour relations for the promotion of its service delivery objectives. Public servants are the vehicles through which the Public Service ensures delivery on its mandate and a discontent workforce will have negative implications on effective service delivery. The PSC plays a key role in the promotion of sound labour relations in the Public Service through the execution of its Constitutional mandate. It is the leading arbiter on grievances in the Public Service and also deals with other complaints impacting on the employer/employee relationship. In pursuance of its Constitutional mandate the PSC has developed Grievance Rules in terms of which grievances are handled by departments and the PSC. Based on its experience in the handling of grievances and the monitoring of grievance resolution processes within departments, the PSC has developed recommendations for amendments to the Grievance Rules which will be the subject to negotiations in the Public Service Coordinating Bargaining Council.

## Purpose

The core function of the sub-programme is to improve Public Service labour relations by conducting investigative research and providing advice on complaints, grievances and labour relations practices and policies.

## Measurable objectives

The main objectives of the sub-programme are to:

- Investigate grievances and complaints lodged by public servants and recommend appropriate remedies to national and provincial Executing  Authorities.
- Conduct investigations into complaints relating to the application of personnel and public administration.
- Conduct research on issues relating to implementation of labour relations principles.
- Promote sound labour relations in the Public  Service.

### 2.3.1.1 Service delivery objectives and indicators

During the period under review, the PSC received 597 grievances. This represents a decline from the 2006/07 financial year where a total of 641 grievances were received. Of the 597 grievances received, a total of 402 had to be referred back to departments on the basis of non-compliance with the Grievance Rules whilst 10 people withdrew their grievances before the PSC could consider them. The PSC continues to experience difficulties as a result of inadequate information provided by departments when submitting grievances. In such cases departments have to be approached to provide the necessary information in order for the PSC to appropriately consider the grievances. As a result, a total of 177 grievances were pending at the end of the financial year due to inadequate information. Given the delays experienced in the submission of required information by departments, the PSC has invoked section 10 of the Public Service Commission Act, 1997, on numerous occasions by summonsing HoDs to appear before the PSC.  The PSC considered and finalised 98 grievances that were properly submitted to it during the period under review.

**Chart 1** below depicts the status and number of grievances handled during the period under review.

### Chart 1:  Grievances Received



REPORT FOR GRIEVANCES 2007 - 2008

**Chart 2** which follows, illustrates the  nature of grievances referred to the PSC during the  period under review. Of the total number, 112 related to the filling of posts; 5 cases related to the undermining of authority; 195 cases related to salary problems; 146 cases related to performance assessments; 96 cases were about unfair treatment; 10 cases were about leave applications; 28 cases related to disciplinary matters; 4 cases related to discharge and 1 related to failure to respond to the aggrieved within the time-period of 30 days prescribed by the Grievance Rules.

### NATURE OF GRIEVANCES LODGED 2007 - 2008



Legend:
- Filling of post
- Salary problems [adjustment/increase/payment, etc.]
- Unfair treatment [other than what is listed]
- Disciplinary Matter
- TOTAL
- Undermining of authority
- Performance assessment
- Application approval/Refusal to approve application
- Unknown/Not listed in the list of keywords

Bar values: 112, 5, 195, 146, 96, 10, 28, 5, 597

**Chart 3** below depicts grievances lodged in respect of gender. In total, 57% of grievances were lodged by males, while 40% were lodged by females. The gender of the remaining 3% could not be determined due to incomplete information provided by departments.

Chart 3: Gender in Respect of Grievances Lodged

### GRIEVANCE ANALYSIS PER GENDER 2007-2008



- Male — 57%
- Female — 40%
- Unknown — 3%
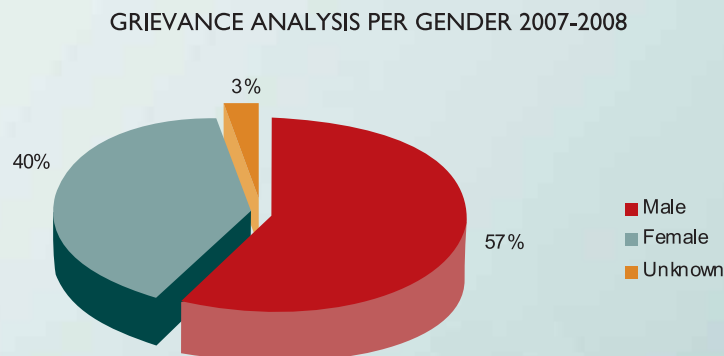
**Chart 4** below depicts a breakdown of grievances lodged in respect of racial categories. From the total grievances received, 58% were by Africans, while 20% came from Whites, 9% from Coloureds and 4% from Indians. The race of the remaining 9% could not be verified due to incomplete information provided by departments.

Chart 4: Race in respect of Grievances Lodged

### GRIEVANCE ANALYSIS PER RACE 2007- 2008



- African — 58%
- White — 20%
- Coloured — 9%
- Indian — 4%
- Race unknown — 9%
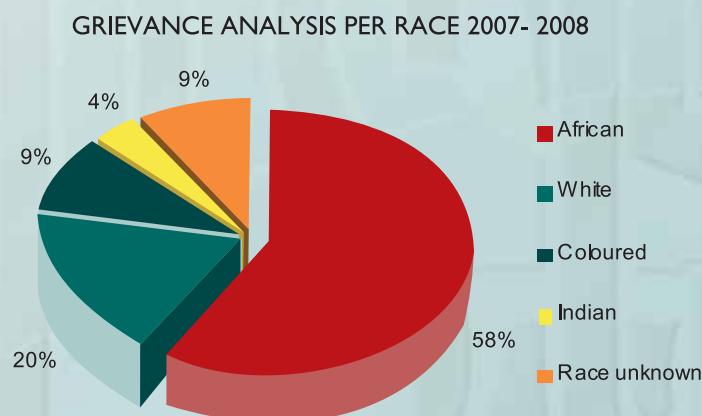
The PSC's Rules for the Lodging of Complaints regarding the Public Service (Complaints Rules) specifically excludes grievances of employees which fall within the ambit of the formal grievance procedure, and misconduct appeals of public servants. However, despite this restriction, complainants still lodge complaints about official acts and omissions of their departments and disciplinary matters with the PSC.

There has been a decrease in the number of labour relations related complaints since the previous reporting period. During the 2006/07 financial year, the PSC received a total of 65 complaints in comparison with the 40 received during the 2007/08 financial year.

**Chart 5** below illustrates the total number of complaints received. By 31 March 2008, 24 of the complaints received were finalised and 16 cases were still pending.

Chart 5:  Complaints Received

REPORT FOR COMPLAINTS 2007- 2008



**Chart 6** below provides a breakdown of the nature of complaints received. The highest number of complaints received dealt with issues such as disciplinary matters (15). Seven of the cases could not be verified due to incomplete information provided by departments.

Chart 6:  Nature of Complaints Lodged

NATURE OF COMPLAINTS LODGED 2007-2008
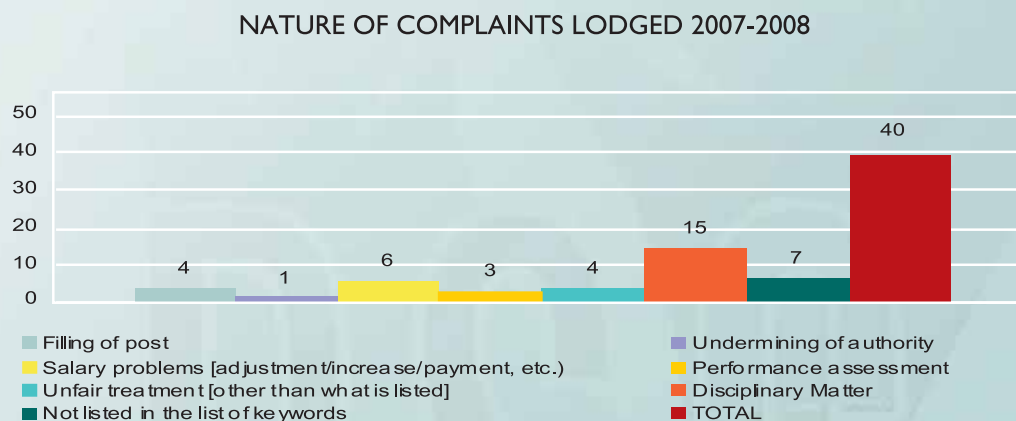


**Chart 7** which follows, depicts complaints lodged in respect of gender. From the total, 67% were lodged by males while 18% were lodged by females. The gender of the remaining 15% could not be determined as departments provided incomplete information.

**COMPLAINTS ANALYSIS PER GENDER 2007-2008**
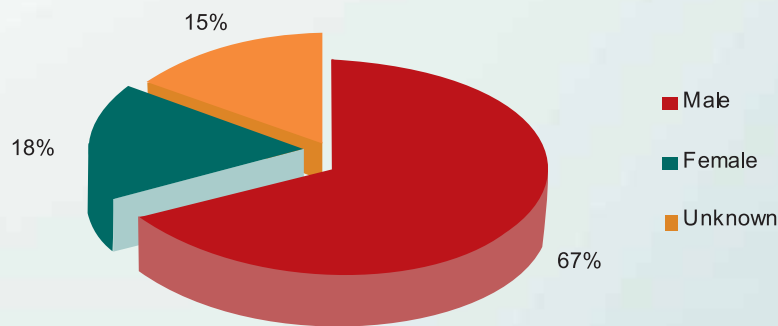


**Chart 8** below provides a breakdown in respect of the percentage of complaints lodged per race. Out of the total, 62% were lodged by Africans, 17% by Whites and 8% by Coloureds. There were no complaints received from the Indian community, while the race of the remaining 13% could not be verified due to incomplete information provided by departments.

Chart 8: Race in respect of Complaints Lodged

**COMPLAINTS ANALYSIS PER RACE 2007- 2008**
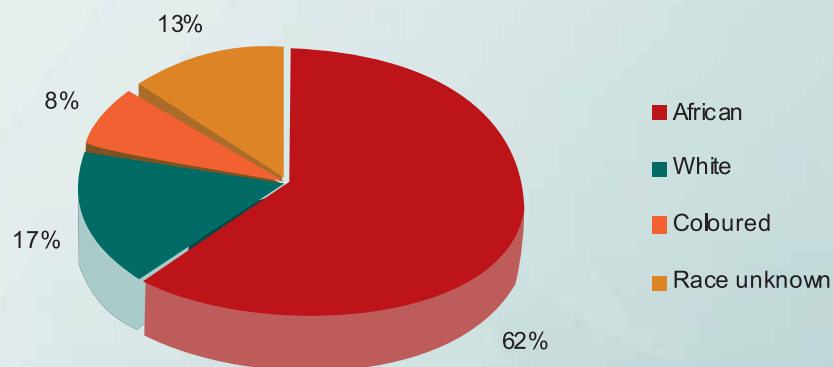


The PSC's continued investigation of grievances has led to the generation of monthly reports to the PSC. These reports together with the data submitted by departments on internal grievance resolution has enabled the PSC to produce a comprehensive commentary on grievance trends in the Public Service published during September 2007.

2.3.1.2 Service delivery achievement

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance against target | |
|---|---|---|---|---|
| | | | Target | Actual |
| **Performance as per workplan for 2007/2008** | | | | |
| Labour Relations Improvement | Investigations of grievances and complaints | Percentage of grievances and complaints successfully assessed | 80% of grievances and complaints | The PSC received 597 grievances<br><br>98 grievances were finalised, whilst 402 were referred back to departments due to non-compliance with the Grievance Rules<br><br>10 grievances were withdrawn by aggrieved employees<br><br>177 grievances were pending due to incomplete information |
| | Six monthly reports on departmental grievance resolution | Timeous, accurate and quality six monthly reports produced | March 2008 | Six monthly report produced in August 2007 |
| | Annual Report on grievance resolution in the Public Service completed | 1 report produced | September 2007 | The PSC approved that the reports to be submitted by departments on internal grievance resolution should be aligned to financial years. As a result the Annual Report on grievance resolution will be completed in the 2008/2009 financial year to include the period ending March 2008 |
| | Development of guideline Protocol on summonsing of witnesses and handling of hearings | 1 internal report produced | June 2007 | Internal Protocol on summonsing of witnesses and handling of hearings produced in May 2007 and approved in August 2007. It was subsequently published in January 2008 |
| | Report on the proceedings and resolutions emanating from the Public Service Labour Relations Conference of 2007 | 1 report produced | June 2007 | The Conference was co-hosted by the Public Service Co-ordinating Bargaining Council (PSCBC). The PSCBC appointed a service provider to draft the report. Delays were experienced in obtaining a quality report from the service provider. The PSC eventually redrafted the report<br><br>Report approved by the PSC in December 2007 and subsequently published in January 2008 |
| | Evaluation of the consistency of sanctions imposed on public servants | 1 report produced | March 2008 | A Draft Report was compiled and submitted to senior management in March 2008 |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance against target | |
|---|---|---|---|---|
| | | | Target | Actual |
| | Investigation into the reasons for the top five causal factors of grievances in the Public Service | 1 report produced | March 2008 | Causal factors of grievances incorporated in the Report on Grievance Trends in the Public Service approved in August 2007 |
| | Analysis of grievance trends in the Public Service | 1 report produced | March 2008 | The Report was approved in August 2007 and published in October 2007

Finalisation of the report was delayed due to the merger of the research with another project on the workplan (causal factors) |
| | Research on the management of poor performance in the Public Service | 1 report produced

Toolkit on poor performance management produced | March 2008 | The Report and Toolkit was approved in August 2007 and the Report was printed in September 2007. The Toolkit was printed in January 2008 |

own accord audits and investigations into public administration practices with a view to monitor compliance, identify emerging trends and advise on best practice.

Although the NACH was intended to facilitate reporting of corruption, callers have also made use of the toll-free number to raise other complaints relating to issues such as poor service delivery and labour relations. The PSC has actively promoted the use of the NACH for corruption purposes only and as such the number of non-corruption related complaints has reduced. However, the fact that the PSC cannot ignore the other complaints received, but actively follows through on the investigation of such complaints, continues to place a strain on its already limited resources.

### Purpose

The main purpose of this sub-programme is to undertake audits and investigations into public administration practices.

### Measurable objectives

The main objectives of the sub-programme are to:

* Investigate public administration practices and make recommendations to departments.
* Undertake forensic audits and investigations into public administration practices.
* Monitor and evaluate financial misconduct cases and maintain a database.

### 2.3.2.1 Service delivery objectives and indicators

Considering the limited investigative capacity available to the PSC, the organisation continued to actively pursue the promotion of good governance by conducting a number of audits and forensic investigations into public administration practices. The investigations emanated from complaints lodged with the PSC, and requests from, among others, Executing Authorities, public servants and whistle-blowers. The complaints received predominantly related to maladministration, irregularities regarding human resource and procurement practices.

The PSC cannot predict the number of requests for investigations into public administration practices and must frequently reprioritise its workplan to accommodate priority cases referred to it. In the past year, the demand for investigations have stabilised in comparison to previous years where a steady increase was observed.

As at 31 March 2008, a total of 150 complaints/requests for investigations were received. **Chart 9** which follows, provides an overview of the status of the 150 cases lodged with the PSC.



**Ms Caroline Mampuru**
**Chief Director**

### 2.3.2 Sub-programme: Public Administration Investigations

The PSC responds to complaints lodged with it in terms of its two complaints access mechanisms, namely, the Complaints Rules and the National Anti-Corruption Hotline (NACH). The investigation of complaints lodged through both access mechanisms is conducted in terms of the Protocol for conducting Public Administration Investigations of the PSC. The PSC avoids the duplication of resources in the handling of complaints through cooperation and referral to institutions vested with the mandate for the further handling of such complaints. These include, among others, the South African Revenue Service, the Independent Complaints Directorate, the Public Protector and the Auditor-General.

There has been a progressive increase in the number of complaints lodged through the Complaints Rules since its implementation in 2000. During the period under review, reports emanating from desktop audits and full scale investigations regarding allegations of corruption, procurement, fraud and maladministration were submitted to the relevant Executing Authorities. The PSC also conducted

## STATUS OF COMPLAINTS LODGED WITH THE PSC  2007 - 2008



- ■ Full scale investigations finalised

- ■ Full scale investigations awaiting feedback on implementation of recommendations
- ■ Desk top audits finalised

- ■ Desk top audits pending
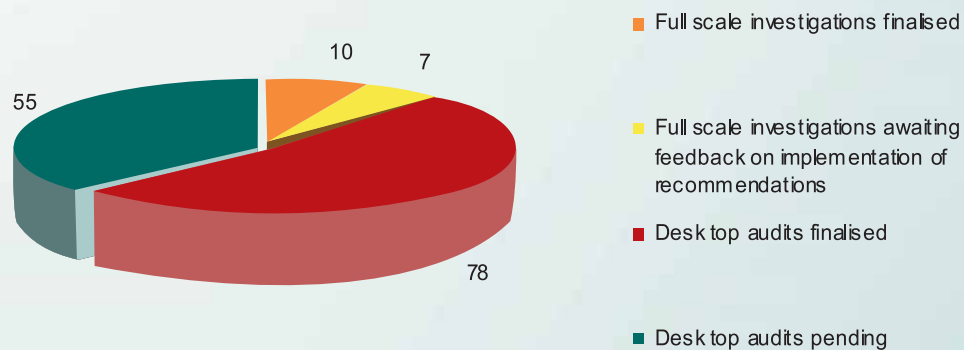
The figure above indicates that a total of 88 (58%) cases were concluded and findings and recommendations were provided to Executing Authorities. Of these, 10 were finalised through full scale investigations and 78 through desktop audits.

Feedback on 7 (5%) reports emanating from the 17 full scale investigations conducted had not been received by 31 March 2008 after it had been forwarded to the relevant Executing Authorities for comment. Fifty-five (37%) of the total number of cases received, were still in progress as a result of outstanding documents requested from departments in order to finalise investigations as well as comments being awaited on reports submitted to departments and executing authorities.

Since the inception of the NACH, 1138 service delivery cases were lodged, of which 159 were received during the period under review. **Chart 10** below provides an overview of the total number of cases referred to national and provincial departments during the period under review.

## NUMBER OF NACH COMPLAINTS LODGED DURING THE PERIOD 2007 -2008
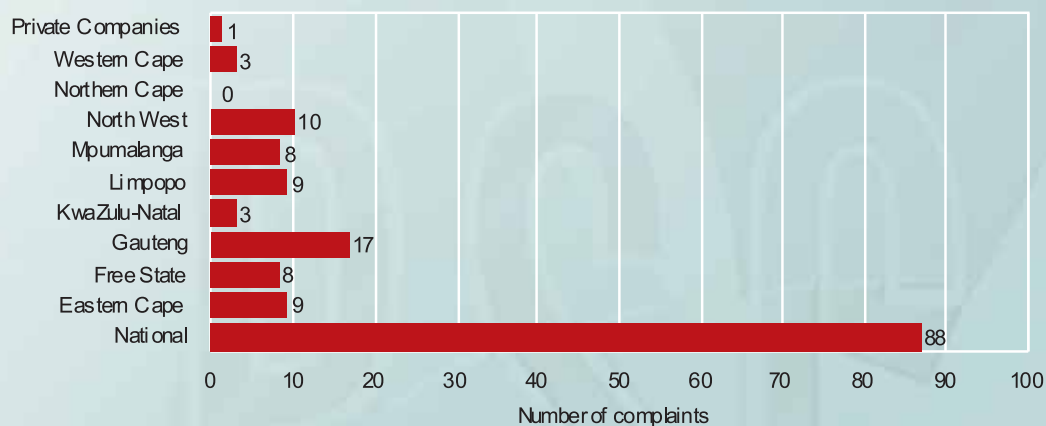
Departments are required to provide feedback on the progress and outcome of the cases referred to them to enable the PSC to conduct an analysis and pronounce on its findings and make recommendations. A total of 159 cases were referred to departments and feedback was in respect of 62 cases. The PSC continuously follows up with departments to obtain the outstanding information.

Apart from investigations, a number of research projects focusing on public administration practices were also conducted. One of the flagship research projects of the PSC which is eagerly anticipated by all stakeholders is its annual overview of financial misconduct in the Public Service. Despite the responsibility entrusted to government to manage public resources, not all Public Service employees are committed to uphold this obligation. The increased transparency through the PSC's reports and overviews on financial misconduct provides a powerful means to encourage better financial management, administration and public accountability. The overview for the 2006/07 financial year provides information on finalised financial misconduct cases reported to the PSC in terms of the Public Finance Management Act, 1999 and illustrated new trends in financial misconduct emerging within the Public Service.

In light of some of the findings revealed by previous reports on financial misconduct, the PSC deemed it appropriate to conduct research into public servants' management of their personal finances. Any doubt on the ability of public servants to manage their own resources creates uncertainty on the level of trust, honesty and integrity with which they would manage departmental budgets and assets. This places a responsibility on the Public Service to show concern about *"financial wellness"* of its employees. The PSC therefore concluded a study on the Indebtedness of Public Servants with a focus on micro-lending and garnishee related debts of public servants. The study found that a large proportion of public servants are indebted.

In line with its stakeholder outreach strategy, the PSC held a successful Roundtable Discussion on the Overview of Financial Misconduct for the 2006/07 Financial Year and the Report on the Indebtedness of Public Servants in February 2008. The event was attended by close to 80 representatives from various departments.

A Trend Analysis on Complaints Lodged with the PSC during the 2006/07 Financial Year was also published by the PSC. The report indicates an increase in the number of complaints received by the PSC in terms of the Complaints Rules from 116 in 2005/06 to 218 in 2006/07.

Assistance was provided to the Department of Land Affairs through an investigation into critical areas of support and delivery in the Department. The investigation focused on the following: *Human Resource Management, Financial Management, Deeds Office and State Land and Administration.* A report with findings and recommendations was submitted to the Minister of Agriculture and Land Affairs in December 2007.

## 2.3.2.2   Service delivery achievements

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance target | |
|---|---|---|---|---|
| | | | Target | Actual |
| Performance as per workplan for 2007/2008 | | | | |
| Public Administration Investigations | Investigation of complaints lodged and requests emanating from:<br><br>• The Commission (proactively)<br>• Executing Authorities<br>• Public Servants<br>• Anonymous complaints | Number of reports with recommendations produced | 5 reports by March 2008 | 10 reports following full scale investigations were finalised and submitted to the relevant Executing Authorities as indicated in paragraph 2.3.2.3<br>78 desktop audits were finalised and  reports were submitted to the relevant Executing Authorities<br>55 desktop audits were still in progress in that further or outstanding documentation was required for finalisation of cases |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance target | |
|---|---|---|---|---|
| | | | Target | Actual |
| | | | | Monitoring of the implementation of recommendations of 7 PSC Reports submitted to the relevant EAs |
| | Overview on financial misconduct | Overview on financial misconduct produced | March 2008 | Report approved by the PSC in October 2007 and published in January 2008 |
| | Compile a report on trend analysis on public administration investigations for the 2006/2007 financial year | Report on trend analysis produced | September 2007 | Report approved by the PSC in October 2007 and published in November 2007

Delay by a month due to reprioritisation of work as a result of a request for an intervention in Land Affairs |
| | Compile a report on the handling of public servants appointed as councillors in Limpopo and the Western Cape | Report on handling of public servants appointed as councillors produced with recommendations | May 2007 | Report approved in December 2007 and published in January 2008

Report delayed as a result of poor responses from district and local municipalities |
| | Compile a report on the impact of micro-lending and garnishee orders on public servants and implications for the Public Service | Report on the Indebtedness of public servants produced with recommendations | September 2007 | Report approved in November 2007 and published in January 2008

Delays were experienced with obtaining data from PERSAL |
| | Development of an internal toolkit for public administration investigations | User friendly toolkit | March 2008 | Toolkit approved in November 2007 |
| | Compile a report on an audit into the granting of performance rewards at the Departments of Education and Social Development at national level as well as in the provincial administrations | Report on the granting of performance rewards at the Departments of Education and Social Development produced with recommendations | August 2007 | Report approved by the PSC in November 2007 and published in December 2007

Report delayed as a result of poor responses by departments |
| | Compile a report on the evaluation of supply chain management practices into the procurement of goods and services in selected departments focusing on general payments within the R200 000 threshold | Report on the evaluation of supply chain management practices into the procurement of goods and services in selected departments produced with recommendations | March 2008 | Interviews are being conducted with representatives from the departments and information is being verified

Report delayed due to lack of co-operation from departments |
| | Compile a report on audit into the progress with regard to vacancy rates at government departments | Report on progress with regard to vacancy rates at government departments produced with recommendations | October 2007 | Report presented to SCOPA in October 2007 in line with the request and published in November 2007

Additional work as a result of a request from SCOPA |

## 2.3.2.3  Finalised investigations

The following investigations were finalised and submitted to the relevant Executing Authorities:

| DEPARTMENT | NATURE OF INVESTIGATION |
| --- | --- |
| Department of Public Safety, Security and Liaison: Free State | Investigation into allegations of irregular appointment of the Head of Department |
| Department of Correctional Services | Investigation into allegations of conflict of interest with regard to the National Commissioner of Correctional Services |
| Department of Health: Eastern Cape | Investigation into the restructuring and filling of posts at the East London Hospital Complex |
| Department of Home Affairs | Investigation into allegations of irregular appointments, fraud, abuse of state vehicles and sexual harassment |
| Office of the Premier: North West | Investigation into employment practices of the DG in the Premier's Office |
| National Department of Agriculture | Investigation into allegations of irregularities within the Department |
| Department of Sport, Arts and Culture: Limpopo | Investigation into allegations of irregular filling of the post of Deputy Manager: Human Resource Development |
| National Department of Housing | Investigation into allegations of irregularities in the Department |
| National Department of Land Affairs | Investigation into allegations of maladministration |
| Office of the Premier: North West | Investigation into the high staff turnover in the Office of the Premier |

**Mr John Mentoor**
**Acting Chief Director**

## 2.3.3 Sub-programme: Professional Ethics and Human Resource Reviews

Public servants are assigned the responsibility to execute the mandate of the elected government and are accountable to the public through Parliament and the Provincial Legislatures. Their actions will therefore always be under close scrutiny and must be above repute. The unfortunate reality is that public servants may be susceptible to unethical behaviour. It is therefore of utmost importance that integrity within the Public Service is promoted and maintained. The PSC has since its inception been a flag bearer in the promotion of integrity in the Public Service and the fight against corruption. During the period under review it has continued to execute its mandate in this regard through its involvement in the management of conflicts of interest through the Financial Disclosure Framework for senior managers, the management of the NACH and by providing secretarial support to the National Anti-Corruption Forum (NACF). It has also produced various reports aimed at the promotion of professional ethics and the strengthening of integrity in the Public Service.

Whilst integrity amongst public servants is a fundamental requirement for good governance, the equitable, effective and efficient management of their career incidents and development is of equal importance to ensure that their performance is maximised. The PSC has therefore continued to prioritise its strategic review of human resource management practices within the Public Service and during the period under review has produced a number of reports aimed at promoting best practice and ensuring compliance with national norms and standards.

### Purpose
The main aim of this sub-programme is to establish a culture of professional and ethical behaviour, and to review human resource practices in the Public Service.

### Measurable objectives
The main objectives of the sub-programme are to:

- Research and evaluate professional ethics and corruption prevention.
- Monitor and raise awareness of conflict of interest issues among managers and manage the financial disclosure framework.
- Review human resource practices in the Public Service.

### 2.3.3.1 Service delivery objectives and indicators

During the year under review, the PSC continued its work as Secretariat to the NACF, an anti-corruption coalition that promotes dialogue and collective action against corruption amongst the different sectors of the South African Society. The role of the PSC is instrumental in the implementation of the National Anti-Corruption Programme (NACP), which has resulted in the following:

- Launching of a project on the evaluation of the proffessional ethics in the respective sectors of the NACF.
- Launch of a project on the evaluation of the implementation by the Executive of resolutions made by Parliament and its Committees pertaining to corruption.
- The continued media campaign to popularise anti-corruption activities.
- Preparation for the next National Anti-Corruption Summit which will be held during August 2008.

As part of its mandate to promote professional ethics, the PSC has taken a province specific approach in assessing the state of professional ethics in the Public Service. During the 2006/07 financial year, an assessment of the state of professional ethics in the Free State provincial government was concluded and this has been followed up with a similar assessment for the KwaZulu-Natal provincial government during the period under review. It was found that only two departments had investigative procedures in place and processes to ensure the timely referral of corruption cases to departments were unsatisfactory.

The PSC has realised the importance of managing conflicts of interest of public servants to promote integrity in the Public Service. During the period under review, it continued to manage the Financial Disclosure Framework (FDF) for senior managers in the Public Service. The FDF seeks to keep managers accountable and transparent in the management of their financial affairs, especially in relation to government. This is done to manage any potential conflicts of interest and to promote integrity amongst the Senior Management Service (SMS) echelon.

Financial disclosures are submitted by members of the SMS in April of each year to their Executing Authorities in respect of financial interests gained from 01 April of the previous year to 31 March of the year in question. The number of financial disclosure forms received and outstanding for the 2006/07 financial year is recorded in **Table A** below. As at 31 March 2008, there were 1299 forms outstanding from both provincial, as well as national departments for the 2006/07 financial year. This represents a 16% non-compliance rate. The compliance rate is 85% for provinces and 82% for national departments.

Table A: Number of Financial Disclosure Forms Received and Outstanding for the Financial Year: 2006-2007

| National Department/ Province | No. of SMS Members | No. of Forms Received | No. of Forms Outstanding | Percentage Received |
|---|---|---|---|---|
| National Departments | 4056 | 3329 | 727 | 82% |
| Eastern Cape | 510 | 367 | 143 | 72% |
| Free State | 358 | 337 | 21 | 94 % |
| Gauteng | 830 | 731 | 99 | 88% |
| KwaZulu-Natal | 648 | 453 | 195 | 70% |
| Limpopo | 453 | 417 | 36 | 92% |
| Mpumalanga | 251 | 203 | 48 | 81% |
| Northern Cape | 162 | 156 | 6 | 96% |
| North West | 292 | 292 | 0 | 100% |
| Western Cape | 386 | 362 | 24 | 94% |
| **Overall Provincial Submission** | **3890** | **3318** | **572** | **85%** |
| **Country Average** | **7946** | **6647** | **1299** | **84%** |

There has been a steady increase in the compliance rate on year to year basis since the inception of the FDF. However, the submission of financial disclosures is a regulatory requirement intended to minimise corrupt practices, and only a 100% rate of compliance is acceptable to the PSC. The non-submission or late submission of disclosure forms undermines the integrity of the FDF. In order to address this, the PSC has published a Report on the Management of Conflicts of Interest through Financial Disclosures. In this report, the PSC makes recommendations to improve compliance with the FDF. The recommendations provide for amendments to the Public Service Regulations to strengthen the FDF and have been submitted to the Minister for the Public Service and Administration for consideration.

Managing the conflicts of interest of public servants effectively is an important stepping stone to achieving high levels of integrity in the Public Service and therefore the PSC's focus has moved to a closer scrutiny of possible conflicts of interest. An internal workshop was held to deliberate the scrutiny of financial disclosures by the PSC and to agree on the most effective approach to be adopted in this regard. One of the outcomes of this workshop has been the development of Draft Rules for the Management of Conflicts of Interest through the FDF which are aimed at facilitating a more structured approach to its scrutiny of financial disclosures to advise executive authorities on potential conflicts of interest.

In addition to its continued efforts to strengthen the management of conflicts of interest, the PSC conducted a survey and subsequently produced a Report on the Management of Gifts in the Public Service. There are contradictions, inconsistencies and ambiguities with regard to the current regulatory provisions on the acceptance of gifts in the Public Service. These ambiguities and inconsistencies gave rise to interpretational problems for departments. Given the consequences of breaching a regulatory provision, from a disciplinary perspective, it is important that regulations should be drafted in a clear and unambiguous manner.

Prior to the establishment of the National Anti-Corruption Hotline (NACH), no mechanism existed in the Public Service for the centralised reporting of corruption. Since its establishment, the NACH has provided free access to the public and public servants to report corruption in the Public Service. The success of the NACH can be gauged by the extent to which the public has accessed the Hotline. Since its inception in September 2004, over three thousand (3000) cases of alleged corruption have been reported. However, because of the number of allegations referred, departments have been placed

under severe strain on their investigative capacity. As a result, the finalisation of investigations is taking longer than would ideally be expected. It is envisaged that as departments continue to improve their investigative capacity, more successes will be achieved. This will further demonstrate Government's commitment to fight corruption and thereby improve its ability to deliver services effectively and economically.

One thousand four hundred and forty one (1441) cases of corruption were referred to departments for further investigation during the period under review. Feedback was received on three hundred and fifty two (352) cases. Once the PSC receives feedback it critically evaluates the information provided by the departments to determine whether the allegation has been adequately investigated and could therefore be closed on the Case Management System of the NACH. Eighty seven (87) cases (including cases that were established to be unfounded) were closed on the Case Management System after investigations were finalised. A total of fifteen (15) cases fell outside the jurisdiction of the PSC, while ten (10) cases were frivolous cases. A total of twenty (20) reports were related to additional information to the original report by the whistle-blower, while one hundred and eighty six (186) cases related to service delivery or complaints (e.g. complaints which can be handled in terms of Grievance Rules). These complaints are investigated by the Chief Directorates: Public Administration Investigations and Labour Relations Improvement and were reported on in sections 2.3.2 and 2.3.3 of this Annual Report.

The majority of cases received from the NACH were related to allegations of procurement and appointment irregularities, fraud and bribery, abuse of government owned vehicles, social grant, identity document fraud, favouritism, conflict of interest and RDP housing. The number of cases referred to national and provincial departments is illustrated in **Table B** below.

Table B: Cases Referred to National and Provincial Departments

| Province | Number of Cases | Feedback | Closed Cases |
|---|---|---|---|
| National | 662 | 200 | 24 |
| Eastern Cape Province | 61 | 31 | 0 |
| Free State Province | 48 | 10 | 0 |
| Gauteng Province | 195 | 7 | 30 |
| KwaZulu-Natal Province | 82 | 17 | 1 |
| Limpopo Province | 76 | 30 | 2 |
| Mpumalanga Province | 203 | 11 | 15 |
| North West Province | 54 | 14 | 3 |
| Western Cape Province | 40 | 15 | 0 |
| Northern Cape Province | 20 | 17 | 12 |
| Total | 1441 | 352 | 87 |

The PSC recognises the strategic importance of human resource management for effective service delivery in the Public Service. It therefore continued its focus on the assessment of human resource management practices in the Public Service and completed a number of strategic research reports during the period under review.

Given the importance of competent senior managers to provide leadership and accountability in the Public Service, the PSC conducted an evaluation of the training needs of senior managers. The evaluation found that the training needs of senior managers, identified through their personal development plans, were not being met in all instances. The need to provide members of the SMS with an opportunity to further develop their managerial and technical competencies was identified.

The PSC also held formal inquiries with selected national and provincial departments on the reasons for the inability of the Public Service to recruit and retain persons with disabilities. This unique methodology allowed engagement with Heads of Department (HoDs) on this important transformation imperative and has resulted in a more in-depth and holistic understanding of the complexities involved in establishing disability equity. The HoDs for the Free State Department of Local Government and Housing, the Eastern Cape Department of Economic Development and Environmental Affairs, the Gauteng Department of Public Roads, Transport and Works and the Gauteng Shared Services Centre were summoned to appear before the PSC on 1 and 6 November 2007 as they did not attend the inquiries. The PSC's Disability Equity report includes recommendations dealing with disability awareness, improvement of recruitment practices, accelerating skills development, and the provision of resource allocations for the employment of persons with disabilities.

Recognising the need for knowledge sharing on best practice in respect of human resource management, the PSC also co-

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hosted an International Human Resource Conference with the International Public Management Association for Human Resources during April 2007. The Conference focused on building public sector human resource capacity in a developmental state and was a resounding success. A report on its proceedings has been published.

### 2.3.3.2 Service delivery achievements

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance target | |
|---|---|---|---|---|
| | | | Target | Actual |
| **Performance as per workplan for 2007/2008** | | | | |
| **Professional Ethics and Human Resource Reviews** | Review of the Code of Conduct | The Code of Conduct is successfully revised and gazetted in the Public Service Regulations | March 2008 | Project removed due to resource constraints and will be addressed pending the outcome of the PSC's recommendation on the establishment of a framework for the management of conflicts of interest |
| | Production and distribution of promotional material on professional ethics | Awareness created on professional ethics and anti-corruption | March 2008 | Anti-corruption posters printed and distributed in March 2008 |
| | Celebrating anti-corruption day | | December 2007 | Anti-corruption day newsletter printed and distributed in December 2007 |
| | Manage Asset Register | Extent of compliance by members of the senior management service | June 2007 | As at 1 March 2008, a total of 6 647 forms (84%) were submitted and 1 299 forms (16%) are outstanding

Fact Sheet on compliance produced in September 2007 |
| | Disclosure forms scrutinised for conflict of interest and executing authorities advised | Accurate and comprehensive advice on conflicts of interest | | Two Executing Authorities were advised on potential conflicts of interest

The process of providing advice was then suspended pending an internal review of the process of scrutiny. A workshop in this regard was held in March 2008, which culminated in recommendations to the Minister for the Public Service and Administration on amendments to the Public Service Regulations aimed at facilitating the scrutiny process |
| | Develop draft Rules to manage conflicts of interest in terms of the Financial Disclosure Framework | Rules approved and gazetted | March 2007 | Draft Rules were developed and submitted in October 2007 to the PSC but were held back following concerns regarding the scrutiny process of financial disclosures. The Rules were amended following a workshop with the PSC on 13 March 2008 and resubmitted to the PSC |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance target | |
| --- | --- | --- | --- | --- |
| | | | Target | Actual |
| | Provide professional secretarial support to the National Anti-Corruption Forum (NACF) | | | Secretarial support provided |
| | Arrange meetings of the NACF, its Implementation Committee and Executive Committee | Successfully arranged meetings of the NACF | March 2008 | 5 Implementation Committee meetings and 1 NACF meeting held |
| | Take minutes of meetings of the NACF, its Implementation Committee and Executive Committee | Accurate minute taking at meetings | March 2008 | Minutes taken and provided to stakeholders |
| | National Anti-Corruption Programme (NAP) for the NACF co-ordinated | Projects on NAP co-ordinated and successfully implemented | | |
| | Completion of projects of the NAP assigned to the Secretariat: | | | |
| | • Facilitate roundtable on how to prevent bribery of foreign nationals by SA business persons | | April 2007 | The Implementation Committee of the NACF was reques-ted to provide guidance on the hosting of the Roundtable as the business sector did not cooperate in the arrangement of the Roundtable |
| | • Establish a joint research initiative to evaluate the implementation by the Executive of resolutions made by Parliament and its committees pertaining to corruption | | March 2007 | An audit of resolutions made by Parliament was completed in March 2008. The process of verifying the implementation of the resolutions will commence in the 2008/09 financial year<br><br>Project delayed as a result of the approval of the project by Parliament received in January 2008 |
| | • Report on Ethics scan in secondary and tertiary institutions | | March 2008 | The ethics scan was completed and a report was published in November 2007 |
| | • Report on the annual activities of the NACF | | August 2007 | The Report was approved by the PSC in March 2008 and submitted for printing<br><br>Delays due to outstanding inputs from the civil society sector |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance target | |
|---|---|---|---|---|
| | | | Target | Actual |
| | Hosting of the Third National Anti-Corruption Summit | Successfully arranged Third Anti-Corruption Summit | November 2007 | The NACF decided to postpone the Summit to August 2008 |
| | Management of the National Anti-Corruption Hotline | Timeous and accurate referral of cases | March 2008 | 1441 cases of alleged corruption referred in line with agreed protocols to departments |
| | Investigate the manner in which departments manage the acceptance of gifts received by public servants | Report with findings and recommendations | January 2008 | Report approved by the PSC in January 2008 and printed in March 2008 |
| | Evaluate the state of professional ethics in KwaZulu-Natal | Report with findings and recommendations | March 2008 | Report approved by the PSC in December 2007 and published in January 2008 |
| | Evaluation of the extent to which training needs of managers have been met | Report with recommendations | June 2007 | The Report was approved by the PSC and published in January 2008 \n\n Delays due to the slow response by senior managers in completing the questionnaire |
| | Assessment of the reasons for the inability of the Public Service to recruit and retain people with disabilities | Report with recommendations | March 2008 | Formal inquiries with selected national and provincial Heads of Department were held during August-October 2007. The Report was approved in March 2008 |
| | Evaluate strategic human resource planning by departments in the Public Service | Report with recommendations | March 2008 | Removed from the PSC workplan as a similar research project had been conducted by DPSA with assistance from GTZ |
| | Develop a Human Resource Management self-assessment instrument to enable departments to assess the state of Human Resource Management within their departments | Report with recommendations | November 2007 | Due to limitations in capacity the project was carried over to the 2008/09 workplan |
| | Evaluate selection processes of selected national and provincial departments | Report with recommendations | March 2008 | Inspections of files of departments conducted from January to March 2008. Completion of report carried over to the 2008/09 workplan \n\n Delays were experienced in obtaining information from departments |
| | Respond to requests for ad hoc investigations into human resource practices | Reports with recommendations | March 2008 | No ad hoc requests were received |
| | Host an HR conference | Successful hosting of conference and report on proceedings | June 2007 | HR Conference hosted in April 2007 and Report published in October 2007 |

**Mr Mashwahle Diphofa**
**Deputy Director-General**

**Mr Indran Naidoo**
**Chief Director**

## 2.4 PROGRAMME 3: MONITORING AND EVALUATION

The **purpose** of this programme is to enable the PSC to establish a high standard of Public Service leadership, good governance and improved service delivery through public participation.

The **measurable objective** of this programme is to improve leadership in government, governance and service delivery, through providing departments with information on and analysis of monitoring and evaluation.

The programme is divided into three sub-programmes, namely: Governance Monitoring, Leadership and Performance Improvement, and Service Delivery and Quality Assurance.

## 2.4.1 Sub-programme: Governance Monitoring

Monitoring and Evaluation (M&E) remains a priority in guiding the transformation of the Public Service into an effective institution that delivers on the objectives of Government. Effective M&E is at the core of the PSC`s mandate, and specific instruments have been developed over the years to support the implementation of this mandate. One such system is the transversal Public Service M&E System which the PSC has since 2001 been applying annually to a sample of national and provincial departments. Apart from the information generated from applying the system being used to produce a consolidated M&E report for each research cycle, the PSC also uses it to compile the annual State of the Public Service (SOPS) Report. With each subsequent edition, the SOPS Reports have grown in both quality and extent of usage, and they remain a critical flagship product of the PSC.

### Purpose
The main aim of this sub-programme is to promote good governance and improve governance practices in the Public Service.

Measurable objectives

The main objectives of the sub-programme are to:

- Monitor and evaluate the implementation of the principles governing public administration.
- Monitor and evaluate the implementation of compliance frameworks in the area of selected legislation, e.g. the Promotion of the Administrative Justice Act and Promotion of the Access to Information Act.

## 2.4.1.1  Service delivery objectives and indicators

During the reporting period, the PSC produced 22 evaluation reports, comprising 5 national and 17 provincial departments, through the application of the PSC`s M&E System. The implementation process was enhanced through a process that included introductory presentations by the PSC to top management of all departments on the system and evaluation plan. This helped to raise the level of support and understanding of M&E, and resulted in greater cooperation by departments through the evaluation process. A further enhancement was the presentation of interim results to top management for engagement, which generated organisational reflection and learning. In most instances departments expressed appreciation for the partnership and developmental approach followed.

Emerging from the 2006/07 evaluation cycle, the PSC finalised the Fourth Consolidated Public Service Monitoring and Evaluation Report. The main finding was that whilst there was a marginal overall improvement in the average performance for this cohort of departments compared to previous years, in most areas the prevailing pattern was one of unsatisfactory performance. This is evident in that only 3 (19%) of the 16 departments scored higher than 3 out of 5 (3 meaning that performance in most of the standards being adequate). 81% of the departments achieved an average score of below 3, implying that most departments fail to meet the minimum standards set for this system.

The seventh edition of the State of the Public Service Report was produced under the theme: *A Mid-Term Review of Public Service Transformation.* This report provides an overview of the performance of the Public Service since 2004, which was the beginning of the third term of office of the democratically elected government.

The PSC continued to engage with stakeholders on its products, and the annual Roundtable on the 2007 edition of the State of the Public Service Report was held which drew together academics, organised labour, departments, research institutions and others to reflect on the findings of the report. This event proved useful and recommendations made were incorporated into the 2008 edition of the SOPS Report.

Evaluation of key government priorities, in particular those that aim to promote development and reduce poverty, serve an important function in informing policy makers and implementers alike. Following an audit of government's poverty reduction programmes that was published in February 2007 and the development of a database of the programmes, the PSC embarked on a series of evaluations focusing on samples of programmes taken from the database. During the 2006/07 financial year, the sample evaluated comprised Public Works, Land Redistribution, Income Generating and Home Based Care projects. The report produced, therefore, builds on the audit of poverty reduction programmes that was completed earlier.

The PSC, being at the forefront of M&E in the country, also sees the need to share its expertise with the broader emerging M&E community. It has taken the initiative to inform the discipline by producing both a pamphlet on Basic Concepts in M&E and a Conceptual Framework for meta-evaluation. Meta-evaluation essentially involves an evaluation of an evaluation, and its purpose is to ensure that evaluation reports are scrutinised to meet certain quality criteria.

The PSC has over the years established sound networks with the local and international M&E community, and these now yield various opportunities for engagement on the practice of M&E. It has continued to support the work of the South African Monitoring and Evaluation Association (SAMEA) and also participated in the Fourth African Evaluation Association Conference in Niger, the Network of Network on Impact Evaluation and Impact Evaluation Seminar in Washington, DC. All of these engagements have expanded the networks of the PSC, and were used to profile its work to a broader audience and to improve the quality of M&E.

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance target | |
|---|---|---|---|---|
| | | | Target | Actual |
| **Performance as per workplan for 2007/2008** | | | | |
| Governance Monitoring and Evaluation | 2008 State of the Public Service Report | Timely collection and presentation of quality relevant information and recommendations to stakeholders | February 2008 | Report was produced in February 2008 and approved in March 2008. It was published in April 2008 |
| | Theme for the 2009 SOPS Report | Approved theme for the 2009 SOPS Report | September 2007 | Theme was approved in September 2007 |
| | Roundtable for the critical review of the 2007 SOPS Report | Convene Roundtable session | June 2007 | Roundtable convened in May 2007 |
| | Template for collating and gathering information for the 2008 SOPS Report | Template approved and gathered information collated | April 2007 | Template approved in April 2007 and implemented |
| | Audit of the Departmental M&E Systems and Reporting Requirements | Approved report produced and distributed | June 2007 | Report approved and published in March 2007 |
| | Reports evaluating department's adherence to the Constitutional principles for public administration | 22 reports compiled by February 2008 | February 2008 | All 22 reports were finalised by February 2008 |
| | Consolidated M&E Report for the 2006/07 research cycle | Consolidated report presenting findings of departmental performance for period under review | August 2007 | Report approved in August 2007 and published October 2007 |
| | Audit and analysis of the implementation of PSC recommendations | The status of the recommendations of the PSC is assessed | October 2007 | Two internal reports were approved by the PSC in November 2007 and April 2008, respectively<br><br>These are 6-monthly reports. However, the scope of the first report was expanded to cover a much wider period |
| | Promoting M&E in the Public Service | Promotion of M&E | Ongoing throughout the financial year | Internal report on an M&E Conference co-hosted with the South African Monitoring and Evaluation Association approved in June 2007 and a special newsletter on the conference published in November 2007<br><br>Participation in the Network of Networks on Impact Evaluation (NONIE) meeting and the Impact Evaluation Seminar held in Washington DC in January 2008 |

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| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance target | |
|---|---|---|---|---|
| | | | Target | Actual |
| | Evaluation of the Comprehensive Agricultural Support Programme | A report with recommendations | March 2008 | The evaluation was suspended because the Department has commissioned a similar study with findings and recommendations. A decision was taken to evaluate the Integrated Sustainable Rural Development Programme instead |
| | The evaluation of the Integrated Programme (ISRDP) | A report with recommendations | November 2008 | The evaluation commenced in March 2008 |
| | An evaluation of Government's Poverty Reduction Programme | A report with recommendations | June 2007 | Report approved in August 2007 and published in October 2007 |
| | Pamphlet on basic M&E concepts | Comprehensive pamphlet explaining basic M&E concepts approved, published and distributed | March 2008 | Basic M&E Concepts pamphlet approved in January 2007 and published in February 2008 |
| | Evaluation report on department's implementation of the Access to Information Act | Report with recommendations | March 2008 | Report approved in July 2007 and published in August 2007 |
| | Meta-evaluation methodologies introduced | Completed Conceptual framework on Meta-evaluation | June 2007 | Conceptual Framework on Meta-evaluation approved in January 2008 and published in February 2008 Extended scope to include services of an international expert on Meta-evaluation |

**Ms Balungile Mbanda
Chief Director**

## 2.4.2   Sub-programme: Leadership and Performance Improvement

Public Service Leadership plays a critical role in providing strategic direction to and managing government's transformation programme.  Given this role, it is important that this leadership is subjected to a proper system of scrutiny and support. The PSC has continued to play a role in this regard by, among others, facilitating the evaluation of the performance of HoDs, and providing advice on the Performance Agreements of HoDs.  In addition, the PSC's work in this area has involved research on selected critical issues on Public Service Leadership.  These issues include the implementation of the Performance Management and Development System (PMDS) for senior managers, the turn-over rates of HoDs and relationships at the interface between the Executive and HoDs.

### Purpose
The main aim of this sub-programme is to promote a high standard of Public Service Leadership and to encourage improvements in service delivery.

### Measurable objectives
The main objectives of this sub-programme are to:

- Provide guidelines on the performance management of HoDs.
- Facilitate the evaluation of national and provincial HoDs.
- Advise Executing Authorities and HoDs on the quality of performance agreements.
- Engage in research to promote and improve Public Service leadership.

### 2.4.2.1 Service delivery objectives and  indicators

During the period under review, the PSC continued to facilitate the evaluation of the performance of qualifying HoDs. The evaluations were primarily for the 2006/07 financial year, although certain outstanding evaluations for the 2004/05 and 2005/06 financial years were also facilitated. Of the 40 evaluations facilitated, only 20 were for the 2006/07 financial year.

In September 2007, the PSC published and distributed the guidelines for the evaluation of HoDs for the 2006/07 evaluation cycle.  The purpose of the guidelines is to assist Executing Authorities (EAs) and HoDs in preparing and conducting the evaluation of performance for a specific financial year. The guidelines published during the year under review introduced cut-off dates regarding retrospective evaluations. The cut-off dates were introduced in order to promote better compliance with the provisions of the PMDS. In terms of the cut-off dates introduced, the guidelines state that the performance assessments of all qualifying HoDs who have to be evaluated, have to take place within twelve months of the release of the department's Annual Report for the performance cycle under review. Annual reports are published in August for a given performance cycle, the PSC will, therefore facilitate evaluations from August following the release of the Annual Report until July the following year. In terms of this provision, all evaluations for the period preceding and for the 2005/06 performance cycle should have been concluded by 31 July 2007. The PSC thus set the cut-off point date as 31 December 2007 in order to enable EAs who wished to conclude outstanding retrospective evaluations. After these cut-off dates, attention will be on managing the new performance management cycle for the 2006/07 financial year.

As part of monitoring the implementation of the Framework for the Evaluation of HoDs, the PSC produced a progress report for the attention of Cabinet and Parliament. The report focused on HoD evaluations for the 2005/06 financial year.

The PSC continues to monitor and evaluate the performance agreements of HoDs. By March 2008, a total of 23 out of 35 HoDs from national departments and 74 out of 89 HoDs from provincial departments filed their PAs with

the PSC for the 2007/08 financial year. In all these instances, the PSC assessed the PAs against the requirements of the PMDS for senior managers and accordingly advised the respective EAs and HoDs on areas that needed attention. A monitoring report on the filing of performance agreements for the 2007/08 financial year was also completed.

The PSC continued to further develop and strengthen its work on Organisational Performance Assessment (OPA) processes. Through this work, the PSC seeks to concretise and implement a framework to assess the performance of departments. Information generated through such an assessment can be used to provide feedback to Executing Authorities on the performance of their departments in addition to the advice generated on the performance of their individual HoDs. During the year under review, the PSC continued to refine its framework for organisational performance assessment.

In order to further support service delivery improvement and the development of a strong leadership cadre in the Public Service, the PSC completed a research report on an analysis of payments of incentives to HoDs without annual performance reviews conducted. The study established that the practice is not prevalent in the Public Service and that the payment of performance incentives is generally preceded by performance evaluations. A report on the quality of PAs and their compliance with requirements in the North West was also produced. The study established that overall there was non-compliance with the requirements of the PMDS. In addition, an assessment of the turn-over rates of HoDs was conducted, although the report could not be finalised within the financial year. The PSC also conducted a study on Performance Agreements as a performance management tool. The report on this study could not be finalised within the financial year.

### 2.4.2.2  Service delivery achievements

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance target | |
|---|---|---|---|---|
| | | | Target | Actual |
| **Performance as per workplan for 2007/2008** | | | | |
| Leadership and Performance Improvement | The HoD evaluation process managed | Publish guidelines for 2006/07 financial year | August 2007 | Guidelines were approved and distributed in August 2007 |
| | | Qualifying HoDs successfully evaluated | Ongoing throughout the financial year | 9 national and 11 provincial HoDs were evaluated for the 2006/07 performance cycle |
| | The HoD evaluation process reviewed | Compliance reports produced | September 2007 | A fact sheet on HoD evaluations for the financial year 2005/06 was produced in December 2007

A fact sheet on the filing of performance agreements for the 2007/08 financial year was produced in September 2007 |
| | The HoD performance agreements monitored and evaluated | All PAs filed assessed and advice given to EAs and HoDs | Ongoing throughout the financial year | 23 national and 74 provincial HoDs filed their performance agreements for 2007/08 |
| | Pilot the organisational performance assessment | Individual organisational assessment reports produced and shared with EAs, HoDs and evaluation panels | March 2008 | The first report on the pilot was developed in January 2007 |
| | Assessment of the retention of HoDs and its impact on service delivery in the Public Service | Report with findings and recommendations produced | February 2008 | Assessment completed in February 2008, although the draft report could not be approved within the financial year |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance target | |
|---|---|---|---|---|
| | | | Target | Actual |
| | Analysis of payments of performance incentives to HoDs without annual performance reviews conducted | Report with recommendations and findings produced | June 2007 | Report was approved in February 2008 and published in March 2008<br><br>The delay was a result of waiting for comments from responsible Executing Authorities regarding the findings of the PSC |
| | Report on the quality of PAs and their compliance with requirements (North West) | Assessment of compliance with Public Service prescripts on PAs reviewed and a report produced | October 2007 | Report was approved in November 2007 and published in January 2008<br><br>Due to the protracted 2007 Public Service Wage strike, there were delays in receiving the responses from departments |
| | Improving relationships at the Executive Interface | Roundtable held and interim mediation mechanism approved | June 2007 | Presentation made to Cabinet Committee on Governance and Admini-stration in October 2007. Cabinet resolved that the MPSA will solicit more inputs from the other Ministers because of the low response rate from them |
| | Roundtable on Executive Interface Report | | | Discussions underway on taking the project forward |
| | Analysis of performance agreements as a performance management tool | | May 2007 | Analysis was completed in March 2008, although the draft report could not be completed within the financial year. There was a poor response to the initial request for proposals from service providers. The request therefore had to be sent out again with new dates |
| | Report on the analysis of key Public Service leadership issues arising from deliberations of HoD evaluation panels | Report with findings and recommendations produced | March 2008 | Analysis was completed in March 2008, although the draft report could not be approved within the financial year |

**Dr Dovhani Mamphiswana**
**Chief Director**

## 2.4.3 Sub-programme: Service Delivery and Quality Assurance

Public participation plays a significant role in promoting participatory governance in the Public Service. In light of this, the PSC has continued to value public participation as a key principle and strategy to deepen democracy in the Public Service. The PSC is of the view that citizens are not only beneficiaries of government services, but are well-positioned to contribute meaningfully towards effective planning and implementation of service delivery programmes. Therefore, active involvement of citizens in policy making and service delivery processes is critical to ensure that responsive strategies are put in place. Accordingly, the PSC annually applies assessment instruments that not only establish the progress the Public Service is making in service delivery, but also do it in such a manner that the views of citizens themselves are solicited. These assessment instruments include Inspections of Service Delivery Sites, Citizens' Forums and Citizens' Satisfaction Surveys. It is hoped that the information gathered through these assessment instruments would assist departments in their efforts to plan and deliver sustainable

quality services. It is important for the departments to systematically implement the recommendations contained in the reports produced by the PSC from the information gathered through these assessment instruments.

### Purpose

The main aim of this sub-programme is to promote improved service delivery through public participation and quality audits.

### Measurable objectives

The main objectives of the sub-programme are to:

* Conduct performance and management audits.
* Promote Batho Pele compliance.
* Assess the impact of the quality assurance assessment methodology.
* Plan, conduct and manage Citizen Satisfaction Surveys and Citizen' Forums.
* Monitor and investigate adherence to applicable procedures in the Public Service.

### 2.4.3.1 Service delivery objectives and indicators

The PSC has since 2002 conducted participatory evaluations in order to establish the expectations and perceptions of citizens regarding the state of Public Service delivery. During the period under review, the PSC completed a Citizens' Satisfaction Survey focusing on farmer support and development services to emerging farmers as well as food security projects by the Provincial Departments of Agriculture. These services were purposefully selected because of their strategic importance in terms of giving effect to the current strategies and priorities of Government's Accelerated and Shared Growth Initiative for South Africa. The findings from this survey show that gaps exist between service expectations and actual service delivery experienced. Thus service expectations towards the efficiency of services and staff from the Agricultural departments were notably higher than was actually experienced.

In order to assess the mechanisms that departments utilise to promote citizen engagement, the PSC conducted an evaluation of the Implementation of the Batho Pele Principle of Consultation in the Public Service. The Report on the Evaluation of the Batho Pele Principle of Consultation raises important issues concerning how departments understand and practise "Consultation", and some of the critical challenges that impact on participatory governance. The findings suggest that there is a need for dialogue in the Public Service to deepen the understanding of different mechanisms of consultation in order to foster public participation.

During the 2007/08 financial year, the PSC also monitored and evaluated departments' adherence to the policy prescribed in the Promotion of the Administrative Justice Act

(PAJA) in the Public Service. The PAJA seeks to protect the public from unlawful, unreasonable and procedurally unfair administrative decisions. It is the law that gives people affected by administrative decisions the right to be informed that a decision is to be taken, to be given reasons for decisions and to have decisions reviewed in court. The findings of the study showed that the implementation of the PAJA is not prioritised or adequately addressed by government departments.

In its drive to improve the implementation of the verification of qualifications in the Public Service, the PSC evaluated the qualification verification procedures introduced in departments. As part of its efforts to promote an integrity driven Public Service, the PSC evaluated the instruments, structures and mechanisms through which government departments implemented fraud prevention plans. The study has established that departments are at different stages of the verification process, ranging from the planning stage, verification stage and completion stage. This means that the Public Service still faces serious challenges in verifying the qualifications of officials and that compliance on the Guidelines on the Verification of Qualifications is slow.

The PSC has recognised the importance of collecting first-hand information on the performance of service delivery institutions. As a result, the PSC has continued to approve a project on Service Delivery Inspections on its workplan. In the past financial year, Service Delivery Inspections were conducted in the Departments of Education. Reports with findings and recommendations derived from these Service Delivery Inspections were compiled and sent to respective Executive Authorities and Heads of Department. It is hoped that with this information the Departments of Education will develop a focused and targeted plan of action to build positive change that will yield the much-needed results in the education sector.

The National School Nutrition Programme (NSNP), provided by the departments of Education plays a critical role in the promotion of effective learning in schools. It was on this basis that the PSC found it necessary to evaluate the implementation of the NSNP, to establish its progress, challenges and to advise on areas that require attention. The evaluation focused only on two provinces, namely; Eastern Cape and Limpopo. The selection of these provinces was based on their poverty status in the country. Although the study has identified a number of challenges in relation to the implementation of the programme, in general the NSNP was perceived to have contributed in addressing hunger and poverty amongst learners, families and communities where participating schools are located.

### 2.4.3.2   Service delivery achievements

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance target | |
|---|---|---|---|---|
| | | | Target | Actual |
| **Performance as per workplan for 2007/2008** | | | | |
| **Service Delivery and QualityAssurance** | Evaluation of the implementation of the Batho Pele principle of Value for Money | Number of service delivery evaluation reports with recommendations | June 2007 | Report approved and published in August 2008<br><br>Delay caused by introduction of a new consultation phase involving selected departments |
| | Evaluation of the Batho Pele Principle of Consultation | Comprehensive report with relevant findings and recommendations | May 2007 | Report approved in September 2007 and published in October 2007<br><br>Delays were experienced in obtaining information from departments |
| | Evaluation of the Batho Pele Principle of Openness and Transparency | Comprehensive report with relevant findings and recommendations | March 2008 | Report approved and published in February 2008 |
| | Information on the Implementation of Fraud Prevention plans in departments | Comprehensive report with relevant findings and recommendations | September 2007 | Report approved and published in November 2007 |

| Sub-programmes | Outputs | Output performance measures/service delivery indicators | Actual performance target | |
|---|---|---|---|---|
| | | | Target | Actual |
| | | | | Due to the protracted 2007 Public Service Wage strike, there were delays in receiving the responses from departments |
| | Review the Verification of Qualifications in the Public Service | Comprehensive report with relevant findings and recommendations | September 2007 | Report approved and published in November 2007<br><br>Delays were experienced in obtaining completed questionnaires from departments |
| | Development of Governance Alert Methodology for the Public Service | Methodology developed | 1 report on an investigation into governance alert systems in the Public Service by March 2008 | Draft methodology developed by March 2008, but final report could not be completed within the financial year |
| | Citizen Satisfaction Surveys: Departments of Home Affairs, Trade and Industry and Trans-port Services of Provincial Departments | Executive and Legislatures are informed about the state of service delivery | June 2007 | Report was produced in May 2008 and approved in July 2007. It was published in September 2007 |
| | Citizen Satisfaction Survey (Provincial Agricultural Services) | Survey conducted | March 2008 | Report approved in March 2008 |
| | Support implementation of Citizens' Forums Toolkit | Executive and Legislatures are informed about the state of service delivery | March 2008 | Presentation on the use of Citizens' Forums toolkit were given to the Departments of Local Government and Traditional Affairs, Health, Transport, and Agriculture, Conservation and Environmental Affairs in KwaZulu-Natal |
| | Service delivery inspections in the Departments of Education | Comprehensive report with findings and recommendations | March 2008 | Inspection reports were compiled and sent to relevant Executive Authorities and Heads of Department in March 2008 |
| | Evaluation of National School Nutrition Programme | Comprehensive report with findings and recommendations | March 2008 | Report completed in March 2008 but was only approved in April 2008 |

# CHAPTER : 3
# HUMAN RESOURCE MANAGEMENT SUPPORT

In compliance with the requirements in terms of Section 40 (1)(d)(i) of the Public Finance Management Act, 1999, read in conjunction with the Public Service Regulations Chapter 1, Part III, paragraphs J.1 to 4, this Chapter provides the statistics and information relating to the management of the Office of the Public Service Commission.

## 3.1   Service Delivery

The PSC developed its Service Delivery Improvement Plan (SDIP) 2007/08 during the period under review. The SDIP is accessible on the PSC website (www.psc.gov.za). The following tables reflect the components of the SDIP as well as progress made in implementing the plan.

**Ms Bontle Lerumo**
**Deputy Director-General**

Table 1.1 - Main services provided and standards

| Key services | Clients | Current standard | Actual achievement against standards |
|---|---|---|---|
| Conduct research on labour relations issues and investigate grievances of public servants | Government departments | Report with findings and recommendations finalised | Reports on the Grievance Trends in the Public Service, Labour Relations Conference, Management of Poor Performance in the Public Service as well as a Toolkit on the Management of Poor Performance in the Public Service have been published. |
| | | 80% of all referred grievances finalised within three months from date of receipt of all relevant documentation. | The PSC received 597 grievances. However, 402 (67%) cases had to be referred back to departments due to non-compliance with the Grievance Rules. 98 cases were finalised by the end of the financial year. In 10 cases the aggrieved employees withdrew their grievances before they could be finalised. A total of 177 (30%) cases were pending due to incomplete information provided by departments. |

| Key services | Clients | Current standard | Actual achievement against standards |
|---|---|---|---|
| Investigate irregular or in-efficient Public Administration Practices | Government departments The Executive Portfolio Committees Provincial Legislatures Academia Non-Governmental Organisations | 80% of investigations finalised within three months from the date of receipt of all documents | 78 Desktop audits and 10 full scale investigations were finalised during the financial year. Some investigations exceeded the 3 months period due to poor feedback from departments. |
| | | Report with findings and recommendations finalised | Reports on Audit on Vacancy Rates in National and Provincial Departments, Indebtedness of Public Servants, Financial Misconduct for the 2006/2007 Financial Year, Trend Analysis on Complaints Lodged with the Public Service Commission during 2006/2007 Financial Year, and Investigation into the Management of Public Servants in Terms of the Prevailing Provisions who are elected as Municipal Councillors in the Limpopo and Western Cape Provinces. |
| Establish a culture of professional behaviour in the Public Service | Executives Government departments Legislatures Complainants | Provide professional secretarial support to the National Anti-Corruption Forum | The PSC provided secretarial services to the National Anti-Corruption Forum (NACF). Four NACF Implementation Committee meetings were held. Two full forum meetings were also held. |
| | | Manage the extent of compliance by members of the SMS | An 84% compliance rate from departments with regards to the Financial Disclosure Framework was achieved. |
| | | Management of the National Anti-Corruption Hotline | In terms of the National Anti-Corruption Hotline, 1441 cases of corruption were referred to departments in terms of the agreed protocols. |
| | | Revise Code of Conduct and gazette in the Public Service Regulations | Four workshops were held to promote the code of conduct. |
| | | Awareness created on professional ethics and anti-corruption | Anti-corruption posters were printed and distributed to create awareness on professional ethics and anti-corruption. |
| Review the implementation of human resource practices through production of research reports and recommendations | Executives Government departments Legislatures Complainants | Successful hosting of conference and report on proceedings | A successful IMPA-HR conference was hosted. The Conference which brought together local and inter national HR practitioners, focused on building public sector human resource capacity in a developmental state. A Report on the Proceedings of the International Human Resource Management Conference was produced. |

| Key services | Clients | Current standard | Actual achievement against standards |
|---|---|---|---|
| | | Report with findings and recommendations finalised | Reports on the Evaluation of Training Needs of Senior Managers in the Public Service and Disability Equity were produced. |
| Evaluation of departments against the values listed in section 195 of the Constitution | Government departments<br>The Executive<br>Parliament<br>Provincial Legislatures<br>The public domain (academics, civic society organisations) | Reports with findings and recommendations finalised | Twenty two departmental monitoring and evaluation reports were compiled focusing on how the departments complied with the Constitutional Values and Principles of Public Administration.<br><br>A fourth Consolidated Public Service M&E report was produced.<br><br>A pamphlet on Basic M&E Concepts and a Conceptual Framework on meta-evaluation were published. |
| Evaluation of the State of the Public Service | Government departments<br>The Executive<br>Parliament<br>Provincial Legislatures<br>The public domain (academics, civic society organisations) | Report with findings and recommendations finalised | The State of the Public Service (SOPS) Report 2008 under the theme: *A Mid-Term Review of Public Service Transformation* was produced and submitted to Parliament. |
| Evaluation of the success of identified government programmes | Government departments<br>The Executive<br>Parliament<br>Provincial Legislatures<br>The public domain (academics, civic society organisations) | Reports with findings and recommendations finalised | An evaluation of government's poverty reduction programme was completed and a report published. |
| Evaluation of service delivery | Government departments<br>The Executive<br>Portfolio Committees<br>Provincial Legislatures<br>Academia<br>Non-Governmental Organisations | Reports with findings and recommendations finalised | Inspections were conducted on selected service delivery sites of the departments of Education and reports were finalised.<br><br>Three evaluations on the implementation of the Batho Pele principle of Value for Money, Consultation, Openness and Transparency were undertaken. Reports based on the evaluations were finalised. |
| Propose measures to ensure effective and efficient performance within the Public Service | Government departments<br>The Executive<br>Portfolio Committees<br>Provincial Legislatures<br>Academia<br>Non-Governmental Organisations | Report with findings and recommendations finalised | A Citizen Satisfaction Survey was conducted in the Provincial Departments of Agriculture to measure the actual satisfaction level of citizens with the delivery of public services and the report has been finalised.<br><br>Reports on the Verification of Qualifications and the Primary School Nutrition Programme were produced. |

| Key services | Clients | Current standard | Actual achievement against standards |
|---|---|---|---|
| Improving and promoting Public Service Leadership | The Presidency<br>Government departments<br>Academia<br>Non-Governmental Organisations<br>Provincial Executive Councils | Report with findings and recommendations finalised | A report on the Implementation of Performance Management and Development System for Senior Managers in the North West Province was produced.<br><br>A report on the payment of performance incentives to Heads of Departments was produced. |
| Monitoring the Heads of Department's (HoDs) performance management | The Presidency<br>Government departments<br>Academia<br>Non-Governmental Organisations<br>Provincial Executive Councils | All qualifying HoDs successfully evaluated | Guidelines for the Evaluation of Heads of Department for the 2006/07 Financial Year were also produced. 9 national and 11 provincial HoDs were evaluated for the 2006/07 performance cycle. |
| | | HoD performance agreements monitored and evaluated | 23 national and 74 provincial HoDs filed their performance agreements for the 2007/08 period. |
| | | Reports with findings and recommendations finalised within set targets | A report on the filing of performance agreements was completed and submitted to Parliament. |
| Recruitment and retention of competent staff to ensure service delivery in the Office | Appointment beneficiaries/appointees<br>Programme managers | Recruitment and Selection done in accordance with the Recruitment and Selection Policy | Vacant posts were filled timeously and the levels of representivity in terms of females and persons with disability have improved. The number of female employees rose from 106 in February 2007 to 116 in March 2008. The PSC has employed 5 people with disabilities, which translates to 2.3% of the total staff compliment, thus exceeding the national target of 2% by 0.3%. |
| Manage, maintain and ensure efficient use of the overall IT infrastructure, systems and services | Commissioners<br>OPSC staff | IT operations conducted in accordance with IT policies and best practices | The PSC business processes such as the HR scheduling system, IKM case management system and the DG tracking system were automated to improve service delivery.<br><br>The Virtual Private Network as well as the Uninterrupted Power Supply were implemented. A Short Message System (SMS) technology that acknowledges receipt of application for employment was introduced. |
| Sound financial management | Commissioners<br>OPSC staff<br>Service providers<br>Auditor-General<br>National Treasury<br>Government departments | Monitoring of expenditure and utilisation of budget within the budget allocation | Financial transactions were accurately recorded and reports submitted to National Treasury by the 15th of every month. 9 Budget Committee meetings were held. |

| Key services | Clients | Current standard | Actual achievement against standards |
|---|---|---|---|
| Provide communication and information support by among others, marketing the work of the PSC through media campaign and exhibitions; and tabling and distribution of published reports | Commissioners OPSC staff | Media activities on selected PSC published reports held<br><br>Tabling and timely distribution of PSC published Reports | Media briefings were held and media releases on selected PSC published reports were issued to members of the media.<br><br>PSC reports were also tabled in Parliament and Provincial Legislatures timeously in accordance with Section 196(4)(e) of the Constitution, 1996 |

Table 1.2 - Consultation arrangements with customers

| Type of arrangement | Actual customers | Potential customers | Actual achievements |
|---|---|---|---|
| Meetings with stakeholders to explain PSC and discuss their expectations of PSC | The Executive Departments Legislatures Public servants Complainants | Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public | Successful Roundtable discussions with stakeholders were held on amongst others, Reports on the Indebtedness of Public Servants and Financial Misconduct for 2006/2007 financial year.<br><br>Meetings with top management of departments to present and discuss interim M&E findings. |
| Extensive engagement on terms of reference of projects, and conclusion of project on findings and recommendations | Executives Legislatures Departments | Executives Legislatures Departments | The PSC has engaged stakeholders including the Portfolio Committee on Public Service and Administration on its reports. |
| Guidelines widely distributed to all stakeholders. Continuous formal and informal engagement of all stakeholders by the Office to ensure smooth implementation of the HoD Evaluation Framework | The Executive Departments Legislatures HoDs | The Executive Departments Legislatures HoDs | Guidelines for the Evaluation of Heads of Department for the 2006/2007 financial year were produced and shared with stakeholders involved in the HoD Evaluation Process. |
| Meeting with departments on grievance procedures and promotion of sound labour relations to ensure adherence to applicable prescripts | Departments | Organised labour Labour relations forum HoDs | Departments were informed about grievance procedures. |

## Table 1.3- Service delivery access strategy

| Access strategy | Actual achievements |
|---|---|
| Departments have to deal with grievances of employees up to the level of the Executive Authority first before these can be referred to the PSC.<br><br>If the aggrieved remains dissatisfied and request the EA to refer the matter to the PSC, the PSC should consider such grievances. Labour has been continuously advised on the importance of compliance with the grievance rules to ensure that grievances are resolved in the shortest possible period. | The PSC received 597 grievances. However, 402 cases had to be referred back to departments due to non-compliance with the Grievance Rules. |
| Telephonic or written requests addressed to the PSC at its Office in Pretoria (head office) and regional offices. Reports and other published material are accessible to all stakeholders through a variety of media, e.g. print and internet and distributed to relevant stakeholders. | Published reports are tabled in Parliament and Provincial Legislatures in accordance with Section 196(4)(e) of the Constitution, 1996. Selected PSC Reports were also publicised through the media thereby reaching a larger audience. |
| Depending on capacity of the Office, the PSC undertakes projects on request. | During the period under review, the PSC continued to undertake ad hoc projects/investigations on request after extensive engagement on the terms of reference. At the end of each investigation, the findings were submitted to the relevant Executing Authorities for consideration. Upon receipt of comments by the Executing Authority, the final report with findings and recommendations was forwarded to the relevant Executing Authority for further comments. The PSC also monitored the implementation of recommendations. |
| Reports are also presented to Legislatures' Portfolio Committees at their behest. | PSC Reports were presented at a variety of Parliamentary Portfolio Committees. Furthermore, requests of Portfolio Committees for presentations were always met. |
| Letters are written to all Executing Authorities outlining the process and advising them on what steps to take in complying with the requirements of the HoD Evaluation Framework. Continuous telephone contact with departments to ensure the smooth implementation of the Framework. | Letters were sent to all Executive Authorities and Heads of Department advising them on the requirements of the HoD Evaluation Framework. Letters were also sent to remind them about the requirements to submit the performance agreements of HoDs. |
| Members of the public are able to report suspected acts of corruption in the Public Service through the National Anti-Corruption Hotline. | Since its inception in September 2004, over three thousand (3000) cases of alleged corruption have been reported. |

## Table 1.4 – Service information tool

| Type of information tool | Actual achievements |
|---|---|
| In order to ensure wider accessibility, PSC Reports are distributed to stakeholders. | All PSC published reports are placed on the PSC website (www.psc.gov.za) for easy access. Furthermore, hard copies are distributed to stakeholders in and outside government, in accordance with the distribution strategy. |

## Table 1.5 – Complaints mechanism

| Complaints mechanism | Actual achievements |
|---|---|
| All complaints are recorded and responded to within the allocated time frames. | Complaints with substance, including anonymous ones, are either referred to the relevant institutions (such as the Independent Complaints Directorate, the Auditor-General, the Human Rights Commission) or investigated within set targets in accordance with the Protocol for conducting Public Administration Investigations by the PSC. Terms of reference and project proposals contained strict time-frames. |

| Complaints mechanism | Actual achievements |
|---|---|
| Complaints from the public are referred to the Public Protector. | Given the overlap in the powers and functions of the PSC and the Public Protector (PP), as well as the optimal utilisation of resources, these institutions have entered into a Memorandum of Understanding (MoU) with regard to the handling of complaints. According to the MoU, the PSC shall investigate complaints by public servants whilst complaints emanating from the general public are referred to the PP for investigation. However, in order to ensure continuous updates of progress with the investigation of complaints lodged with the PSC, the PP is required to provide the PSC with feedback on the status of complaints referred to them. |
| The Guidelines contain a grievance mechanism for HoDs not satisfied with the process or its outcomes. | No grievances of HoDs have been brought to the attention of the PSC for the 2007/08 evaluation cycle. |

## 3.2    Expenditure

The following tables summarise final audited expenditure on personnel costs per programme (Table 2.1) and salary bands (Table 2.2).

Table 2.1 – Personnel costs by programme, 2007/2008

| Programme | Personnel expenditure (R'000) | Training expenditure (R'000) | Professional and special services (R'000) | Total expenditure (R'000) | Average personnel cost per employee (R'000) |
|---|---|---|---|---|---|
| 1. Admin | 34 358 | 867 | 556 | 1 423 | 340 |
| 2. I&HRR | 18 632 | 22 | 2 764 | 2 786 | 305 |
| 3. M&E | 17 175 | 43 | 1 641 | 1 684 | 296 |
| Theft and losses | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 70 165 | 932 | 4 961 | 5 893 | 319 |

Table 2.2 – Personnel costs by salary bands, 2007/2008

| Salary bands | Personnel expenditure (R'000) | % of total personnel cost | Average personnel cost per employee (R'000) | Total personnel expenditure | Number of employees |
|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 4 496 | 6.4 | 95 | 70 165 | 47 |
| Highly skilled production (Levels 6-8) | 7 827 | 11.2 | 159 | 70 165 | 49 |
| Highly skilled supervision (Levels 9-12) | 21 230 | 30.2 | 294 | 70 165 | 72 |
| Senior management (Levels 13-16) | 36 612 | 52.2 | 704 | 70 165 | 52 |
| TOTAL | 70 165 | 100 | 319 | 70 165 | 220 |

The following tables provide a summary of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance per programme (Table 2.3) and salary bands (Table 2.4). An indication of the percentage of the personnel budget used for these items is provided in the tables.

Table 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2007/2008

| Programme | Salaries | | Overtime | | Home owners allowance (HOA) | | Medical assistance | | Total personnel cost (R'000) |
|---|---|---|---|---|---|---|---|---|---|
| | Amount (R'000) | Salaries as a % of person-nel cost | Amount (R'000) | Over-time as a % of person-nel cost | Amount (R'000) | HOA as a % of person-nel cost | Amount (R'000) | Medical assis-tance as a % of person-nel cost | |
| Programme 1 | 20 062 | 58.4 | 443 | 1.3 | 405 | 1.2 | 1 022 | 3 | 34 358 |
| Programme 2 | 12 283 | 65.9 | 46 | 0.2 | 225 | 1.2 | 997 | 5.4 | 18 632 |
| Programme 3 | 11 256 | 65.5 | 0 | 0 | 264 | 1.5 | 993 | 5.8 | 17 175 |
| TOTAL | 43 601 | 62.1 | 489 | 0.7 | 894 | 1.3 | 3 012 | 4.3 | 70 165 |

Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2007/2008

| Salary bands | Salaries | | Overtime | | Home owners allowance (HOA) | | Medical assistance | | Total personnel cost (R'000) |
|---|---|---|---|---|---|---|---|---|---|
| | Amount (R'000) | Salaries as a % of person-nel cost | Amount (R'000) | Over-time as a % of person-nel cost | Amount (R'000) | HOA as a % of person-nel cost | Amount (R'000) | Medical assis-tance as a % of person-nel cost | |
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 3 080 | 4.4 | 143 | 0.2 | 127 | 0.2 | 305 | 0.43 | 4 504 |
| Highly skilled production (Levels 6-8) | 5 646 | 8 | 139 | 0.2 | 144 | 0.2 | 430 | 0.61 | 7 839 |
| Highly skilled supervision (Levels 9-12) | 14 945 | 21.3 | 207 | 0.3 | 252 | 0.4 | 678 | 0.97 | 21 382 |
| Senior management (Levels 13-16) | 19 930 | 28.4 | 0 | 0 | 371 | 0.5 | 1 599 | 2.28 | 36 440 |
| TOTAL | 43 601 | 62.1 | 489 | 0.7 | 894 | 1.3 | 3 012 | 4.29 | 70 165 |

## 3.3  Employment and Vacancies

The following tables provide the employment statistics and vacancy rate in the organisation as per programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). The vacancy rate reflects the percentage of posts that are not filled.

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Table 3.1 – Employment and vacancies by programme, 31 March 2008

| Programme | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| 1. Programme 1 | 113 | 101 | 10.6 | 0 |
| 2. Programme 2 | 71 | 61 | 14.1 | 0 |
| 3. Programme 3 | 63 | 58 | 7.9 | 0 |
| TOTAL | 247 | 220 | 10.9 | 0 |

Table 3.2 – Employment and vacancies by salary bands, 31 March 2008

| Salary band | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) Permanent | 53 | 46 | 13.2 | 0 |
| Skilled (Levels 3-5) Temporary | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 57 | 49 | 14 | 0 |
| Highly skilled supervision (Levels 9-12) | 79 | 71 | 10.1 | 0 |
| Senior Management (Levels 13-16) Permanent | 58 | 54 | 6.9 | 0 |
| TOTAL | 247 | 220 | 10.9 | 0 |

Table 3.3 – Employment and vacancies by critical occupation, 31 March 2008

| Critical occupations | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| Administrative related, Permanent | 4 | 4 | 0 | 0 |
| Cleaner, Permanent | 1 | 1 | 0 | 0 |
| Switchboard operator, Permanent | 1 | 1 | 0 | 0 |
| Communication and information related, Permanent | 2 | 2 | 0 | 0 |
| Finance and economics related, Permanent | 1 | 1 | 0 | 0 |

| Critical occupations | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| Financial and related professionals, Permanent | 8 | 8 | 0 | 0 |
| Financial clerks, Permanent | 5 | 5 | 0 | 0 |
| Head of Department | 1 | 1 | 0 | 0 |
| Human resources & organisation dev related, Permanent | 30 | 24 | 20 | 0 |
| Human resources clerks, Permanent | 8 | 8 | 0 | 0 |
| Human resources related, Permanent | 43 | 39 | 9.3 | 0 |
| Information technology, Permanent | 1 | 1 | 0 | 0 |
| Other communication related, Permanent | 0 | 0 | 0 | 0 |
| Library related personnel, Permanent | 6 | 6 | 0 | 0 |
| Driver, Permanent | 1 | 1 | 0 | 0 |
| Logistical support personnel, Permanent | 6 | 5 | 16.7 | 0 |
| Material recording and transport clerks, Permanent | 4 | 3 | 25 | 0 |
| Messengers, Permanent | 0 | 0 | 0 | 0 |
| Other administrative and related clerks, Permanent | 2 | 2 | 0 | 0 |
| Other administrative policy and related officers, Permanent | 0 | 0 | 0 | 0 |
| Other information technology personnel, Permanent | 7 | 7 | 0 | 0 |
| Others occupations, Permanent | 0 | 0 | 0 | 0 |
| Chairperson: PSC | 1 | 1 | 0 | 0 |
| Deputy Chairperson: PSC | 1 | 0 | 100 | 0 |
| Member: PSC | 12 | 12 | 0 | 0 |
| Secretaries, Permanent | 51 | 43 | 15.7 | 0 |
| Security officers, Permanent | 11 | 11 | 0 | 0 |
| Senior managers, Permanent | 40 | 34 | 15 | 0 |
| TOTAL | 247 | 220 | 10.9 | 0 |

## 3.4  Job Evaluation

The Public Service Regulations, 2001, introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. Furthermore, in terms of these Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled.

The following table (Table 4.1) summarises the number of jobs that were evaluated and subsequently upgraded or down-graded, while Table 4.2 summarises the number of employees whose salary position was upgraded to due to their posts being upgraded.

Table 4.1 – Job Evaluation, 1 April 2007 to 31 March 2008

| Salary band | Number of posts | Number of jobs evaluated | % of posts evaluated by salary bands | Posts upgraded | | Posts downgraded | |
|---|---|---|---|---|---|---|---|
| | | | | Number | % of posts evaluated | Number | % of posts evaluated |
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 53 | 2 | 3.8 | 2 | 100 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 57 | 3 | 5.3 | 3 | 100 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 79 | 47 | 59.5 | 45 | 95.7 | 0 | 0 |
| Senior Management Service Band A | 32 | 1 | 3.1 | 0 | 0 | 0 | 0 |
| Senior Management Service Band B | 7 | 2 | 28.6 | 0 | 0 | 0 | 0 |
| Senior Management Service Band C | 16 | 3 | 18.8 | 0 | 0 | 0 | 0 |
| Senior Management Service Band D | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 247 | 58 | 23.5 | 50 | 86.2 | 0 | 0 |

Table 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2007 to 31 March 2008

| Beneficiaries | African | Asian | Coloured | White | Total |
|---|---|---|---|---|---|
| Female | 7 | 1 | 0 | 2 | 10 |
| Male | 4 | 0 | 1 | 0 | 5 |
| TOTAL | 11 | 1 | 1 | 2 | 15 |

| Employees with a disability | 0 |
|---|---|

Table 4.3 indicates the number of employees whose salaries exceeded the grades determined by job evaluation in the reporting period.

| Total Number of employees whose salaries exceeded the grades determined by job evaluation in 2007/ 2008 | None |
|---|---|

Table 4.4 indicates the beneficiaries of the above in terms of race, gender and disability.

Table 4.4 – Profile of employees whose salary levels exceed the grade determined by job evaluation, 1 April 2007 to 31 March 2008 (in terms of PSR 1.V.C.3)

| Beneficiaries | African | Asian | Coloured | White | Total |
|---|---|---|---|---|---|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 |

| Employees with a disability | | 0 |
|---|---|---|

## 3.5  Employment Changes

This section provides information on the annual turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2).

Table 5.1 – Annual turnover rates by salary band for the period 1 April 2007 to 31 March 2008

| Salary band | Number of employees per band as on 1 April 2008 | Appointments and transfers into the Office | Terminations and transfers out of the Office | Turn-over rate |
|---|---|---|---|---|
| Lower skilled (Levels 1-2) Permanent | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) Permanent | 63 | 8 | 9 | 14.3 |
| Highly skilled production (Levels 6-8) Permanent | 31 | 11 | 13 | 41.9 |
| Highly skilled supervision (Levels 9-12) Permanent | 72 | 10 | 14 | 19.4 |
| Senior Management Service Band A Permanent | 32 | 3 | 5 | 15.6 |
| Senior Management Service Band B Permanent | 5 | 1 | 0 | 0 |
| Senior Management Service Band C Permanent | 14 | 0 | 1 | 7.1 |
| Senior Management Service Band D | 3 | 0 | 1 | 33.3 |
| TOTAL | 220 | 33 | 43 | 19.5 |

Table 5.2 – Annual turnover rates by critical occupation for the period 1 April 2007 to 31 March 2008

| Occupation | Number of employees per occupation as on 1 April 2008 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|---|---|---|---|---|
| Administrative related, Permanent | 4 | 0 | 0 | 0 |
| Cleaner, Permanent | 1 | 0 | 0 | 0 |
| Switchboard operator, Permanent | 1 | 0 | 0 | 0 |
| Communication and information related, Permanent | 2 | 1 | 0 | 0 |
| Finance and economics related, Permanent | 1 | 0 | 0 | 0 |
| Financial and related professionals, Permanent | 8 | 1 | 2 | 25 |
| Financial clerks, Permanent | 5 | 3 | 1 | 20 |
| Human resources & organisation dev related, Permanent | 24 | 4 | 4 | 16.7 |

| Occupation | Number of employees per occupation as on 1 April 2008 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|---|---|---|---|---|
| Human resources clerks, Permanent | 8 | 4 | 3 | 37.5 |
| Messenger | 0 | 0 | 0 | 0 |
| Human resources related, Permanent | 39 | 6 | 9 | 23.1 |
| Library related personnel, Permanent | 6 | 0 | 1 | 16.7 |
| Logistical support personnel, Permanent | 5 | 0 | 1 | 20 |
| Material recording and transport clerks, Permanent | 3 | 1 | 2 | 66.7 |
| Driver | 1 | 0 | 0 | 0 |
| Other administrative and related clerks, Permanent | 2 | 0 | 1 | 50 |
| Information technology, Permanent | 1 | 0 | 1 | 100 |
| Other administrative policy and related officers, Permanent | 0 | 0 | 0 | 0 |
| Other information technology personnel, Permanent | 7 | 2 | 1 | 14.3 |
| Secretaries, Permanent | 43 | 6 | 8 | 18.6 |
| Security officers, Permanent | 11 | 1 | 2 | 18.2 |
| Senior managers, Permanent | 34 | 4 | 6 | 17.6 |
| Head of Department | 1 | 0 | 0 | 0 |
| Chairperson: PSC | 1 | 0 | 0 | 0 |
| Deputy Chairperson: PSC | 0 | 0 | 1 | 100 |
| Member: PSC | 12 | 0 | 0 | 0 |
| TOTAL | 220 | 33 | 43 | 19.5 |

Table 5.3 identifies the major reasons why staff left the department.

Table 5.3 – Reasons why staff are leaving the Office

| Termination type | Number | % of total | % of total employment |
|---|---|---|---|
| Death | 0 | 0 | 0 |
| Resignation, Permanent | 14 | 77.8 | 6.4 |
| Expiry of contract, Permanent | 0 | 0 | 0 |
| Retirement | 3 | 16.7 | 1.4 |
| Ill-health Retirement | 0 | 0 | 0 |
| Other, Permanent | 1 | 5.5 | 0.5 |
| TOTAL | 18 | 100 | 8.2 |

Table 5.4 – Promotions by critical occupation

| Occupation | Employees as at 1 April 2008 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progressions as a % of employees by occupation |
|---|---|---|---|---|---|
| Administrative related | 4 | 0 | 0 | 2 | 50 |
| Cleaner | 1 | 0 | 0 | 1 | 100 |
| Switchboard operator | 1 | 0 | 0 | 1 | 100 |
| Communication and information related | 2 | 0 | 0 | 0 | 0 |
| Finance and economics related | 1 | 0 | 0 | 0 | 0 |
| Financial and related professionals | 8 | 2 | 25 | 6 | 75 |
| Financial clerks | 5 | 0 | 0 | 2 | 40 |
| Head of Department & DDG's | 3 | 0 | 0 | 0 | 0 |
| Human resources & organisation dev related | 24 | 4 | 16.7 | 8 | 33.3 |
| Human resources clerks | 8 | 0 | 0 | 6 | 75 |
| Human resources related | 39 | 16 | 41 | 27 | 69.2 |
| Library related personnel | 6 | 1 | 16.7 | 3 | 50 |
| Logistical support personnel | 5 | 0 | 0 | 4 | 80 |
| Material recording and transport clerks | 3 | 0 | 0 | 3 | 100 |
| Driver | 1 | 0 | 0 | 0 | 0 |
| Other administrative and related clerks | 2 | 0 | 0 | 2 | 100 |
| Information technology, Permanent | 1 | 0 | 0 | 0 | 0 |
| Other administrative policy and related officers | 0 | 1 | 100 | 1 | 100 |
| Other information technology personnel | 7 | 0 | 0 | 2 | 28.6 |
| Secretaries | 43 | 5 | 11.6 | 18 | 41.9 |
| Security officers | 11 | 0 | 0 | 10 | 90.9 |
| Senior managers | 32 | 1 | 3.1 | 16 | 50 |
| Chairperson: PSC | 1 | 0 | 0 | 0 | 0 |
| Deputy Chairperson: PSC | 0 | 0 | 0 | 0 | 0 |
| Member: PSC | 12 | 0 | 0 | 0 | 0 |
| TOTAL | 220 | 30 | 13.6 | 112 | 50.9 |

Table 6.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2008

| Occupational bands | Male | | | | Female | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | Total |
| Top management | 12 | 0 | 0 | 2 | 3 | 1 | 0 | 0 | 18 |
| Senior management | 15 | 2 | 3 | 2 | 8 | 1 | 1 | 4 | 36 |
| Professionally qualified and experienced specialists and mid-management | 26 | 4 | 1 | 8 | 25 | 1 | 2 | 5 | 72 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 7 | 0 | 0 | 0 | 19 | 1 | 1 | 3 | 31 |
| Semi-skilled and discretionary decision making | 20 | 1 | 0 | 1 | 36 | 5 | 0 | 0 | 63 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 77 | 10 | 4 | 13 | 91 | 9 | 4 | 12 | 220 |

Table 6.3 - Recruitment for the period 1 April 2007 to 31 March 2008

| Occupational bands | Male | | | | Female | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | Total |
| Top management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| Professionally qualified and experienced specialists and mid-management | 1 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 3 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| Semi-skilled and discretionary decision making | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 1 | 0 | 0 | 0 | 8 | 0 | 0 | 0 | 9 |

| Employees with disabilities | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
|---|---|---|---|---|---|---|---|---|---|

Table 5.5 – Promotions by salary band

| Salary band | Employees as at 1 April 2008 | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | Progressions to another notch within a salary level | Notch progressions as a % of employees by salary band |
|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 1 | 100 |
| Lower skilled (Levels 1-2) Temporary | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 63 | 5 | 10.6 | 27 | 42.9 |
| Highly skilled production (Levels 6-8) | 31 | 6 | 12.2 | 35 | 112.9 |
| Highly skilled supervision (Levels 9-12) | 72 | 18 | 25 | 33 | 45.9 |
| Senior Management (Levels13-16) | 54 | 1 | 19.2 | 16 | 29.6 |
| TOTAL | 220 | 30 | 13.6 | 112 | 50.9 |

## 3.6  Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 6.1 - Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2008

| Occupational categories (SASCO) | Male | | | | Female | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Senior managers | 24 | 5 | 3 | 4 | 11 | 2 | 1 | 4 | 54 |
| Middle managers | 26 | 4 | 1 | 8 | 25 | 1 | 2 | 5 | 72 |
| Administrative clerks | 7 | 0 | 0 | 0 | 19 | 1 | 1 | 3 | 31 |
| Service and sales workers, Permanent | 20 | 1 | 0 | 1 | 36 | 5 | 0 | 0 | 63 |
| Elementary occupations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 77 | 10 | 4 | 13 | 91 | 9 | 4 | 12 | 220 |
| Employees with disabilities | 0 | 0 | 0 | 1 | 3 | 1 | 0 | 0 | 5 |

Table 6.4 - Promotions for the period 1 April 2007 to 31 March 2008

| Occupational bands | Male | | | | Female | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | Total |
| Top Management (15-16) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management (13-14) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Professionally qualified and experienced specialists and mid-management (9-12) | 6 | 2 | 0 | 0 | 10 | 0 | 1 | 3 | 22 |
| Skilled technical and academically qualified workers, junior management, supervisors (7-8) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Semi-skilled and discretionary decision making   (4-6) | 1 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 7 |
| Unskilled and defined decision making (1-3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 7 | 2 | 0 | 0 | 16 | 0 | 1 | 4 | 30 |

| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|---|

Table 6.5 - Terminations for the period 1 April 2007 to 31 March 2008

| Occupational bands | Male | | | | Female | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | Total |
| Top management | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Senior management | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Professionally qualified and experienced specialists and mid-management | 3 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 6 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 4 |
| Semi-skilled and discretionary decision making | 1 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 4 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 9 | 1 | 0 | 0 | 7 | 0 | 0 | 1 | 18 |

| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|---|

Table 6.6 - Disciplinary action for the period 1 April 2007 to 31 March 2008

|  | Male | | | | Female | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | African | Coloured | Indian | White | African | Coloured | Indian | White | Total |
| Disciplinary action | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

Table 6.7 - Skills development for the period 1 April 2007 to 31 March 2008

| Occupational categories | Male | | | | Female | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | African | Coloured | Indian | White | African | Coloured | Indian | White | Total |
| Senior officials and managers (13-16) | 12 | 1 | 1 | 4 | 10 | 2 | 0 | 4 | 34 |
| Professionally qualified and experienced specialists and middle management (9-12) | 26 | 4 | 1 | 7 | 20 | 1 | 2 | 4 | 65 |
| Skilled technical, junior management and supervisors (7-8) | 11 | 0 | 1 | 0 | 20 | 1 | 1 | 3 | 37 |
| Semi-skilled workers (4-6) | 17 | 1 | 0 | 1 | 41 | 3 | 1 | 0 | 64 |
| Elementary occupations (1-3) | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 67 | 6 | 3 | 12 | 91 | 7 | 4 | 11 | 201 |

| Employees with disabilities | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 2 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |

## 3.7  Performance Rewards

The department has granted the following performance rewards during the year under review in its effort to encourage good performance. The information is categorised in terms of race, gender and disability (Table 7.1), salary bands (Table 7.2) and critical occupations (Table 7.3).

Table 7.1 – Performance Rewards by race, gender, and disability, 1 April 2007 to 31 March 2008

|  | Beneficiary profile | | Cost | | |
| --- | --- | --- | --- | --- | --- |
|  | Number of beneficiaries | Total number of employees in group | % of total within group | Cost (R'000) | Average cost per employee |
| African |  |  |  |  |  |
| Male | 23 | 77 | 29.9 | 375 | 16 324 |
| Female | 36 | 89 | 40.4 | 468 | 13 009 |
| Asian |  |  |  |  |  |
| Male | 2 | 4 | 50 | 54 | 27 064 |
| Female | 1 | 4 | 25 | 23 | 23 400 |
| Coloured |  |  |  |  |  |
| Male | 3 | 10 | 30 | 73 | 24 260 |
| Female | 2 | 8 | 25 | 26 | 13 125 |
| White |  |  |  |  |  |
| Male | 6 | 12 | 50 | 157 | 26 150 |
| Female | 11 | 12 | 91.7 | 209 | 18 997 |

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| | Beneficiary profile | | Cost | | |
|---|---|---|---|---|---|
| | Number of beneficiaries | Total number of employees in group | % of total within group | Cost (R'000) | Average cost per employee |
| Employees with a disability | 1 | 4 | 25 | 8 | 7 941 |
| TOTAL | 85 | 220 | 38.6 | 1 394 | 16 402 |

Table 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2007 to 31 March 2008

| Salary bands | Beneficiary profile | | | | |
|---|---|---|---|---|---|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total cost (R'000) | Average cost per employee |
| Lower skilled (Levels 1-2) | 1 | 1 | 100 | 4 | 4 |
| Skilled (Levels 3-5) | 15 | 62 | 24.2 | 91 | 5 938 |
| Highly skilled production (Levels 6-8) | 21 | 31 | 67.7 | 208 | 9 905 |
| Highly skilled supervision (Levels 9-12) | 38 | 72 | 52.8 | 822 | 21 632 |
| TOTAL | 75 | 166 | 45.2 | 1 125 | 15 000 |

Table 7.3 – Performance Rewards by critical occupations, 1 April 2007 to 31 March 2008

| Critical occupations | Beneficiary profile | | | Cost | |
|---|---|---|---|---|---|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Senior managers | 9 | 54 | 16.6 | 245 | 27.2 |
| Professionally qualified and experienced specialists and middle management | 38 | 72 | 52.8 | 879 | 23.1 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 21 | 31 | 67.7 | 216 | 10.3 |
| Semi-skilled and discretionary decision making | 15 | 62 | 24.2 | 168 | 11.2 |
| Unskilled and defined decision making | 1 | 1 | 100 | 4 | 4 |
| TOTAL | 84 | 220 | 38.2 | 1 512 | 18 |

Table 7.4 – Performance related rewards (cash bonus), by salary band for SMS

| Salary band | Beneficiary profile | | | Total cost (R'000) | Average cost per employee | Total cost as a % of the total personnel expenditure |
| --- | --- | --- | --- | --- | --- | --- |
| | Number of beneficia-ries | Number of employees | % of total within band | | | |
| Band A | 8 | 32 | 28 | 209 | 26 | 1.6 |
| Band B | 0 | 5 | 0 | 0 | 0 | 0 |
| Band C | 1 | 14 | 7.1 | 36 | 4 | 0.3 |
| Band D | 0 | 3 | 0 | 0 | 0 | 0 |
| TOTAL | 9 | 54 | 18.5 | 245 | 27.2 | 1.1 |

## 3.8 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation.

Table 8.1 – Foreign Workers, 1 April 2007 to 31 March 2008, by salary band

| Salary band | 1 April 2007 | | 31 March 2008 | | Change | |
| --- | --- | --- | --- | --- | --- | --- |
| | Number | % of total | Number | % of total | Number | % change |
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

Table 8.2 – Foreign Worker, 1 April 2007 to 31 March 2008, by major occupation

| Major occupation | 1 April 2007 | | 31 March 2008 | | Change | |
| --- | --- | --- | --- | --- | --- | --- |
| | Number | % of total | Number | % of total | Number | % change |
| Professionals and managers | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

## 3.9 Leave utilisation for the period 1 January 2007 to 31 December 2007

The Public Service Commission identified the need for careful monitoring of sick leave within the Public Service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

Table 9.1 – Sick leave, 1 January 2007 to 31 December 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 days with medical certification |
|---|---|---|---|---|---|---|---|
| Lower skilled (Levels 1-3) | 323 | 89.5 | 43 | 23.1 | 8 | 75 | 289 |
| Skilled (Levels 4-6) | 320 | 79.1 | 48 | 25.8 | 7 | 132 | 253 |
| Highly skilled production (Levels 7-8) | 452 | 85.8 | 53 | 28.5 | 9 | 452 | 388 |
| Highly skilled supervision (Levels 9-12) | 397 | 88.7 | 41 | 22 | 10 | 898 | 352 |
| Senior management (Levels 13-16) | 12 | 91.7 | 1 | 0.5 | 12 | 44 | 11 |
| TOTAL | 1 504 | 86 | 186 | 100 | 8 | 1 601 | 1 293 |

Table 9.2 – Disability leave (temporary and permanent), 1 January 2007 to 31 December 2007

| Salary band | Total days taken | % 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 |
|---|---|---|---|---|---|---|---|
| Skilled (Levels 3-5) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled production (Levels 6-8) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 79 | 100 | 2 | 100 | 4 | 52 | 2 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 79 | 100 | 2 | 100 | 40 | 52 | 2 |

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000, requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 9.3 – Annual Leave, 1 January 2007 to 31 December 2007

| Salary band | Total days taken | Average per employee | Employment |
|---|---|---|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 |
| Skilled Levels (Levels 3-5) | 880 | 16 | 63 |
| Highly skilled production (Levels 6-8) | 1 164 | 19 | 31 |
| Highly skilled supervision (Levels 9-12) | 1 609 | 21 | 72 |
| Senior management (Levels 13-16) | 1 134 | 40 | 54 |
| TOTAL | 4 787 | 19 | 220 |

Table 9.4 – Capped leave, 1 January 2007 to 31 December 2007

| Salary band | Total days of capped leave taken | Average number of days taken per employee | Average capped leave per employee as at 31 December 2007 | Total number of capped leave available at 31 December 2007 | Number of employees as at 31 December 2007 |
|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 |
| Skilled levels (Levels 3-5) | 2 | 2 | 29 | 1 | 9 |
| Highly skilled production (Levels 6-8) | 3 | 2 | 30 | 2 | 25 |
| Highly skilled supervision (Levels 9-12) | 23 | 6 | 54 | 4 | 47 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 28 | 4 | 44 | 7 | 81 |

Table 9.5 summarises payments made to employees as a result of leave that was not taken.

Table 9.5 – Leave payouts for the period 1 April 2007 to 31 March 2008

| Reason | Total amount (R'000) | Number of employees | Average payment per employee |
|---|---|---|---|
| Leave payout for 2007/08 due to non-utilisation of leave for the previous cycle | 0 | 0 | 0 |
| Capped leave payouts on termination of service for 2007/08 | 33 | 5 | 6 600 |
| Current leave payout on termination of service for 2007/08 | 0 | 2 | 0 |
| TOTAL | 33 | 7 | 4 714 |

## 3.10  HIV/AIDS & Health Promotion Programmes

Table 10.1 – Steps taken to reduce the risk of occupational exposure

| Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any) | Key steps taken to reduce the risk |
|---|---|
| 0 | None yet |

Table 10.2 – Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the 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. | √ | | Mr HA Maluleke Director: Human Resource Management and Development |

| Question | Yes | No | Details, if yes |
|---|---|---|---|
| 2. Does the department have a dedicated unit or has it designated specific staff members to promote the 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. | √ | | 23 Employment Equity Consultative Forum Members |
| 3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme. | √ | | The programme aims to:<br>• Encourage and assist employees to overcome personal problems affecting their work performance negatively;<br>• Provide an effective framework for wellness promotion and preventative services;<br>• In so far as it is possible to provide a reasonable, confidential and professional counselling service to all employees and their immediate families within the context of issues affecting the employee in order to enhance and sustain the quality of life;<br>• Enhance performance and maintain high productivity levels of all employees;<br>• Establish a working relationship with other departments and stakeholders who are involved in employee wellness;<br>• Prevent unnecessary absenteeism and low productivity caused by social, physical and psychological factors; and<br>• Allow supervisors to manage their human resources in an objective and consistent manner. |
| 4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | √ | | Mr HA Maluleke – Chairperson<br>Mr JD Kgoedi – Deputy Chairperson<br>Mr SW Ngema – Head Office<br>Mr TJ Matlhare – Gauteng<br>Ms PT Khumalo – Head Office<br>Ms T Moeeng – Head Office<br>Mr M Dolamo – Head Office<br>Mr JS Hartzenberg – Head Office<br>Mr S Chibi – Head Office<br>Ms JH Human – Head Office<br>Ms LC Qithi – Free State<br>Mr E Lamola – Head Office<br>Ms DN Shazi – Head Office<br>Ms MM Poto – Head Office<br>Ms T Dibetle – Head Office<br>Ms N Fumazele – Eastern Cape<br>Ms AR Chauke – Limpopo<br>Ms S Lahri – North West<br>Ms C Gunn – Head Office<br>Mr S Buso – Head Office<br>Ms GL Kunene – Head Office<br>Ms L Dambuza – Head Office<br>Mr SS Malema – Head Office |

| Question | Yes | No | Details, if yes |
|---|---|---|---|
| 5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed. | √ | | 1. HIV/AIDS Policy and EAP Programme<br>2. Recruitment and Selection Policy |
| 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. | √ | | HIV/AIDS Policy and EAP Programme<br><br>Contracted The Careways Group as service provider. |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. | √ | | During the period under review 66 employees underwent VCT. |
| 8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators. | √ | | HIV/AIDS Programme<br>Employee Assistance Programme<br>Quarterly reports from The Careways Group. |

## 3.11 Labour Relations

The following collective agreements were entered into with trade unions within the department.

Table 11.1 – Collective agreements, 1 April 2007 to 31 March 2008

| Total collective agreements | None |
|---|---|

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2007 to 31 March 2008

| Outcomes of disciplinary hearings | Number | % of total |
|---|---|---|
| Correctional counselling | 1 | 16.7 |
| Verbal warning | 0 | 0 |
| Written warning | 3 | 50 |
| Final written warning | 0 | 0 |
| Suspended without pay | 0 | 0 |
| Fine | 0 | 0 |
| Demotion | 0 | 0 |
| Dismissal | 1 | 16.7 |
| Not guilty | 1 | 16.7 |
| Case withdrawn | 0 | 0 |
| TOTAL | 6 | 100 |

Table 11.3 – Types of misconduct addressed at disciplinary hearings

| Type of misconduct | Number | % of total |
|---|---|---|
| Contravention of Security Policy | 0 | 0 |
| Contravention of Telephone Policy | 1 | 100 |
| TOTAL | 1 | 100 |

Table 11.4 – Grievances lodged for the period 1 April 2007 to 31 March 2008

|  | Number | % of total |
|---|---|---|
| Number of grievances resolved | 0 | 0 |
| Number of grievances not resolved | 1 | 100 |
| TOTAL | 1 | 100 |

Table 11.5 – Disputes lodged with Councils for the period 1 April 2007 to 31 March 2008

|  | Number | % of total |
|---|---|---|
| Number of disputes upheld | 0 | 0 |
| Number of disputes dismissed | 0 | 0 |
| TOTAL | 0 | 0 |

Table 11.6 – Strike actions for the period 1 April 2007 to 31 March 2008

| | |
|---|---|
| Total number of person working days lost | 45.62 |
| Total cost (R'000) of working days lost | 16 768.44 |
| Amount (R'000) recovered as a result of no work no pay | 16 768.44 |

Table 11.7 – Precautionary suspensions for the period 1 April 2007 to 31 March 2008

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

## 3.12   Skills Development

This section highlights the efforts of the department with regard to skills development.

Table 12.1 - Training needs identified for the period 1 April 2007 to 31 March 2008

| Occupational categories | Gender | Number of employees as at 1 April 2008 | Training needs identified at start of reporting period | | | |
|---|---|---|---|---|---|---|
| | | | Learnerships identified | Skills programmes & other short courses | Other forms of training | Total |
| Chairperson | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 1 | 0 | 0 | 0 | 0 |
| Deputy Chairperson | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Commissioners | Female | 3 | 0 | 0 | 0 | 0 |
| | Male | 9 | 0 | 0 | 0 | 0 |
| Director-General | Female | 1 | 0 | 2 | 0 | 2 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Deputy Director-General | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 2 | 0 | 7 | 0 | 7 |

| Occupational Categories | Gender | Number of employees as at 1 April 2008 | Training needs identified at start of reporting period | | | |
|---|---|---|---|---|---|---|
| | | | Learnerships identified | Skills programmes & other short courses | Other forms of training | Total |
| Chief Directors | Female | 3 | 0 | 8 | 0 | 8 |
| | Male | 2 | 0 | 5 | 0 | 5 |
| Directors | Female | 11 | 0 | 13 | 0 | 13 |
| | Male | 21 | 0 | 17 | 0 | 17 |
| Deputy Directors | Female | 13 | 0 | 24 | 0 | 24 |
| | Male | 24 | 0 | 27 | 0 | 27 |
| Assistant Directors | Female | 9 | 0 | 14 | 0 | 14 |
| | Male | 7 | 0 | 24 | 0 | 24 |
| Principal/ Chief State Administration Officers | Female | 5 | 0 | 17 | 0 | 17 |
| | Male | 6 | 0 | 4 | 0 | 4 |
| Senior/State Accountants | Female | 4 | 0 | 11 | 0 | 11 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Accounting Clerk | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 3 | 0 | 4 | 0 | 4 |
| Chief Personnel Officer | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 1 | 0 | 3 | 0 | 3 |
| Principal Personnel Officer | Female | 1 | 0 | 2 | 0 | 2 |
| | Male | 1 | 0 | 0 | 0 | 0 |
| Personnel Officer | Female | 2 | 0 | 9 | 0 | 9 |
| | Male | 1 | 1 | 3 | 0 | 4 |
| Provisioning Administration Officer | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 1 | 0 | 4 | 0 | 4 |
| Provisioning Administration Clerk | Female | 3 | 1 | 4 | 0 | 5 |
| | Male | 1 | 0 | 5 | 0 | 5 |
| Document Clerk | Female | 1 | 1 | 4 | 0 | 5 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Communication Officer | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 1 | 0 | 3 | 0 | 3 |

| Occupational categories | Gender | Number of employees as at 1 April 2008 | Training needs identified at start of reporting period | | | |
| --- | --- | --- | --- | --- | --- | --- |
| | | | Learnerships identified | Skills programmes & other short courses | Other forms of training | Total |
| Registry Clerk | Female | 1 | 0 | 3 | 0 | 3 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Administrative Secretary | Female | 42 | 0 | 32 | 0 | 32 |
| | Male | 1 | 0 | 2 | 0 | 2 |
| Telecom Operator | Female | 1 | 0 | 3 | 0 | 3 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Library Assistant | Female | 1 | 0 | 2 | 0 | 2 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Administration Clerk | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 4 | 0 | 4 | 0 | 4 |
| General Aid | Female | 2 | 0 | 4 | 0 | 4 |
| | Male | 4 | 0 | 7 | 0 | 7 |
| Typist | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Cleaner | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 1 | 0 | 1 | 0 | 1 |
| State Administration Officer | Female | 5 | 0 | 14 | 0 | 14 |
| | Male | 1 | 0 | 0 | 0 | 0 |
| Administration Officer | Female | 2 | 0 | 3 | 0 | 3 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Assistant Administration Officer | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Messenger | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Chief Accounting Clerk | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 1 | 0 | 0 | 0 | 0 |
| Human Resource Practitioners | Female | 4 | 0 | 14 | 0 | 14 |
| | Male | 0 | 0 | 0 | 0 | 0 |

| Occupational Categories | Gender | Number of employees as at 1 April 2008 | Training needs identified at start of reporting period | | | |
|---|---|---|---|---|---|---|
| | | | Learnerships Identified | Skills Programmes & other short courses | Other forms of training | Total |
| PC Specialist | Female | 1 | 0 | 2 | 0 | 2 |
| | Male | 1 | 0 | 4 | 0 | 4 |
| Security Administration/ Security Officer | Female | 1 | 0 | 4 | 0 | 4 |
| | Male | 10 | 0 | 4 | 0 | 4 |
| Sub Total | Female | 116 | 2 | 189 | 0 | 191 |
| | Male | 104 | 1 | 128 | 0 | 129 |
| TOTAL | | 220 | 3 | 317 | 0 | 320 |

Table 12.2 - Training provided for the period 1 April 2007 to 31 March 2008

| Occupational categories | Gender | Number of employees as at 1 April 2008 | Training provided within the reporting period | | | |
|---|---|---|---|---|---|---|
| | | | Learnerships | Skills programmes & other short courses | Other forms of training | Total |
| Senior officials and managers | Female | 18 | 0 | 17 | 0 | 17 |
| | Male | 36 | 0 | 20 | 0 | 20 |
| Technicians and associate professionals | Female | 33 | 0 | 28 | 0 | 28 |
| | Male | 39 | 0 | 37 | 0 | 37 |
| Clerks | Female | 65 | 2 | 73 | 0 | 73 |
| | Male | 29 | 1 | 35 | 0 | 35 |
| Elementary occupations | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Sub Total | Female | 116 | 2 | 118 | 0 | 118 |
| | Male | 104 | 1 | 92 | 0 | 92 |
| TOTAL | | 220 | 3 | 210 | 0 | 210 |

### 3.13   Injury on Duty

The following tables provide basic information on injury on duty:

Table 13.1 – Injury on duty, 1 April 2007 to 31 March 2008

| Nature of injury on duty | Number | % of total |
|---|---|---|
| Required basic medical attention only | 1 | 100 |
| Temporary Total Disablement | 0 | 0 |
| Permanent Disablement | 0 | 0 |
| Fatal | 0 | 0 |
| TOTAL | 1 | 100 |

### 3.14   Utilisation of Consultants

Table 14.1 - Report on consultant appointments using appropriated (voted) funds

| Project title | Total number of consultants that worked on the project | Duration: work days | Contract value in rand |
|---|---|---|---|
| Citizen Satisfaction Survey (ASR) | 3 | 250 | 753 592 |
| Evaluation of Government's Poverty Reduction Programme | 10 | 1761 | 800 000 |
| **Total number of projects** | Total individual consultants | Total duration Work days | Total contract value in Rand |
| 2 | 13 | 2011 | 1 553 592 |

Table 14.2 - Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged  Individuals (HDIs)

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that worked on the project |
|---|---|---|---|
| Citizen Satisfaction Survey (ASR) | 100 | 100 | 3 |
| Evaluation of Government's Poverty Reduction Programme | | | 9 |

Table 14.3 - 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 |
|---|---|---|---|
| Management of Poor Performance in the Public Service | 9 | 119 | (GTZ) 838 000 |
| Total number of projects | Total individual consultants | Total duration:   Work days | Total contract value in Rand |

Table 14.4 - Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that worked on the project |
|---|---|---|---|
| Management of Poor Performance in the Public Service | 50.2% | 50.2% | 5 female 1 male |

# CHAPTER : 4
## REPORT OF THE AUDIT COMMITTEE

# REPORT OF THE AUDIT COMMITTEE

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

## Audit Committee Members and Attendance:
The audit committee consists of the members listed here-under and has met as reflected below, in line with its approved terms of reference.

| Audit Committee Meetings 2008 | |
| --- | --- |
| Name of member | Number* of meetings attended |
| Ms. Zienzile Musamirapamwe (Chairperson) | 6 of 6 |
| Ms. Thembisa Fuzani * | 4 of 4 |
| Ms. Odette Ramsingh (Ex-officio member) | 6 of 6 |
| Mr. Viren Magan | 5 of 6 |
| Prof Herman de Jager (Former Chairperson)* | 2 of 2 |

* Includes two (2) special meetings.
* Appointed during the year
* Resigned from the committee

## Audit Committee responsibility
The Audit Committee reports that it has complied with its responsibilities as outlined in section **S38 (1) (a)** of the Public Finance Management Act (PFMA) and National Treasury Regulation 3.1.13 and 27(1). Furthermore the Audit Committee has adopted appropriate formal terms of reference as its audit committee charter; as such, the Committee has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

## The Effectiveness of Internal Control
The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements both any qualification and/or the emphasis of matter, and the management letter of the Auditor-General, it was noted that no significant or material non compliance with prescribed policies and procedures have been reported.

Accordingly, we can report that the system of internal control for the period under review was efficient and effective. There were no critical issues brought to the attention of the Audit Committee to indicate any material breakdown in the functioning of the internal controls, procedures and systems.

## Risk Management
The Audit Committee reviewed the risk management strategy and risk assessment methodology. A risk based three year rolling audit plan was approved.

## The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act.
The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review.

## Evaluation of Financial Statements
The Audit Committee has:

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

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

## Highlights for the year
The Audit Committee has conducted its review of the Risk Management Strategy for the OPSC in accordance with its purpose and objective as an oversight body. The risk assessment has been conducted in accordance with this strategy by the recently appointed internal auditors and has culminated into the development of a three-year internal audit coverage plan. The compliance requirements were reviewed leading to the development of a Legislative Universe so as to facilitate monitoring of the OPSC compliance level.

In order to further improve the Audit Committee oversight role, an annual calendar outlining the committee's roles and responsibilities for each meeting has been developed for the 2009 financial year.

## Outlook
In pursuit of continuous improvement, the Risk Management Strategy of the OPSC will be benchmarked against the industry practice for subsequent monitoring of the OPSC risk profile.

Chairperson of the Audit Committee
Date: 30 May 2008

# CHAPTER : 5
# ANNUAL FINANCIAL STATEMENTS

Custodian of Good Governance

# 5.1 REPORT OF THE ACCOUNTING OFFICER

## FOR THE YEAR ENDED 31 MARCH 2008

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

### 5.1.1 GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

#### Policy review and strategic issues facing the department

The PSC has succeeded in positioning itself as Custodian of Good Governance in the South African Public Service. However, given the implications of a Single Public Service on the broadening of the mandate of the PSC it will, however, face real challenges in maintaining the level of engagement on all areas of public administration unless urgent attention is given to improve its financial and human resource capacity.

The Public Service Amendment Act passed by Parliament during 2007 has also increased the breadth of the PSC's mandate. In terms of this Act, the PSC may issue directives aimed at ensuring compliance with the Act under section 196(4)(d) of the Constitution regarding the personnel practices of recruitment, promotion, transfer and dismissal. This is an unfunded mandate and the PSC's resources will have to be increased to give effect to the provisions of the Act.

As effective Monitoring and Evaluation is at the heart of the PSC's oversight mandate, measures were taken during the year to deepen work in this area through the introduction of meta-evaluation. Meta-evaluation is essentially an evaluation of an evaluation, and its use raises valuable opportunities for the PSC to improve the quality of its evaluation and the use of secondary analysis in oversight. The PSC will however, need to build the necessary capacity to apply and promote meta-evaluation.

During 2009 the terms of office of many of the current Commissioners, including that of the current Chairperson will be coming to an end. As a result the PSC will be experiencing a "changing of the guard" and will experience challenges in ensuring a smooth transition. The PSC is confident that the necessary stability will be provided through the remaining Commissioners and the Office to ensure that there is no interruption in the performance of its technical oversight responsibilities.

#### Significant events that have taken place during the year

The services and support of the PSC have in recent years increasingly been required in other parts of the Continent. In this regard, the PSC has, among others, spearheaded the establishment of an Association of African Public Services Commissions, as well as entered into a Memorandum of Understanding to provide technical assistance to the South-ern Sudan Civil Service Commission. The PSC believes that these initiatives mark the beginning of more involvement in regional integration efforts, and that these will pose additional resource challenges to the organisation.

An international Human Resource Conference was also co-hosted with the International Public Management Association for Human Resources during April 2007. The conference was a resounding success and allowed South African human resource practitioners an opportunity to share knowledge and best practice with their international counterparts.

The PSC, during the year under review, for the first time, conducted hearings with Heads of Department as part of its methodology in investigating public administration practices. The hearings focused on challenges in achieving disability equity in the Public Service and succeeded in providing participants with a more holistic understanding of the dynamics involved in employing persons with disabilities.

#### Major projects undertaken during the year

During the year under review the PSC has completed and printed 35 reports of which the following are highlighted:

- State of the Public Service Report for 2007;
- Report on the Investigation into the Management of Public Servants in terms of Prevailing Provisions who are elected as Municipal Councillors;
- Overview of the Financial Misconduct for the 2006/07 Financial Year;
- Report on the Indebtedness of Public Servants;
- Oversight Report on the Verification of Qualifications in the Public Service; and
- Report on the Audit of Vacancy Rates in National and Provincial Departments.

#### The PSC has also undertaken the following major projects:

At the request of the Minister of Land Affairs and Agriculture the PSC conducted an investigation into critical areas of service delivery in the Department of Land Affairs. The PSC had to assign dedicated resources to the investigation which covered a broad spectrum of components in the department such as Corporate Services and the Deeds Office. The extent of the investigation had a significant impact on the PSC's ability to timely deliver on the other areas of its approved work plan.

Another project in the area of public administration investigation was an assessment of the indebtedness of public servants that identified major concerns regarding the extent to which public servants service debt through garnishee orders and micro lending payments.

Following the piloting of an Inspections Protocol in 2006/07, the PSC rolled out a programme of inspecting service delivery sites during the year under review. The inspections focussed on provincial and district offices as well as selected schools in eight (8) of the country's provinces. The inspections generated valuable first hand information on service

delivery in these institutions and resulted in key recommendations being made.

### Spending trends
For the financial year 2007/08, the Public Service Commission's (PSC) Vote 10, received R105, 357 million from National Treasury. An additional amount of R2, 807 million, which was made up of R527 000 for roll-over and R2, 280 million in respect of the recognition of service in the former Non-Statutory Forces (NSF) as pensionable service in the Government Employees Pension Fund, was allocated in the Adjustments Estimate. The surplus on the budget for the 2007/08 financial year was R29 658. This represents 0.03% of the total budget allocation for 2007/08.

### Virement
Virement was applied twice in the 2007/08 financial year and approval was granted by the Accounting Officer. The virement is explained in detail in the Annual Financial Statements.

The budget allocation of Programme 1 was increased with R3, 757 million and that of Programmes 2 and 3 were reduced by R2, 250 million and R1 507 million respectively.

The budget allocation of Programme 1 was increased to cater for the additional costs of the re-determination of the term of office of the former Deputy Chairperson of the PSC, the upgrade of the Information Technology infrastructure with regard to purchase of capital assets and to make good minor over expenditure on goods and services.

### 5.1.2. SERVICES RENDERED BY THE PSC

### Mandate of the PSC
The PSC, as an independent and impartial institution, established by the Constitution, 1996, has been tasked and empowered to, amongst other functions and powers, investigate, monitor and evaluate the organization and administration of the Public Service. The PSC must also promote measures to ensure effective and efficient performance within the Public Service and to promote values and principles of public administration as set out in the Constitution, throughout the Public Service.

The PSC comprises 14 Commissioners: 5 Pretoria-based Commissioners and one resident Commissioner in each province. The PSC is supported by the Office of the PSC, with its Head Office in Pretoria and one Regional Office in each province. The Office of the PSC is headed by the Director-General.

### Tariff Policy
The PSC does not charge tariffs to departments.

### Free Services
The PSC does not charge departments for services rendered in terms of its mandate and functions. It provides these services within its allocated budget.

### Inventories
Inventories, such as stationery and domestic consumables, amount to R 339 089.70 as at year end.

### 5.1.3 CAPACITY CONSTRAINTS

The PSC's limited financial resources has impacted negatively in critical areas such as improving investigative capacity in relation to complaints received by the PSC through its access mechanisms (the Complaints Rules and the NACH), increasing the annual sample of departments in which the transversal M&E system is applied, as well as actioning directives as provided for in section 196(4) of the Constitution of the Republic of South Africa, 1996. Despite the need for additional resources, there has not been an increase in the budget or human resources. Furthermore, in 2008/09 the PSC did not receive additional funds for strengthening its oversight, promotional and directional role. The PSC is of the view that this situation requires urgent attention if the PSC is to maintain the quality of its supportive role to the Executive and Parliament.

The Single Public Service Bill which is currently before Parliament will have a direct impact on the PSC in so far as its jurisdiction is concerned. Should the Bill become an Act this will result in the PSC's mandate extending to local government. This will have a significant impact on the resources of the PSC, which as already indicated, has not been strengthened. The PSC views the local sphere of government as most important from a service delivery perspective and substantial additional budgetary and human resources will be required if the PSC is to effectively perform its technical oversight role in this sphere of government.

### 5.1.4 UTILISATION OF DONOR FUNDS

During the financial year the PSC received an amount of R100 000, relating to the 2006/07 financial year, from the Department for International Development (DFID), to fund the co-hosting of the First South African Monitoring and Evaluation Conference (SAMEA) that was held in March 2007.

### 5.1.5 TRADING ENTITIES AND PUBLIC ENTITIES

The PSC does not have any Trading Entities/Public Entities under its control.

### 5.1.6 ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

The PSC has not made any transfer payments to any organisation during the period under review.

### 5.1.7 PUBLIC PRIVATE PARTNERSHIPS (PPP)

The PSC did not enter into any Public Private Partnerships during the period under review.

### 5.1.8 CORPORATE GOVERNANCE ARRANGEMENTS

The following governance arrangements have been put into place:

#### Risk management
The risk management approach entails the identification of strategic and significant operational, reputation and public image, performance, community, employees and financial risks within the PSC. The risk management function is out-sourced in order to assist the PSC in fulfilling this management responsibility.

#### Fraud prevention policies
The PSC has approved and implemented the Fraud Prevention Policy and Fraud Prevention Plan for the 2007/08 financial year. A Fraud Prevention Committee was appointed and meets to discuss fraud related matters.

#### Effectiveness of internal audit and audit committee
The internal audit function is outsourced and SAB&T were appointed for a period of 36 months effective from 1 October 2007 to assist the PSC in accomplishing its objectives to evaluate and improve the effectiveness of the organisation's risk management, control, as well as governance processes.

An audit committee was appointed for a period of 24 months and quarterly meetings were held during the 2007/08 financial year. The primary purpose of the committee is to assist the Accounting Officer in fulfilling the oversight responsibility required in terms of PFMA, related Treasury Regulations and Corporate Governance best practice.

#### Other governance structures
The PSC also has other appropriate governance structures to deal with ongoing management issues namely:

#### Public Service Commission Plenary
This is a quarterly meeting of all the Commissioners together with the Executive Management of the OPSC where policy issues are discussed and decisions in this regard taken. Furthermore, the strategic plan as well as the annual work plan of the PSC are also considered and approved at such meetings.

#### Executive Committee
The Executive Committee (EXCO) comprises the Chairperson, Deputy Chairperson, Director-General, the Deputy Directors-General and the Pretoria based Commissioners as well as one Regional Commissioner on a rotational basis. It meets fortnightly to consider and make operational decisions within the parameters of the policy framework including ad hoc projects. These decisions are subsequently tabled at full plenary where all the Commissioners are present.

#### Specialist Teams
The Specialist Teams comprise selected Senior Officials from the OPSC as well as selected Commissioners. These meet on a quarterly basis to consider progress on projects and related issues. Currently, there are four (4) Specialists Teams, namely:

- Governance Monitoring and Leadership and Performance Improvement
- Labour Relations Improvement, Public Administration Investigations and Professional Ethics and Human Resource Reviews
- Service Delivery and Quality Assurance
- Institution Building and Strategic Operations

#### Executive Management Committee
This Committee consists of Executive Managers from the OPSC. It meets on a monthly basis to monitor progress on projects and takes management decisions on various issues affecting the OPSC.

#### Management Committee
This is a Forum comprising Executive and Senior Managers from the OPSC. It meets quarterly to discuss progress on projects in the work plan. The feedback received at the meeting is linked to the feedback in the quarterly reports submitted to National Treasury and the Minister.

#### Management processes
The management of conflict of interest in the PSC is dealt with in accordance with the Financial Disclosures Framework. Officials involved in Supply Chain Management and members of various Departmental Control Committees also declare conflicts of interest.
Over and above the Code of Conduct for Public Servants, the PSC has developed a Code of Ethics and Conduct for its employees. The PSC is also in the process of drafting a Code of Conduct for Supply Chain Management Practitioners and other role players.

A Security, Health and Safety Committee is in place and meets quarterly.

### 5.1.9 DISCONTINUED ACTIVITIES

No activities were discontinued during the period under review.

### 5.1.10 NEW OR PROPOSED ACTIVITIES

The department has adopted a revised organisational structure to ensure that it fulfils its constitutional mandate and strengthens its strategic and operational support. This has resulted in the restructuring of line functions around six key performance areas, which translates to the strategic goals of the organisations namely: monitoring and evaluation; the assessment of service delivery and compliance evaluation; leadership and human resource reviews; labour relations improvements; public administration investigations (not reviews) and the promotion of professional ethics. An addi-

tional key performance area relates to institutional building and strategic operations.

### 5.1.11 ASSET MANAGEMENT

The PSC has captured all official assets in the asset register and the register complies with the minimum requirements as set by National Treasury.

The Directorate: Financial and Procurement Management is responsible for the following asset management functions:

- Ensure the adherence to Asset Management reporting requirements; and
- Ensure that officials are sufficiently trained on Asset Management processes and systems within the PSC.

The Asset Management Strategy and Asset Management Policy were developed, approved and implemented in the 2007/08 financial year.

The PSC complies with the following Asset Management Reforms (AMR) milestones for the reporting period:

- Asset Management Strategy;
- Assets accurately valued; and
- Asset Management Practices (including the Asset Registers) comply with the Asset Management Framework.

### 5.1.12. EVENTS AFTER THE REPORTING DATE

There were no material events that occurred after 31 March 2008.

### 5.1.13 PERFORMANCE INFORMATION

The PSC has developed and implemented a Process for Reporting on Performance Information. The document defines the processes involved in collecting and reporting on performance information, defines roles and responsibilities for managing performance information and maps out the governance structures for managing performance information. The performance information is reported at the various governance structures of the PSC namely: Public Service Commission Plenary, Executive Committee (EXCO) and Executive Management Committee (EXMA). The information is reported to the National Treasury on a quarterly basis and is verified by the Internal Auditors and the Auditor General.

### 5.1.14 SCOPA RESOLUTIONS

There were no SCOPA resolutions for the 2007/08 financial year.

### PRIOR MODIFICATIONS TO AUDIT REPORTS

The PSC has implemented an audit issues tracking system to ensure that audit issues raised by the Auditor General are followed up. The audit issues tracking system is presented at management meetings and the Audit Committee meetings.

### EXEMPTIONS RECEIVED FROM THE NATIONAL TREASURY

There were no exemptions received from the National Treasury.

### 5.1.15 OTHER

There are no material facts or circumstances addressed elsewhere in this report which may have an effect on the understanding of the financial state of affairs.

### APPROVAL

The annual financial statements set out on pages 94 to 128 have been approved by the Accounting Officer.

MS OR RAMSINGH
DIRECTOR-GENERAL
DATE: 31 May 2008

# 5.2 REPORT OF THE AUDITOR-GENERAL

TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 10: OFFICE OF THE PUBLIC SERVICE COMMISSION FOR THE YEAR ENDED 31 MARCH 2008

## REPORT ON THE FINANCIAL STATEMENTS

### Introduction

5.2.1    I have audited the accompanying financial statements   of the Office of the Public Service Commission which comprise the appropriation statement, statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages 94 to 128.

### Responsibility of the accounting officer for the financial statements

5.2.2    The accounting officer is responsible for the prepa ration and fair presentation of these financial state ments in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in the note xx 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 pre sentation of financial statements that are free from material misstatement, whether due to fraud or error

•    selecting and applying appropriate accounting poli cies

•    making accounting estimates that are reasonable in the circumstances.

### Responsibility of the Auditor-General

5.2.3    As required by section 188 of the Constitution of the Republic of South Africa, 1996 read withsection 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.

5.2.4    I conducted my audit in accordance with the In ternational 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.

5.2.5    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 thserisk 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.

5.2.6    An audit also includes evaluating the:

•    appropriateness of accounting policies used

•    reasonableness of accounting estimates made by management

•    overall presentation of the financial statements.

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

### Basis of accounting

5.2.8    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 the note xx to the financial statements.

### Opinion

5.2.9    In my opinion the financial statements present fairly, in all material respects, the financial position of the Office of Public Service Commission 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 the note xx to the financial statements and in the manner required by the PFMA.

## OTHER MATTER(S)

Without qualifying my audit opinion, I draw attention to the following matter(s) that relate to my responsibilities in the audit of the financial statements:

### Matters of governance

5.2.10   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 implementtion of certain key governance responsibilities, which I have assessed as follows:

| Matter of governance | Yes | No |
|---|---|---|
| • The department had an audit committee in operation throughout the financial year. | Yes | |
| • The audit committee operates in accordance with approved, written terms of reference. | Yes | |
| • The audit committee substantially fulfilled its responsibilities for the year, as set out in [section 77 of the PFMA and Treasury Regulation 3.1.10/27.1.8. | Yes | |
| **Internal audit** | | |
| • The department had an internal audit function in operation throughout the financial year. | Yes | |
| • The internal audit function operates in terms of an approved internal audit plan. | Yes | |
| • The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2/27.2. | Yes | |
| **Other matters of governance** | | |
| The annual financial statements were submitted for audit as per the legislated deadlines, section 40 of the PFMA. | Yes | |
| The financial statements submitted for audit were not subject to any material amendments resulting from the audit. | | No |
| No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management. | Yes | |
| The prior year's external audit recommendations have been substantially implemented. | Yes | |

## OTHER REPORTING RESPONSIBILITIES

### Report on performance information
5.2.11   I have reviewed the performance information as set out on pages 19 to 60.

### Responsibility of the accounting officer for the performance information
5.2.12   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.

### Responsibility of the Auditor-General
5.2.13   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.

5.2.14   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, pro cesses and procedures. The procedures selected depend on the auditor's judgement.

5.2.15   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.

## APPRECIATION

5.2.16.   The assistance rendered by the staff of the Office of the Pu blic Service Commission during the audit is sincerely appreciated.

*Auditor - General.*

**Pretoria**

**31 July 2008**

AUDITOR·GENERA

# 5.3 ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

## 5.3.1 Presentation of the Financial Statements

### 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.

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

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

### 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.

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

## 5.3.2 Revenue

### Appropriated funds
Appropriated and adjusted 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.

### 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.

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

### Tax revenue
Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

### Sales of goods and services other than capital assets
The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

### Fines, penalties & forfeits
Fines, penalties & 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.

### Interest, dividends and rent on land
Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

### 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.

### 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 is 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.

### 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 the annexures to the financial statements.

### 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 are 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 recognized as a receivable in the statement of financial position.

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

### CARA Fund assistance
All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as current or capital expenditure in the statement of financial performance.

Any unspent CARA funds are transferred to Retained Funds as these funds do not need to be surrendered to the National Revenue Fund.

## 5.3.3   Expenditure

### Compensation of employees
### 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). Capitalised compensation forms part of the expenditure for capital assets in the

statement of financial performance .

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.

### 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/Provincial 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).

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

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

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

### Goods and services
Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets cost-

ing less than R5000 will also be reflected under goods and services.

### Interest and rent on land

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

### 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.

### 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.

### 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.

### 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.

### Transfers and subsidies

Transfers and subsidies are recognised as an expense when the payment is effected on the system (by no later than 31

March of each year).

### Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

## 5.3.4 Assets

### 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.

### Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

### 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.

### 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.

### 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

### Inventory

Inventories purchased during the financial year are disclosed

at cost in the notes.

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

Disclosure Notes 23 and 24 reflect the total movement in the asset register for the current financial year.

## 5.3.5   Liabilities

### Voted funds to be surrendered to the 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

### 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.

### Bank overdraft

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

### Payables

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

### Contingent liabilities

Contingent liabilities are included in the disclosure notes.

### Commitments

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

### Accruals

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

### 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.

### Lease commitments

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

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.

## 5.3.6   Net Assets

### Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period.  Amounts are transferred to the National Revenue Fund on disposal, repayment or recovery of such amounts.

### Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

### Related party transactions

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

### Key management personnel

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

### Public private partnerships

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

# APPROPRIATION STATEMENT
## 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 | 53,239 | - | 2,958 | **56,197** | 56,191 | 6 | 100.5% | 49,405 | 49,260 |
| Transfers and subsidies | 32 | - | 2 | **34** | 32 | 2 | 94.1% | 62 | 47 |
| Payment for capital assets | 1,927 | - | 797 | **2,724** | 2,724 | - | 100.0% | 1,927 | 1,667 |
| 2. Investigations and Human Resource Reviews | | | | | | | | | |
| Current payment | 28,312 | - | -2250 | **26,062** | 26,052 | 10 | 98.9% | 24,219 | 24,079 |
| Transfers and subsidies | - | - | - | **-** | - | - | - | 20 | 13 |
| 3. Monitoring and Evaluation | | | | | | | | | |
| Current payment | 24,654 | - | -1,507 | **23,147** | 23,135 | 12 | 99.9% | 21,356 | 20,991 |
| Transfers and subsidies | - | - | - | - | - | - | - | 14 | 11 |
| **Subtotal** | **108,164** | **-** | **-** | **108,164** | **108,134** | **30** | **100.0%** | **97,003** | **96.068** |
| **TOTAL** | **108,164** | **-** | **-** | **108,164** | **108,134** | **30** | **100.0%** | **97,003** | **96,068** |
| Reconciliation with Statement of Financial Performance | | | | | | | | | |
| Add: | | | | | | | | | |
| Prior year unauthorised expenditure approved with funding | | | | - | | | | - | |
| Departmental receipts | | | | 164 | | | | 163 | |
| Local and foreign aid assistance received | | | | - | | | | 319 | |
| Actual amounts per Statement of Financial Performance (Total Revenue) | | | | 108,328 | | | | 97,485 | |
| Add: | | | | | | | | | |
| Local and foreign aid assistance | | | | | 100 | | | | 240 |
| **Actual amounts per Statement of Financial Performance (Total Expenditure)** | | | | | **108,234** | | | | **96,308** |

# APPROPRIATION STATEMENT
## FOR THE YEAR ENDED 31 MARCH 2008

| APPROPRIATION PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2007/08 | | | | | | | 2006/07 | |
| | Adjusted Appro-priation | Shifting of Funds | Virement | Final Appropria-tion | Actual Expenditure | Vari-ance | Expenditure as % of final appropria-tion | Final Appropria-tion | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Current payments** | | | | | | | | | |
| Compensation of employees | 74,126 | - | -3,938 | **70,188** | 70,163 | 25 | 100.0% | 61,627 | 61,487 |
| Goods and services | 32,079 | - | 3,139 | **35,218** | 35,193 | 25 | 99.9% | 33,353 | 32,672 |
| Financial transactions in assets and liabilities | - | - | - | **-** | 22 | -22 | 0.0% | - | 171 |
| **Transfers and subsidies** | - | - | - | **-** | - | - | - | 67 | 43 |
| Foreign governments and international organisations | 32 | - | 2 | **34** | 32 | 2 | 94.1% | 29 | 28 |
| **Payments for capital assets** | | | | | | | | | |
| Machinery and equipment | 1,927 | - | 665 | **2,592** | 2,592 | - | 100.0% | 1,927 | 1,667 |
| Software and other intangible assets | - | - | 132 | **132** | 132 | - | 0.0% | - | - |
| **TOTAL** | **108,164** | **-** | **-** | **108,164** | **108,134** | **30** | **100%** | **97,003** | **96,068** |

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# DETAIL PER PROGRAMME 1 - ADMINISTRATION
## FOR THE YEAR ENDED 31 MARCH 2008

| Programme per subprogramme | 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 |
| 1.1 Public Service Commission | | | | | | | | | |
| Current payment | 12,804 | - | 1,573 | **14,377** | 14,365 | 12 | 99.9% | 13,016 | 12,956 |
| Transfers and subsidies | - | - | - | **-** | - | - | | 14 | 8 |
| 1.2 Management | | | | | | | | | |
| Current payment | 5,636 | - | -161 | **5,475** | 5,474 | 1 | 100.0% | 4,556 | 4,533 |
| Transfers and subsidies | 32 | - | 2 | **34** | 32 | 2 | 94.1% | 34 | 29 |
| 1.3 Corporate Services | | | | | | | | | |
| Current payment | 34,799 | - | 1,546 | **36,345** | 36,352 | -7 | 100.0% | 31,833 | 31,771 |
| Transfers and subsidies | - | - | - | **-** | - | - | - | 14 | 10 |
| Payment for capital assets | 1,927 | - | 665 | **2,592** | 2,592 | - | 100.0% | 1,927 | 1,667 |
| **TOTAL** | **55,198** | **-** | **3,757** | **58,955** | **58,947** | **8** | **100.0%** | **51,394** | **50,974** |

| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
|---|---|---|---|---|---|---|---|---|---|
| **Current payments** | | | | | | | | | |
| Compensation of employees | 34,239 | - | 138 | **34,377** | 34,357 | 20 | 99.9% | 28,816 | 28,761 |
| Goods and services | 19,000 | - | 2,820 | **21,820** | 21,812 | 8 | 100.0% | 20,589 | 20,340 |
| Financial transactions in assets and liabilities | - | - | - | **-** | 22 | -22 | 0.0% | - | 159 |
| **Transfers and subsidies** | | | | | | | | | |
| Provinces and municipalities | - | - | - | **-** | - | - | - | 33 | 19 |
| Universities and technikons | - | - | - | **-** | - | - | - | - | - |
| Financial transactions in assets and liabilities | - | - | - | **-** | 22 | -22 | 0.0% | - | 159 |
| Foreign governments and international organisations | 34 | - | 2 | **34** | 32 | 2 | 94.1% | 29 | 28 |
| **Payments for capital assets** | | | | | | | | | |
| Machinery and equipment | 1,927 | - | 665 | **2,592** | 2,592 | - | 100.0% | 1,927 | 1,667 |
| Software and other intangible assets | - | - | 132 | **132** | 132 | - | 0.0% | - | - |
| **TOTAL** | **55,198** | **-** | **3,757** | **58,955** | **58,947** | **8** | **100.0%** | **51,394** | **50,974** |

# DETAIL PER PROGRAMME 2 - INVESTIGATIONS & HUMAN RESOURCE REVIEWS
FOR THE YEAR ENDED 31 MARCH 2008

| Programme per subprogramme | 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 |
| 1.1  Labour Relations Improvements | | | | | | | | | |
| Current payment | 6,287 | - | 199 | **6,486** | 6,531 | -45 | 100.7% | 5,986 | 5,962 |
| Transfers and subsidies | - | - | - | **-** | - | - | - | 5 | 4 |
| Payment for capital assets | - | - | - | **-** | - | - | - | - | - |
| 2.2  Public Administration Investigations | | | | | | | | | |
| Current payment | 10,818 | - | -521 | **10,297** | 10,324 | -27 | 100.3% | 9,935 | 9,883 |
| Transfers and subsidies | - | - | - | **-** | - | - | - | 7 | 6 |
| Payment for capital assets | - | - | - | **-** | - | - | - | - | - |
| 2.3  Professional Ethics and Human Resource Reviews | | | | | | | | | |
| Current payment | 11,207 | | -1,928 | **9,279** | 9,197 | 82 | 99.1% | 8,298 | 8,234 |
| Transfers and subsidies | - | - | - | **-** | - | - | - | 8 | 3 |
| Payment for capital assets | - | - | - | **-** | - | - | - | - | - |
| **TOTAL** | **28,312** | **-** | **-2,250** | **26,062** | **26,052** | **10** | **100.0%** | **24,239** | **24,092** |

| 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 | 21,426 | - | -2,791 | **18,635** | 18,631 | 4 | 100.0% | 17,837 | 17,800 |
| Goods and services | 6,886 | - | 541 | **7,427** | 7,421 | 6 | 99.9% | 6,382 | 6,274 |
| Financial transactions in assets and liabilities | - | - | - | **-** | - | - | - | - | 5 |
| **Transfers and subsidies** | | | | | | | | | |
| Provinces and municipalities | - | - | - | **-** | - | - | - | 20 | 13 |
| **Payments for capital assets** | | | | | | | | | |
| Machinery and equipment | - | - | - | **-** | - | - | - | - | - |
| **TOTAL** | **28,312** | **-** | **-2,250** | **26,062** | **26,052** | **10** | **100,0%** | **24,239** | **24,092** |

# DETAIL PER PROGRAMME 3 - MONITORING & EVALUATION
## FOR THE YEAR ENDED 31 MARCH 2008

| 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 |
| 3.1 Governance Monitoring | | | | | | | | | |
| Current payment | 9,502 | - | -446 | **9,056** | 9,046 | 10 | 99.9% | 8,855 | 8,596 |
| Transfers and subsidies | - | - | - | **-** | - | - | - | 5 | 4 |
| Payment for capital assets | - | - | - | **-** | - | - | - | - | - |
| 3.2 Leadership and Performance Improvement | | | | | | | | | |
| Current payment | 6,489 | - | -884 | **5,605** | 5,604 | 1 | 100.0% | 4,668 | 4,624 |
| Transfers and subsidies | - | - | - | **-** | - | - | - | 4 | 3 |
| Payment for capital assets | - | - | - | **-** | - | - | - | - | - |
| 3.3 Service Delivery and Quality Assurance | | | | | | | | | |
| Current payment | 8,663 | - | -177 | **8,486** | 8,485 | 1 | 100.0% | 7,833 | 7,771 |
| Transfers and subsidies | - | - | - | **-** | - | - | - | 5 | 4 |
| Payment for capital assets | - | - | - | **-** | - | - | - | - | - |
| **TOTAL** | **24,654** | **-** | **-1,507** | **23,147** | **23,135** | **12** | **99.9%** | **21,370** | **21,002** |

| 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 | 18,461 | - | -1,285 | **17,176** | 17,175 | 1 | 100.0% | 14,974 | 14,926 |
| Goods and services | 6,193 | - | -222 | **5,971** | 5,960 | 11 | 99.8% | 6,382 | 6,058 |
| Financial transactions in assets and liabilities | - | - | - | **-** | - | - | - | - | 7 |
| **Transfers and subsidies** | | | | | | | | | |
| Provinces and municipalities | - | - | - | **-** | - | - | - | 14 | 11 |
| **Payments for capital assets** | | | | | | | | | |
| Machinery and equipment | - | - | - | **-** | - | - | - | - | - |
| **TOTAL** | **24,654** | **-** | **-1,507** | **23,147** | **23,135** | **12** | **99.9%** | **21,370** | **21,002** |

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

        Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A - B) to the Annual Financial Statements.

2.      Detail of specifically and exclusively appropriated amounts voted (after Virement):

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

3.      Detail on financial transactions in assets and liabilities

        Detail of these transactions per programme can be viewed in note 6 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

| Per Programme | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|---|---|---|---|---|
| | R'000 | R'000 | R'000 | % |
| Programme 1 - Administration | 58,955 | 58,947 | 8 | 0.01 |
| Saving due to vacancies that will be filled in the next financial year. | | | | |
| Programme 2 – Investigations and Human Resource Reviews | 26,062 | 26,052 | 10 | 0.04 |
| Saving due to printing of reports that will be finalised in the next financial year. | | | | |
| Programme 3 – Monitoring and Evaluation | 23,147 | 23,135 | 12 | 0.05 |
| Saving due to projects that will be finalized in the next financial year. | | | | |
| Per economic classification: | | | | |
| Current payment: | | | | |
| Compensation of employees | 70,188 | 70,163 | 25 | 0.4 |
| Goods and Services | 35,218 | 35,193 | 25 | |
| Financial transactions in assets and liabilities | - | 22 | - | - |
| | | | | |
| Transfers and subsidies: | | | | |
| Foreign governments and international organisations | 34 | 32 | 2 | 5.88 |
| | | | | |
| Payments for capital assets: | | | | |
| Machinery and equipment | 2,592 | 2,592 | - | - |
| Software and other intangible assets | 132 | 132 | - | - |

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# STATEMENT OF FINANCIAL PERFORMANCE
## FOR THE YEAR ENDED 31 MARCH 2008

| | Note | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| **REVENUE** | | | |
| Annual appropriation | 1 | 108,164 | 97,003 |
| Departmental revenue | 2 | 164 | 163 |
| Local and foreign aid assistance | 3 | - | 319 |
| **TOTAL REVENUE** | | **108,328** | **97,485** |
| | | | |
| **EXPENDITURE** | | | |
| **Current expenditure** | | | |
| Compensation of employees | 4 | 70,163 | 61,487 |
| Goods and services | 5 | 35,193 | 32,672 |
| Financial transactions in assets and liabilities | 6 | 22 | 171 |
| Local and foreign aid assistance | 3 | 100 | 240 |
| **Total current expenditure** | | **105,478** | **94,570** |
| | | | |
| **Transfers and subsidies** | 7 | 32 | 71 |
| | | | |
| Expenditure for capital assets | | | |
| Machinery and equipment | 8 | 2,592 | 1,667 |
| Software and other intangible assets | 8 | 132 | - |
| **Total expenditure for capital assets** | | **2,724** | **1,667** |
| | | | |
| **TOTAL EXPENDITURE** | | **108,234** | **96,308** |
| | | | |
| **SURPLUS FOR THE YEAR** | | **94** | **1,177** |
| | | | |
| Reconciliation of Net Surplus for the year | | | |
| Voted Funds | 12 | 30 | 935 |
| Departmental Revenue | 13 | 164 | 163 |
| Local and foreign aid assistance | 3 | -100 | 79 |
| | | | |
| **SURPLUS FOR THE YEAR** | | **94** | **1,177** |

# STATEMENT OF FINANCIAL POSITION
## AS AT 31 MARCH 2008

| | Note | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| **ASSETS** | | | |
| | | | |
| Current assets | | **2,171** | **3,315** |
| Cash and cash equivalents | 9 | 1,448 | 2,816 |
| Prepayments and advances | 10 | 79 | 4 |
| Receivables | 11 | 644 | 495 |
| | | | |
| **TOTAL ASSETS** | | **2,171** | **3,315** |
| | | | |
| **LIABILITIES** | | | |
| | | | |
| Current liabilities | | 1,885 | 3,218 |
| Voted funds to be surrendered to the Revenue Fund | 12 | 30 | 935 |
| Departmental revenue to be surrendered to the Revenue Fund | 13 | 3 | 9 |
| Payables | 14 | 1,852 | 2,174 |
| Local and foreign aid assistance unutilised | 3 | - | 100 |
| | | | |
| **TOTAL LIABILITIES** | | **1,885** | **3,218** |
| | | | |
| NET ASSETS | | **286** | **97** |
| | | | |
| Represented by: | | | |
| Recoverable revenue | | **286** | **97** |
| | | | |
| **TOTAL** | | **286** | **97** |

# STATEMENT OF CHANGES IN NET ASSETS
## FOR THE YEAR ENDED 31 MARCH 2008

| | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|
| Recoverable revenue | | |
| Opening balance | 97 | 147 |
| Transfers | 189 | -50 |
| Debts recovered (included in departmental receipts) | -81 | -101 |
| Debts raised | 270 | 51 |
| Closing balance | 286 | 51 |
| | | |
| **TOTAL** | **286** | **97** |

# 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 | | 108,328 | 97,485 |
| Annual appropriated funds received | 1 | 108,164 | 97,003 |
| Departmental revenue received | 2 | 164 | 163 |
| Local and foreign aid assistance received | 3 | - | 319 |
| | | | |
| Net increase in working capital | | -546 | 2,885 |
| Surrendered to Revenue Fund | 12,13 | -1,105 | -671 |
| Current payments | 3,4,5,6 | -105,478 | -94,570 |
| Transfers and subsidies paid | 7 | -32 | -71 |
| **Net cash flow available from operating activities** | 15 | **1,167** | **5,058** |
| | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for capital assets | 8 | -2,724 | -1,667 |
| **Net cash flows from investing activities** | | **-2,724** | **-1,667** |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Increase in net assets | | 189 | -50 |
| **Net cash flows from financing activities** | | **189** | **-50** |
| | | | |
| Net decrease in cash and cash equivalents | | -1,368 | 3,341 |
| | | | |
| Cash and cash equivalents at the beginning of the period | | 2,816 | -525 |
| | | | |
| **Cash and cash equivalents at end of period** | 9 | **1,448** | **2,816** |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 MARCH 2008

### 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 |
| Administration | 58,955 | 58,955 | - | 51,394 |
| Investigations & Human Resource Reviews | 26,062 | 26,062 | - | 24,239 |
| Monitoring and Evaluation | 23,147 | 23,147 | - | 21,370 |
| **Total** | **108,164** | **108,164** | **-** | **97,003** |

### 2. Departmental revenue to be surrendered to revenue fund

| | Note | 2007/08 | 2006/07 |
|---|---|---|---|
| | | R'000 | R'000 |
| Sales of goods and services other than capital assets | 2.1 | 41 | 36 |
| Interest, dividends and rent on land | 2.2 | 30 | 12 |
| Financial transactions in assets and liabilities | 2.3 | 93 | 115 |
| Total revenue collected | | 164 | 163 |
| **Departmental revenue collected** | | **164** | **163** |

#### 2.1 Sales of goods and services other than capital assets

| | 2007/08 | 2006/07 |
|---|---|---|
| Sales of goods and services produced by the department | 40 | 33 |
| Administrative fees | 40 | 33 |
| Sales of scrap, waste and other used current goods | 1 | 3 |
| **Total** | **41** | **36** |

#### 2.2 Interest, dividends and rent on land and buildings

| | 2007/08 | 2006/07 |
|---|---|---|
| Interest | 30 | 12 |
| **Total** | **30** | **12** |

#### 2.3 Financial transactions in assets and liabilities Nature of loss recovered

| | 2007/08 | 2006/07 |
|---|---|---|
| Receivables | 75 | 86 |
| Stale cheques written back | 1 | 5 |
| Other Receipts including Recoverable Revenue | 17 | 24 |
| **Total** | **93** | **115** |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 MARCH 2008

### 3. Local and foreign aid assistance

### 3.1 Assistance received in cash: Other

| | Note | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---:|---:|
| **Foreign** | | | |
| Opening Balance | | 100 | 21 |
| Revenue | | - | 319 |
| Expenditure | | 100 | 240 |
| Current | | 100 | 240 |
| **Closing Balance** | | **-** | **100** |
| | | | |
| **Total assistance** | | | |
| Opening Balance | | 100 | 21 |
| Revenue | | - | 319 |
| Expenditure | | 100 | 240 |
| Current | | 100 | 240 |
| **Closing Balance** | | **-** | **100** |
| | | | |
| **Analysis of balance** | | | |
| Local and foreign aid unutilised | | - | 100 |
| Closing balance | | **-** | **100** |

### 4. Compensation of employees

### 4.1 Salaries and Wages

| | 2007/08 | 2006/07 |
|---|---:|---:|
| Basic salary | 43,601 | 39,263 |
| Performance award | 1,438 | 1,779 |
| Service Based | 374 | 102 |
| Compensative/circumstantial | 808 | 1,358 |
| Periodic payments | - | - |
| Other non-pensionable allowances | 13,862 | 12,077 |
| **Total** | **60,083** | **54,579** |

### 4.2 Social contributions

| | 2007/08 | 2006/07 |
|---|---:|---:|
| Employer contributions | | |
| Pension | 7,955 | 5,108 |
| Medical | 2,118 | 1,794 |
| Bargaining council | 7 | 6 |
| **Total** | **10,080** | **6,908** |
| | | |
| **Total compensation of employees** | **70,163** | **61,487** |
| | | |
| Average number of employees | 239 | 222 |

### 5. Goods and services

| | Note | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| Advertising | | 468 | 396 |
| Attendance fees (including registration fees) | | 932 | 637 |
| Bank charges and card fees | | 21 | 20 |
| Bursaries (employees) | | 165 | 110 |
| Catering/ Entertainment | | 348 | 212 |
| Communication | | 2,090 | 2,158 |
| Computer services | | 2,119 | 2,498 |
| Consultants, contractors and special services | | 4,736 | 5,215 |
| Courier and delivery services | | 378 | 231 |
| Drivers' licences and permits | | 11 | 11 |
| External audit fees | 5.1 | 1,463 | 1,301 |
| Equipment less than R5000 | | 712 | 679 |
| Government motor transport | | - | 14 |
| Inventory | 5.2 | 4,853 | 2,537 |
| Legal fees | | - | 16 |
| Maintenance, repairs and running costs | | 406 | 618 |
| Municipal Services | | 814 | 794 |
| Operating leases | | 6,636 | 6,340 |
| Owned leasehold property expenditure | | 676 | 682 |
| Personnel agency fees | | 267 | 501 |
| Photographic services | | - | - |
| Plant flowers and other decorations | | 15 | 1 |
| Resettlement costs | | 688 | 82 |
| Subscriptions | | 196 | 136 |
| Translations and transcriptions | | 18 | - |
| Travel and subsistence | 5.3 | 6,361 | 6,367 |
| Venues and facilities | | 820 | 1,116 |
| **Total** | | **35,193** | **32,672** |

### 5.1 External audit fees

| | 2007/08 | 2006/07 |
|---|---|---|
| Regulatory audits | 1,226 | 877 |
| Other audits | 237 | 424 |
| **Total** | **1,463** | **1,301** |

### 5.2 Inventory

| | 2007/08 | 2006/07 |
|---|---|---|
| Domestic consumables | 40 | 45 |
| Parts and other maintenance material | 1 | - |
| Stationery and printing | 4,812 | 2,492 |
| **Total Inventory** | **4,853** | **2,537** |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 MARCH 2008

| | Note | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| **5.3 Travel and subsistence** | | | |
| Local | | 4,934 | 4,546 |
| Foreign | | 1,427 | 1,821 |
| **Total travel and subsistence** | | **6,361** | **6,367** |
| | | | |
| **6. Financial transactions in assets and liabilities** | | | |
| | | | |
| Material losses through criminal conduct | | - | 20 |
| Theft | 6.3 | - | 20 |
| Other material losses written off | 6.1 | 22 | 30 |
| Debts written off | 6.2 | - | 121 |
| **Total** | | **22** | **171** |
| | | | |
| **6.1 Other material losses written off** | | | |
| | | | |
| **Nature of losses** | | | |
| Non arrival charges | | - | 3 |
| Car accidents | | 15 | 19 |
| Cancellation fees | | 4 | 3 |
| Other | | 3 | 5 |
| **Total** | | **22** | **30** |
| | | | |
| **6.2 Debts written off** | | | |
| | | | |
| **Nature of debts written off** | | | |
| Accommodation and Air Travel | | - | 121 |
| **Total** | | **-** | **121** |
| | | | |
| **6.3 Details of theft** | | | |
| | | | |
| **Nature of debts written off** | | | |
| Laptops | | - | 20 |
| **Total** | | **-** | **20** |

Debts have been written off according to the policy on debt management as approved by the Accounting Officer.

| | Note | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| **7. Transfers and subsidies** | | | |
| | | | |
| Provinces and municipalities | Annex 1A | - | 43 |
| Foreign governments and international organisations | Annex 1B | 32 | 28 |
| **Total** | | **32** | **71** |

**8.  Expenditure for capital assets**

| | Note | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| Machinery and equipment | 23 | 2,592 | 1,667 |
| Software and other intangible assets | 24 | 132 | - |
| Computer Software | 24 | 132 | - |
| **Total** | | **2,724** | **1,667** |

**9.  Cash and cash equivalents**

| | | 2007/08 | 2006/07 |
|---|---|---|---|
| Consolidated Paymaster General Account | | 1,433 | 2,807 |
| Cash on hand | | 15 | 9 |
| **Total** | | **1,448** | **2,816** |

**10.  Prepayments and advances**

| | | 2007/08 | 2006/07 |
|---|---|---|---|
| Travel and subsistence | | 79 | 4 |
| **Total** | | **79** | **4** |

**11.  Receivables**

| | Note | Less than one year R'000 | One to three years R'000 | Older than three years R'000 | Total R'000 | Total R'000 |
|---|---|---|---|---|---|---|
| Staff debtors | 11.1 | 158 | 118 | 73 | 349 | 236 |
| Other debtors | 11.2 | 31 | 129 | 23 | 183 | 85 |
| Intergovernmental receivables | Annex 3 | 97 | - | 15 | 112 | 174 |
| **Total** | | **286** | **247** | **111** | **644** | **495** |

**11.1  Staff Debtors**

| | | 2007/08 | 2006/07 |
|---|---|---|---|
| Salary | | 110 | 116 |
| Bursary | | 199 | 73 |
| Other | | 40 | 30 |
| Travel and subsistence | | - | 17 |
| **Total** | | **349** | **236** |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 MARCH 2008

### 11.2 Other debtors

| | Note | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| Salary deductions | | 2 | - |
| Other | | 181 | 85 |
| **Total** | | **183** | **85** |

### 12. Voted funds to be surrendered to the Revenue Fund

| | | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| Opening balance | | 935 | 483 |
| Transfer from Statement of Financial Performance | | 30 | 935 |
| Paid during the year | | -935 | -483 |
| **Closing balance** | | **30** | **935** |

### 13. Departmental revenue to be surrendered to the Revenue Fund

| | | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| Opening balance | | 9 | 34 |
| Transfer from Statement of Financial Performance | | 164 | 163 |
| Paid during the year | | -170 | -188 |
| **Closing balance** | | **3** | **9** |

### 14. Payables – current

| | Notes | 30 Days R'000 | 30+ Days R'000 | Total R'000 | Total R'000 |
|---|---|---|---|---|---|
| Advances received | 14.1 | | 1,852 | 1,852 | 2,152 |
| Other payables | 14.2 | - | - | - | 22 |
| **Total** | | **-** | **1,852** | **1,852** | **2,174** |

### 14.1 Advances received

| | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|
| National Anti-Corruption Programme - DPSA | 1,852 | 2,152 |
| | **1,852** | **2,152** |

### 14.2 Other payables

| | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|
| Income tax deductions | - | 22 |
| **Total** | **-** | **22** |

### 15. Net cash flow available from operating activities

| | Note | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| Net surplus as per Statement of Financial Performance | | 94 | 1,177 |
| Add back non cash/cash movements not deemed operating activities | | 1,073 | 3,881 |
| Decrease in receivables – current | | -149 | 743 |
| Decrease in prepayments and advances | | -75 | 4 |
| Decrease in payables – current | | -322 | 2,138 |
| Expenditure on capital assets | | 2,724 | 1,667 |
| Surrenders to revenue fund | | -1,105 | -671 |
| **Net cash flow generated by operating activities** | | **1,167** | **5,058** |

### 16. Reconciliation of cash and cash equivalents for cash flow purposes

| | | 2007/08 | 2006/07 |
|---|---|---|---|
| Consolidated Paymaster General account | | 1,433 | 2,807 |
| Cash on hand | | 15 | 9 |
| **Total** | | **1,448** | **2,816** |

Custodian of Good Governance

# DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 MARCH 2008

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

## 17. Contingent liabilities

| Liable to | Nature | Note | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|---|
| Motor vehicle guarantees | Employees | Annex 2 | 319 | 422 |
| Housing loan guarantees | Employees | Annex 2 | 141 | 238 |
| Other departments (Interdepartmental unconfirmed balances) | | Annex 4 | 7 | - |
| **Total** | | | **467** | **660** |

## 18. Commitments

| | 2007/08 | 2006/07 |
|---|---|---|
| **Current expenditure** | | |
| Approved and contracted | 3,861 | 2,765 |
| | 3,861 | 2,765 |
| **Non- current expenditure** | | |
| Approved and contracted | 141 | 279 |
| | 141 | 279 |
| **Total Commitments** | **4,002** | **3,044** |

## 19. Accruals

Listed by economic classification

| | 30 Days R'000 | 30+ Days R'000 | Total R'000 | Total R'000 |
|---|---|---|---|---|
| Compensation of employees | | | | |
| Goods and services | 774 | - | 774 | 1,379 |
| **Total** | **774** | **-** | **774** | **1,379** |

| **Listed by programme level** | | |
|---|---|---|
| Programme 1: Administration | 744 | 859 |
| Programme 2: Investigations and Human Resource Reviews | 26 | 245 |
| Programme 3: Monitoring and Evaluation | 4 | 275 |
| | 774 | 1,379 |

| | Note | | |
|---|---|---|---|
| Confirmed balances with departments | Annex 4 | 95 | - |
| **Total** | | **95** | **-** |

### 20. Employee benefit provisions

| | Note | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| Leave entitlement | | 2,026 | 950 |
| Thirteenth cheque | | 1,849 | 1,791 |
| Performance awards | | 1,111 | 1,114 |
| Capped leave commitments | | 6,600 | 6,113 |
| **Total** | | **11,586** | **9,968** |

### 21. Lease Commitments
### Finance leases

| | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|---|---|---|---|---|
| **2007/08** | | | | |
| Not later than 1 year | - | - | 198 | 198 |
| Later than 1 year and not later than 5 years | - | - | 273 | 273 |
| **Total present value of lease liabilities** | **-** | **-** | **471** | **471** |
| **2006/07** | | | | |
| Not later than 1 year | - | - | 52 | 52 |
| Later than 1 year and not later than 5 years | - | - | 210 | 210 |
| **Total present value of lease liabilities** | **-** | **-** | **262** | **262** |

### 22. Key management personnel

| | No. of Individuals | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|---|
| Political Office Bearers | | | |
| Officials | 14 | 11,725 | 10,243 |
| Level 15 to 16 | 4 | 3,071 | 3,046 |
| Level 14 | 6 | 3,097 | 2,038 |
| **Total** | | **17,893** | **15,327** |

*Chairperson (1), Deputy Chairperson (1) and other members of the Commission (12).

# DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 MARCH 2008

### 23. 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 | 7,743 | 140 | 2,592 | 939 | 9,536 |
| Transport assets | 725 | - | - | - | 725 |
| Computer equipment | 5,275 | 160 | 2,219 | 928 | 6,726 |
| Furniture and office equipment | 711 | -45 | 373 | 6 | 1,033 |
| Other machinery and equipment | 1,032 | 25 | - | 5 | 1,052 |
| **TOTAL TANGIBLE ASSETS** | **7,743** | **140** | **2,592** | **939** | **9,536** |

### 23.1 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 | 2,592 | - | - | - | 2,592 |
| Computer equipment | 2,219 | - | - | - | 2,219 |
| Furniture and office equipment | 373 | - | - | - | 373 |
| Other machinery and equipment | - | - | - | - | - |
| **TOTAL** | **2,592** | **-** | **-** | **-** | **2,592** |

**23.2    DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008**

|  | Sold (Cash) | Non-cash | Total |  | Cash Received Actual |
|---|---|---|---|---|---|
|  | Cost | Fair Value | Cost |  | Cost |
|  | R'000 | R'000 | R'000 |  | R'000 |
| **MACHINERY AND EQUIPMENT** | - | **939** | **939** |  |  |
| Computer equipment | - | 928 | 928 |  | - |
| Furniture and office equipment | - | 6 | 6 |  | - |
| Other machinery and equipment | - | 5 | 5 |  | - |
| **TOTAL** | **-** | **939** | **939** |  | **-** |

**23.3    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** | **6,989** | **1,673** | **919** | **7,743** |
| Transport assets | 725 | - | - | 725 |
| Computer equipment | 5,262 | 884 | 871 | 5,275 |
| Furniture and office equipment | 36 | 682 | 7 | 711 |
| Other machinery and equipment | 966 | 107 | 41 | 1,032 |
| **TOTAL TANGIBLE ASSETS** | **6,989** | **1,673** | **919** | **7,743** |

**24.    Intangible Capital Assets**

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007**

|  | 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 | 63 | - | 132 | - | 195 |
| **TOTAL INTANGIBLE ASSETS** | **63** | **-** | **132** | **-** | **195** |

# DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 MARCH 2008

### 24.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

|  | Cash | Non-Cash | (Develop-ment 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 | 132 | - | - | - | 132 |
| **TOTAL** | **132** | **-** | **-** | **-** | **132** |

### 24.2 CAPITAL INTANGIBLE MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2007

|  | Opening balance | Additions | Disposals | Closing balance |
|---|---|---|---|---|
|  | R'000 | R'000 | R'000 | R'000 |
| COMPUTER SOFTWARE | 63 | - | - | 63 |
| **TOTAL** | **63** | **-** | **-** | **63** |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 MARCH 2008
### ANNEXURE 1A
### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | SPENT | | | 2006/07 |
|---|---|---|---|---|---|---|---|---|---|---|
|  | Division of Revenue | Roll Overs | Adjust-ments | Total Available | Actual Transfer | % of Available Funds Transferred | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
|  | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | % | R'000 |
| RSCL: CACADU DIST MUN | - | - | - | - | - | - | - | - | - | 1 |
| RSCL: MOTHEO DIST MUN | - | - | - | - | - | - | - | - | - | 1 |
| RSCL: EHLANZENI DIST MUN | - | - | - | - | - | - | - | - | - | 1 |
| RSCL: FRANCES BAARD DIST MUN | - | - | - | - | - | - | - | - | - | 1 |
| RSCL: CAPRICON DIST MUN | - | - | - | - | - | - | - | - | - | 1 |
| RSCL: TSHWANE METROPOLITAN MUN | - | - | - | - | - | - | - | - | - | 34 |

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | SPENT | | | 2006/07 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Division of Revenue | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available Funds Transferred | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | % | R'000 |
| RSCL: CAPE METROPOLITAN COUNCIL | - | - | - | - | - | - | - | - | - | 1 |
| RSCL: ZULULAND DIST MUN | - | - | - | - | - | - | - | - | - | 1 |
| RSCL: CENTRAL DIST MUN | - | - | - | - | - | - | - | - | - | 1 |
| | - | - | - | - | - | | - | - | | 43 |

#### ANNEXURE 1B
#### STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

| FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION | 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 | R'000 |
| Transfers | | | | | | | |
| CAPAM | 23 | - | - | 23 | 23 | 100.0% | 21 |
| IPMA | 5 | - | - | 5 | 5 | 100.0% | 3 |
| AAPAM | 4 | - | - | 4 | 4 | 100.0% | 4 |
| **Total** | **32** | **-** | **-** | **32** | **32** | | **28** |

#### ANNEXURE 1C
#### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

| NAME OF ORGANISATION | NATURE OF GIFT, DONATION OR SPONSORSHIP | 2007/08 | 2006/07 |
|---|---|---|---|
| | | R'000 | R'000 |
| Received in cash | | | |
| Association for Human Resource Management in International Organisation | 2007 Association for Human Resource Management in International Organisation | 70 | - |
| **Subtotal** | | **70** | **-** |
| | | | |
| Received in kind | | | |
| International Public Management Association (IPMA) | Attending the 2007 Inaugural Caribbean Region Public Sector HR Conference | 3 | - |
| The Canadian International Development Agency (CIDA) | Study tour to the Institute for Citizen Centred Service | 329 | - |
| South African World Bank | Attending Network of Networks on Impact Evaluation | 50 | - |
| **Subtotal** | | **382** | **-** |
| **TOTAL** | | **452** | **-** |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 MARCH 2008

ANNEXURE 1D
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

| NAME OF DONOR | PURPOSE | OPENING BALANCE R'000 | REVENUE R'000 | EXPENDITURE R'000 | CLOSING BALANCE R'000 |
|---|---|---|---|---|---|
| **Received in cash** | | | | | |
| Department for international Development (DFID) | SAMEA Conference | 100 | - | 100 | - |
| **Subtotal** | | **100** | **-** | **100** | **-** |
| **Received in kind** | | | | | |
| German Technical Cooperation (GTZ) | Investigation into Poor performance in the Public Service | | 203 | 203 | - |
| | Evaluation of the implementation of the Batho Pele Principle: Value for Money | | 390 | 390 | - |
| | Training needs for SMS | | 1,139 | 1,139 | - |
| | HR Conference | | 560 | 560 | - |
| | Fraud Prevention Plans | | 288 | 288 | - |
| | Management, Staff costs and overheads | | 444 | 444 | - |
| | Miscellaneous, workshops | | 250 | 250 | - |
| **Subtotal** | | **-** | **3,274** | **3,274** | **-** |
| **Total** | | **100** | **3,274** | **3,274** | **-** |

ANNEXURE 1E
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

| NATURE OF GIFT, DONATION OR SPONSORSHIP | 2007/08 R'000 | 2006/07 R'000 |
|---|---|---|
| **Paid in cash** | | |
| 1st South African Monitoring and Evaluation Association (SAMEA) Conference - South African Monitoring and Evaluation Association | - | 50 |
| 10th Annual National Public Service Trainers Conference - SA Management and Development nstitute | - | 70 |
| **Total** | **-** | **120** |

ANNEXURE 2
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 |
| | Motor vehicles | | | | | | | | |
| STANNIC | | - | 422 | - | 103 | - | 319 | - | - |
| | | - | 422 | - | 103 | - | 319 | - | - |
| | Housing | | | | | | | | |
| ABSA | | - | 62 | - | 24 | - | 38 | - | - |
| FNB | | - | 47 | - | - | - | 47 | - | - |
| NEDCOR | | - | 42 | - | 16 | - | 26 | - | - |
| OLD MUTUAL | | - | 48 | - | 48 | - | - | - | - |
| STANDARD | | - | 39 | - | 9 | - | 30 | - | - |
| | | - | 238 | - | 97 | - | 141 | - | - |
| **Total** | | - | 660 | - | 200 | - | 460 | - | - |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 MARCH 2008

### ANNEXURE 3
### INTER-GOVERNMENTAL 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** | | | | | | |
| Provincial Administration: Western Cape | - | - | 3 | 3 | 3 | 3 |
| Department of Traditional and Local Government: KwaZulu-Natal | - | - | 2 | 2 | 2 | 2 |
| Department of Education: Eastern Cape | - | | 10 | 10 | 10 | 10 |
| Department of Sport and Recreation | - | - | - | 40 | - | 40 |
| Department of Correctional Services | - | - | - | 40 | - | 40 |
| Department of Home Affairs | - | - | - | 23 | - | 23 |
| Provincial Administration: Gauteng | - | - | - | 26 | - | 26 |
| Department of Social Development | - | - | 32 | 30 | 32 | 30 |
| Department of Foreign Affairs | 10 | - | - | - | 10 | - |
| Department of Justice and Constitutional Development | 11 | | - | - | 11 | - |
| Department of Housing: Gauteng | | | 44 | - | 44 | - |
| **TOTAL** | **21** | **-** | **102** | **174** | **112** | **174** |

### ANNEXURE 4
### INTER-GOVERNMENTAL 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 |
| **Department** | | | | | | |
| **Current** | | | | | | |
| Department of Provincial and Local Government | 53 | - | - | - | 53 | - |
| Department of Transport and Public Works: Western Cape | 42 | - | - | - | 42 | - |
| Department of Justice and Constitutional Development | | | 7 | - | 7 | - |
| **TOTAL** | **95** | **-** | **7** | **-** | **102** | **-** |