



# ANNUAL REPORT

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**PUBLIC SERVICE COMMISSION**

**National Office:**

Commission House  
cnr Hamilton & Ziervogel Streets  
Arcadia 0083

Private Bag X121  
Pretoria  
Tel: (012) 328 7690  
Fax: (012) 325 8382

e-mail: [info@opsc.gov.za](mailto:info@opsc.gov.za)  
[www.psc.gov.za](http://www.psc.gov.za)

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# 2003/2004



**31 August 2004**

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

**Dear Prof Sangweni**

It is a great honour and pleasure to present to you the 2003/2004 Annual Report for the Public Service Commission.

The Report reflects the overall role played by the Commission in solidifying its position as a leader in effective administration and governance in the field of public service. It also highlights the achievements and challenges faced by the Commission in its quest to achieve the set objectives during the period under review.

Yours sincerely



**MJ SIKHOSANA**  
**DIRECTOR-GENERAL:**  
**OFFICE OF THE PUBLIC SERVICE COMMISSION**







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# FOREWORD BY THE CHAIRPERSON



*Prof SS Sangweni*

**T**he Public Service Commission (Commission/ PSC) takes pleasure in submitting its Annual Report for the 2003/2004 financial year. It is presented in terms of the provisions of section 196 of the Constitution, 1996 and sections 40 and 65 of the Public Finance Management Act, 1999.

The year under review has been exciting and has seen the Office of the Public Service Commission going through its restructuring process, which was aligned to Resolution 7 of 2002. This restructuring process was based on the Institutional Assessment exercise conducted during 2002. It was also the year in which we experienced tremendous success in the

implementation of our work plan and other activities. These are discussed in detail in this report.

During the period under review, the Commission formed part of the Interim Management Team (IMT), which was instrumental in addressing service delivery challenges in the Eastern Cape's departments of Social Development; Education; Health; Roads; and Public Works. I wish to thank the Director-General, Mr Mpume Sikhosana, together with members of the IMT and OPSC officials, who were deployed in the Eastern Cape, for a sterling job during the intervention period.

The Commission's involvement in the Eastern Cape during the period under review stretched our capacity to the limit. Despite this challenge, the Commission managed to achieve its outputs. I wish, therefore, to place on record the Commission's thanks and appreciation for the hard work and commitment of the staff of the Office of the Public Service Commission, under the leadership of the Director-General. As a result of the lengthy deployment of staff to the IMT, a number of acting appointments were made. I would, therefore, like to thank all the officials who took on acting positions during this period and, in particular, Prof Richard Levin, who was our Acting Director-General for the better part of the financial year under review.

We continue to handle employee grievances, which have not been resolved within departments.

During the period under review, the Commission succeeded in monitoring the performance of Heads of Department (HoDs), both nationally and provincially, by means of the HoD Evaluation Framework. We were also able to evaluate 23 National and 38 Provincial





HoDs. I wish to thank the Executing Authorities and the HoDs for their co-operation during the evaluation process.

In an attempt to provide strategic direction for people working in the public service, the Commission produced its third edition of the State of the Public Service Report, which focused on the ten-year journey of the public service, looking at what had been achieved and what had changed during this period.

The period under review also saw the first term of most Commissioners coming to an end. I wish to take this opportunity to thank all Commissioners, past and present, for serving the Commission with distinction during the last five years. I would also like to extend my congratulations to Commissioners who have been re-appointed and a warm welcome to the new Commissioners. I also wish Commissioners who were not re-appointed the greatest success in their future endeavours.

In conclusion, I wish to thank the Minister for the Public Service and Administration, Ms Geraldine Fraser-Moleketi, for her invaluable strategic advice and support. I also wish to thank the Chairperson of the Portfolio Committee on Public Service and Administration, Mr PJ Gomomo, for his ongoing support during the period under review.

Thank you.

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

# CHAPTER 1

## Introduction





# 1.1 OVERVIEW BY THE DIRECTOR-GENERAL



Mr MJ Sikhosana

The year under review has seen an increase in stature and acknowledgement of the Commission as the custodian of good governance. This fast growth in stature and acknowledgement makes us proud and has given us fresh motivation to deliver even better quality and more relevant services. As a result, the standard of our work has continued to rise.

As already alluded to by the Chairperson, the year under review started with several senior officials of the OPSC deployed to the Eastern Cape assisting in tackling service delivery challenges in the province. My active participation in the Interim Management Team (IMT) necessitated, as it were, that somebody fill the gap I left in an acting capacity. I am satisfied to report that Prof Richard Levin, who acted as Director-General throughout the intervening period, managed the Office

in an exceptional manner. The absence of Ms Odette Ramsingh, Deputy Director-General: Human Resource Management and Development Branch, from the Office, also on deployment to the Eastern Cape, necessitated the reshuffling of staff. Despite capacity challenges, the manner in which the Office was managed showed dedication, commitment and loyalty. I would, therefore, like to thank all officials for doubling their efforts to ensure that we achieved our strategic objectives and outputs.

Overall, the year under review was both challenging and productive. Apart from attending to our strategic objectives, the year was characterised by *ad hoc* requests for investigations, support and advice regarding a wide spectrum of public administration and governance issues. These requests were received from various spheres of government.

In line with the Commission's mandate to promote a high standard of professional ethics in the public service, the OPSC and National Treasury developed risk management guidelines to facilitate greater awareness of risk management principles, processes and practices in the public service. The development of these guidelines will also contribute to a culture where every public servant has a role and responsibility in the implementation of risk management strategies. Risk management has erroneously been seen as the sole responsibility of the Accounting Officer and Internal Audit. These guidelines will emphasise the role of each public servant at the various levels and strengthen the concept of individual accountability. The guidelines will be made available to all public servants, after approval by National Treasury.

During the year under review, the Office was engaged in the verification of qualifications of Middle Managers (Levels 11-12) in the public service. Following this verification, a report will be published in the next financial year.





The institutional review of the organisation has now been completed. This process has resulted in the re-alignment of the Office activities and, consequently, the movement of staff, in line with the skills profile and capabilities. Furthermore, this exercise was done in compliance with the PSCBC Resolution 7 of 2002.

You will recall that, in the past, the PSC experienced problems with the effective functioning of its Audit Committee. I am happy to announce that this Committee has been reconstituted and new members were appointed, effective from 01 July 2003. I wish to thank the new members of the Audit Committee for the effective manner in which they have discharged their responsibilities.

During the year under review, the Commission continued to produce valuable reports and made regular presentations to Cabinet, Parliament, Provincial Legislatures and Provincial Executive Councils. Overall, these presentations were well received. Our engagement with the Portfolio Committee on Public Service and Administration has also been consistent.

Finally, I wish to express my appreciation to both the national departments and provincial administrations for their co-operation during our engagement with them while undertaking the various projects.

I also wish to convey my gratitude to Prof Stan Sangweni, Chairperson of the Commission, and his Deputy, Mr John Ernstzen, for their leadership and support, as well as the Commissioners and staff of the OPSC for managing to effectively address as broad a mandate as ours, despite having only limited resources at their disposal. On behalf of the Office, I would like to take this opportunity to welcome all the new Commissioners appointed in the beginning of 2004 and congratulate all those who were re-appointed.

I wish to thank my colleague, Prof Richard Levin, who ably acted as Director-General during my redeployment to the Eastern Cape. I also wish to congratulate him for his appointment (with effect from 15 July 2004) as Director-General for the Department of Public Service and Administration.

A word of special thanks to the Minister for the Public Service and Administration, Ms Geraldine Fraser-Moleketi, and the Portfolio Committee on Public Service and Administration, for their unconditional support. The Office appreciates the positive engagement that took place throughout the reporting period.

**MJ SIKHOSANA**  
**DIRECTOR-GENERAL:**  
**OFFICE OF THE PUBLIC SERVICE COMMISSION**

## 1.2 INFORMATION ON THE COMMISSION

### 1.2.1 Background

The Commission was established in terms of Section 196 of the Constitution of the Republic of South Africa, 1996. The Constitution stipulates that there be a single Public Service Commission for the Republic of South Africa, consisting of fourteen members, five of which are appointed 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. The Commission is accountable to the National Assembly and must report annually to the Assembly. It must also report on its activities in each province to the legislature of the province concerned.

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

On 1 July 1999, the Public Service Laws Amendment Act, 1997 and section 15 (1) of the Public Service Commission Act, 1997, as well as the abolition of the Commission for Administration Act, 1984, came into effect.

### 1.2.2 Members

During the year under review, the terms of office of seven Commissioners came to an end. The vacant posts were advertised accordingly and were duly filled. Members of the Commission are as follows:

#### Re-appointed

##### Nominated by the National Assembly:

Prof SS Sangweni, Chairperson

(Head Office – 1 July 2004)

Mr JH Ernstzen, Deputy Chairperson

(Head Office – 1 January 2004)

Dr EG Bain, Member

(Head Office – 1 January 2004)

##### Nominated by the Provincial Legislatures:

Ms MRV Mokgalong (Limpopo Province – to be based in Pretoria/Head Office with effect from 1 July 2004)

Mr JDS Mahlangu, Member (North West Province – 1 January 2004)

Mr DW Mashego, Member (Mpumalanga – 1 January 2004)

Mr M Msoki, Member (Eastern Cape – 1 January 2004)

#### Newly appointed

##### Nominated by the National Assembly:

Ms N Mxakato-Diseko (Head Office – appointed with effect from 1 January 2004)

##### Nominated by the Provincial Legislatures:

Ms PM Tengeneni, Member (KwaZulu/Natal – appointed from 1 January 2004)

Mr P Helepi, Member (Free State – appointed from 1 January 2004)

Dr NV Maharaj, Member (Western Cape – appointed from 1 April 2004)

Mr KE Mahoi, Member (Limpopo – appointed from 1 July 2004)

#### Terms of office not yet expired:

Mr KL Mathews, Member (Northern Cape – the post will only become vacant in November 2004)

Dr R Mgijima, Member (Gauteng – the post will only become vacant in September 2005)

#### The following Commissioners were not re-appointed:

Mr FK Morule, Member (Free State)

Mr BQF Wentzel, Member (Western Cape)

Mr HGD Zondi, Member (KwaZulu/Natal)



# MEMBERS OF THE PSC



Prof SS Sangweni



Mr J Ernstzen



Ms N Mxakato-Diseko



Dr E Bain



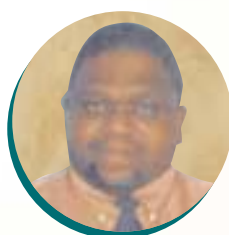
Ms K Mokgalong



Mr P Helepi



Dr N Maharaj



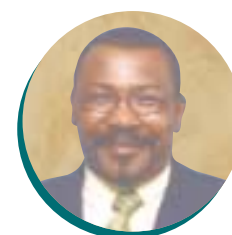
Mr S Mahlangu



Mr K Mahoai



Mr W Mashego



Mr K Mathews



Dr R Mgijima

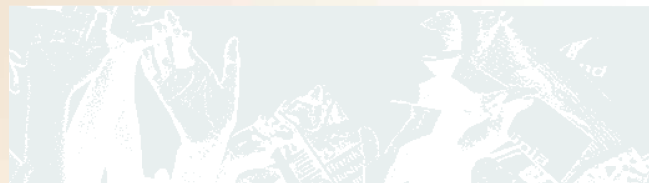


Mr M Msoki



Ms P Tengeni





### 1.2.3 Official visits abroad

During the year under review, the Chairperson of the Commission, Prof Stan Sangweni, and seven Commissioners, undertook official visits abroad. The trips were undertaken as follows:

DATE/PERIOD	NAME OF COMMISSIONER	PLACE VISITED	PURPOSE OF VISIT	OUTCOME
11-23 May 2003	Dr EG Bain Mr DW Mashego	London, England	To study methods of citizen consultation in the UK, in order to gain a practical perspective of the implications of public participation in the service delivery decision-making process of government institutions.	It was observed that most elements or factors included in various consultative and participative processes in the UK had been considered during the Citizens' Forum pilot study in South Africa. As an instrument for citizen participation, the Citizens' Forum has been found to be internationally competitive, crafted with some elements unique to the South African socio-political dynamics.
19-23 May 2003	Prof SS Sangweni			
25-31 May 2003	Dr R Mgijima Ms MRV Mokgalong	Seoul, Korea	To attend the 11th International Anti-corruption Conference, 25-28 May 2003, and Global Forum III, 29-31 May 2003.	Understanding of shared responsibilities on strategies to fight corruption and safeguarding integrity and ongoing challenges.

DATE/PERIOD	NAME OF COMMISSIONER	PLACE VISITED	PURPOSE OF VISIT	OUTCOME
09-19 July 2003	Mr JH Ernstzen Mr M Msoki	New Zealand	Study tour on performance management to gain experience on the management of the evaluation process.	Obtained more insight on the practice and evaluation of performance management.
13-19 July 2003	Mr KL Mathews	Yaounde, Cameroon	To attend the Conference on Shared Governance: Combating Poverty and Exclusion.	Able to compare service delivery standards with services provided in the Republic of South Africa.
2-8 August 2003	Prof SS Sangweni Mr FK Morule	Privy Council, Ottawa, Canada	To undertake a case study on the Performance Management Programme of HoDs in Canada.	Understanding of the performance evaluation system of HoDs in Canada and how it is applied. Lessons learned will be incorporated (where applicable) in the framework for the evaluation of heads of department in South Africa.
16-18 March 2004	Prof SS Sangweni	Mauritius	To attend the CAPAM Regional Conference with the theme: Implementing a Public Sector Performance Management System.	Understanding of the achievements and challenges of other countries with regard to the implementation of a performance management system for the public service.



### **1.2.4 Hosting of international visitors**

The Commission hosted representatives from the Chinese and Mongolian governments to exchange ideas on methodologies employed in ensuring adherence to acceptable procedures and practice in public administration.



**The delegation from China attending a briefing at the PSC Offices in Pretoria**

### **1.2.5 Institutions falling under the control of the Chairperson of the Commission**

There were no such institutions during the year under review.

### **1.2.6 Bills submitted during the financial year**

No Bills were submitted during the period under review.





## 1.3 MISSION STATEMENT

The Commission'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 Public Service Commission 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 Public Service Commission aims to promote the constitutionally enshrined democratic principles and values in 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 Commission derives its mandate from sections 195 and 196 of the Constitution, 1996. Section 195 sets out the values and principles governing public administration, which should be promoted by the Commission. 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 Commission 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 the 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 directives 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 directives 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 Commission 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).

*\*The Commission does not control any trading and/or public entities.*



## 1.5 MANAGEMENT SYSTEMS

The Commission is supported by the Office of the Public Service Commission with its head office in Pretoria and one regional office in each province. A **Director-General (DG)** heads the OPSC and is the Accounting Officer.

The work of the Commission is structured around six performance areas and two additional focus areas, as reflected in 2.1.2.2.

These areas are divided into two branches, each with three key focus areas.

**a) Branch: Human Resource Management and Labour Relations**

This branch enables the Commission to perform its labour relations and human resource management functions effectively (DDG<sup>1</sup>).

**b) Branch: Good Governance and Service Delivery**

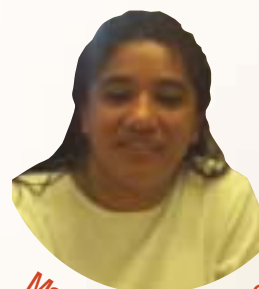
This branch enables the Commission to perform its management and service delivery improvement functions, develop professional ethics and improve risk management in the public service (DDG<sup>2</sup>).

The two branches are supported by **Corporate Services**. Corporate Services renders administrative and overall support services to the two line-function branches (DDG<sup>3</sup>).

The Commission has nine regional offices, one located in each of the provinces and established as part of a single national entity. These offices serve as a base for the regionally based Commissioners and are administered by Regional Directors and support staff. The activities of the regional offices are covered as part of the sub-programme reports under both line-function branches.



Mr MJ Sikhosana, DG



Ms OR Ramsingh, DDG<sup>1</sup>



Prof R Levin, DDG<sup>2</sup>



Mr N Khoza, DDG<sup>3</sup>

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



# CHAPTER 2

## Programme Performance



## VOTED FUNDS

Main Appropriation

R64 215 000

## 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

# 2.1 THE PUBLIC SERVICE COMMISSION



Minister for the Public Service and Administration, Ms Geraldine Fraser-Moleketi (second from right) during one of the "Letsemas"

The activities undertaken by the Commission during the period under review are discussed in this chapter per programme and sub-programme. In order to place the activities of the sub-programmes in context, however, a brief analysis of the aims and key objectives of Vote 11 (the Public Service Commission) is provided.

### 2.1.1 Aim of the Vote

The aim of the Commission is to promote the constitutional values and principles of public administration in the public service.

### 2.1.2 Key objectives and programmes

The Commission's objectives are to promote and maintain effective and efficient public administration with a high standard of professional ethics.

The core business of the Commission is to investigate, monitor, evaluate and advise on strategic public service issues. The Commission is a knowledge-based organisation, which produces and uses information to contribute to a participatory and developmental public service.

#### 2.1.2.1

#### Key objectives of the Commission are:

- building professional ethics and risk management;
- investigating allegations of corruption;
- monitoring and evaluating service delivery and improving its management;



- monitoring labour relations and improving human resource management and development;
- promoting sound institution-building in the public service; and
- monitoring the conditions of service of staff including senior management, in the public service.

### 2.1.2.2

#### The key performance areas of the Commission are:

- human resource management;
- labour relations monitoring;
- conditions of service and senior management;
- professional ethics and risk management;
- anti-corruption investigations; and
- improvement of management and service delivery.

#### Additional focus areas:

- monitoring and evaluation; and
- institution-building.

### 2.1.3 Summary of programmes

The activities of the Commission are organised into three programmes. Programme 1: Administration; Programme 2: Human Resource Management and Labour Relations; and Programme 3: Good Governance and Service Delivery.

- **Administration** manages and organises the Office of the Public Service Commission.
- **Human Resource Management and Labour Relations** enables the Commission to perform its human resource management and labour relation functions effectively by investigating, monitoring and evaluating human resource policies and practices and by the application of merit and equity principles in this regard. The

objective of this programme is to improve fair labour practices and to promote a high standard of professionalism in the public service.

- **Good Governance and Service Delivery** establishes a culture of professional ethics in the public service and assesses the implementation of risk management strategies. The objective of this programme is to investigate and evaluate management practices and service delivery to promote good governance in the public service.

Service delivery within these programmes was affected by the various external and internal factors.

#### 2.1.3.1

#### Overview of the service delivery environment for 2003/ 2004

During the period under review, the Director-General of the Office of the Public Service Commission was appointed to be part of the Interim Management Team (IMT), which assisted with the intervention in the Eastern Cape Provincial Administration. This development had a direct impact on the performance and output of the organisation.

In terms of fair and sound labour relations practices, all employees in the public service have the right to be treated with dignity, equality and fairness. This implies, among others, that the grievances of employees should be dealt with in a manner that does not prejudice any employee and affords employees a fair and just opportunity to have their grievances resolved to their satisfaction.

In view of the fact that it is also an acknowledged labour relations principle that a grievance be considered and resolved as close to its point of origin as possible and within the shortest possible period of time, the Commission published rules for dealing with the grievances of employees in the Government





Gazette of 25 July 2003. These rules were implemented with effect from 19 September 2003.

In order to further promote the visibility of the Public Service Commission in the arena of the resolution of grievances and to emphasise its commitment to service delivery, these rules were launched both on a national and a provincial level. This was done by conducting workshops with the role-players in the relevant departments/ provincial administrations.

### **2.1.3.2 Overview of the organisational environment for 2003/ 2004**

The Director-General's appointment into the IMT had a direct impact on the performance and output of the organisation, as a number of senior staff members from the two line function branches, including Deputy Director-General: Human Resource Management and Labour Relations (DDG: MLR), were also deployed to the Eastern Cape.

The Deputy Director-General: Good Governance and Service Delivery was appointed Acting Director-General throughout the intervening period, to mitigate the impact of the above. The three Chief Directors within the Human Resource Management and Labour Relations branch were appointed Acting DDG: MLR on a rotational basis.

### **2.1.3.3 Strategic overview and key policy developments for the 2003 / 2004 financial year**

During 2002/2003, a number of strategic priorities emerged for the Commission, including three not initially covered by its work plan: developing an integrated and transversal monitoring and evaluation system; conducting anti-corruption investigations; and assisting with performance management in the public

service, in particular in the evaluation of heads of departments (HoDs).

The Commission is in the process of implementing the transversal monitoring and evaluation system, which will equip it with the tools to investigate, monitor, and evaluate the public service and its administration and personnel practices.

The system is based on assessing the performance of public service entities according to a limited number of strategic performance indicators, based on the constitutional principles and values governing the public service and administration. The system will make use of participatory and self-evaluation techniques and rely on existing data, wherever possible. The objective is that the system will provide departments with clear guidelines of where improvements are needed.

Cabinet requested the Commission to develop an appropriate framework for evaluating heads of department. This has been approved and has been regulated by the Minister for the Public Service and Administration. The first evaluation period to be covered by the framework was the 2000 / 2001 financial year. Although the implementation of the framework was, in its first phase, only obligatory for heads of national departments, premiers were advised to consider implementing it in the provinces as well. All provinces, with the exception of the Western Cape, have decided to do so.

Members of the public sector institutions or the public at large report individual cases of corruption and other related matters, which require investigation, to the Commission. The Commission has established a dedicated anti-corruption unit, which deals with cases of alleged corruption referred to it. The unit investigates these cases and compiles reports for the responsible executive authority and the Portfolio Committee on Public Service and Administration.





The Commission has adopted additional mandates to those discussed above. These include: establishing and managing an anti-corruption hotline; updating and managing a register of the financial interests of public servants; and managing a register of cases of financial misconduct by public servants and the outcomes of these cases, as stipulated in the Public Finance Management Act (1 of 1999) (PFMA).

### **2.1.4 Departmental receipts**

No revenue collection was planned for the period under review. Revenue was, however, received from various different sources.

### **2.1.5 Departmental payments**

No departmental payments were made during the reporting period.

### **2.1.6 Notes on programmes**

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

## 2.2 PROGRAMME 1: ADMINISTRATION

This programme is responsible for the overall management of the Office of the Public Service Commission. It provides for policy formulation by the Minister, the Commission itself, the Director-General and members of the Office's management. Other functions include organising the Office, providing centralised administrative and legal support services, managing departmental personnel and financial administration, determining working methods and procedures and exercising internal control of the department.

The programme is divided into three sub-programmes: the Public Service Commission; Management; and Corporate Services.



*Mr N Khoza, Deputy Director-General*

### 2.2.1 Sub-programme: Public Service Commission

#### Purpose

This sub-programme provides for the conditions of service of the 14 Public Service Commissioners appointed in terms of section 196 of the Constitution, 1996.

#### Measurable objectives

The objectives and activities of the Commission are based on its constitutional mandate and are presented in its business plan for each financial year.

The objectives and activities for 2003/2004 are discussed in detail under Programme 2: Human Resource Management and Labour Relations and Programme 3: Good Governance and Service Delivery.

### 2.2.2 Sub-programme: Management

#### Purpose

This sub-programme conducts the overall management of the Office and also comprises the office of the Director-General and the heads of the two branches in the Office.

#### 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 Commission is executed in an effective way. In addition, it ensures that the Commission 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 Commission and its Office.

#### **Measurable Objectives**

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

- the implementation and maintenance of sound human resource management and development practices at the Office;
- providing effective logistical support to the Office of the Commission;
- ensuring accountable financial administration and management in the Office;
- providing effective information technology services; and
- providing effective communication and information services.

#### **Transfer payments**

There were no transfer payments during the period under review.

#### **Conditional grants**

There were no conditional grants during the period under review.

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

There was no capital investment, maintenance, or asset management plan during the period under review.



## 2.3 PROGRAMME 2: HUMAN RESOURCES MANAGEMENT AND LABOUR RELATIONS

This programme aims to enable the Commission to perform its human resource management and labour relation functions effectively. The programme is divided into three sub-programmes: Labour Relations; Human Resource Management and Development; and Senior Management and Conditions of Service.



*Ms OR Ramsingh, Deputy Director-General*

### 2.3.1 Sub-programme: Labour Relations

The labour relations dispensation has brought about fundamental changes and developments in the public service. During the period under review, the Commission endeavoured to provide a more focused analysis of the field of labour relations by highlighting important concepts and issues and advising on best practices.

#### Purpose

The core function of the sub-programme is the investigation, monitoring and evaluation of the application of merit and equity principles and sound human resource practices and policies in the public service.

#### Measurable objectives

The main objectives of the sub-programme are:

- to investigate grievances and complaints lodged by public servants and to recommend appropriate remedies to national and provincial departments;
- to conduct investigations into complaints relating to the application of personnel and public administration; and
- to conduct research on issues related to sound human resource personnel practices in the public service.

This sub-programme aims to contribute to a more informed workforce in the public service, with fewer work stoppages, improved productivity, a lower rate of absenteeism and a high level of initiative, which, in turn, will lead to improved service delivery to the public.



### 2.3.1.1

#### Service delivery objectives and indicators

##### Recent outputs

The intervention in the Eastern Cape and the resultant shortage of human resources in the Chief Directorate: Labour Relations impacted negatively on its performance and output. As a result, the following targets could not be reached.

The Project: Assessing the Role of Labour Relations Officers is in the process of being finalised.

The Project: Reporting on the Outcome of Disciplinary Proceedings in Cases of Financial Misconduct in the Public Service for the Financial Year 2002/ 2003 will be finalised in the next financial year.

##### A synopsis on the achievement of targets, which contributed to achieving the Commission's outcomes

In terms of the provisions of section 196(4)(f)(ii) of the Constitution, 1996, the Commission is empowered to consider the grievances of employees in the public service concerning official acts or omissions and to recommend appropriate solutions. In order to give effect to this constitutional requirement, the Commission published the Rules for Dealing with Grievances of Employees in the Public Service in the Government Gazette, on 25 July 2003. The new grievance rules provide a speedy, impartial and equitable procedure for the handling of grievances, which conforms to the principles of sound labour relations and the resolution of individual grievances at the lowest possible level in a department. They also significantly promote the visibility of the Commission.



*Mr T Sefuba, Chief Director*

A further accomplishment in this regard was the launch of the rules, both nationally and in the nine provinces. These launches raised awareness among role-players and provided comprehensive advice on their application.

### 2.3.1.2

#### Service delivery achievements

In pursuit of the Commission's constitutional mandate, the component has undertaken several activities during the year under review. The following table provides a summary in this regard:

SUB- PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
Labour Relations	Publication of new rules for dealing with grievances by the Commission.	On 27 March 2003, the parties to the PSCBC signed Resolution 14 of 2003, which provides the public service with a new grievance procedure. The rules were gazetted in Government Gazette nr. 25209 of 25 July 2003. Ten workshops were conducted with the national (1), as well as the provincial departments (9), with the aim of informing departments on the new rules for dealing with grievances.	February 2003	Publication of the rules was delayed, due to the consultative process undertaken at the PSCBC.
	Rules of the Commission for dealing with complaints, in terms of section 11 of the Public Service Commission Act, 1997.	The rules for dealing with complaints were published in Government Gazette nr. 23635 of 19 July 2002, in all eleven official languages. Brochures to inform the public and employees on their right to lodge complaints were printed in all eleven official languages. The rules for dealing with complaints will be launched nationally.	The target date for the launch of the Complaints Rules was set for August 2003.	The Commission directed that the launch be conducted in 2004.
	Evaluation of the extent to which the dispute resolution mechanisms are utilised by employees in the public service.	The Commission analysed and assessed information obtained by means of questionnaires and interviews from role-players with regard to the extent to which dispute resolution mechanisms are utilised. The report was approved by the Commission in June 2003.	February 2003	Donor funds were procured in order to print the report. Printing was finalised in March 2004.
	Reporting on the outcome of disciplinary proceedings in cases of financial misconduct in the public service.	In terms of the Public Finance Management Act, 1999 (PFMA) and the Treasury Regulations, national and provincial departments must report details relating to financial misconduct to the Commission upon finalisation of cases. The first report on financial misconduct with regard to cases finalised during 2001/ 2002 was published by the Commission during July 2003.	Ongoing	The report for cases finalised during 2001/ 2002 was published in July 2003.

SUB-PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
	Database on agreements reached in the departmental chambers during the previous financial year.	A database has been set up and is being maintained.	Ongoing	Ongoing
	Handling of grievances in terms of section 35 of the Public Service Act.	The Commission is empowered in terms of section 196(4)(f)(ii) of the Constitution, 1996 to investigate grievances of public servants and to make recommendations to executing authorities. During the period under review, the Commission considered the merits of 29 grievances.	Grievances lodged with the Commission in terms of the applicable provisions should be considered and solutions approved.	<p>During the period under review, the Commission considered the merits of grievances.</p> <p>Chart 1 on P. 26 provides an exposition of the genders involved where grievances have been lodged.</p> <p>Chart 2 on P. 26 provides an exposition of the races involved where grievances have been lodged. Of the 29 grievances, 16 were found to be substantiated.</p> <p>Chart 3 on P. 26 provides an exposition of departments and a provincial administration where the 16 grievances that were found to be substantiated originate from.</p>
	Referral of grievances where the Commission has no jurisdiction.	During the period under review, the Commission referred 29 grievances to departments and provincial administrations, due to the fact that the Commission has no jurisdiction to consider grievances that have not been dealt with in terms of the prescribed grievance procedure or that relate to former officers.	Ongoing	Ongoing



**SUB-  
PROGRAMME**
**OUTPUTS**
**OUTPUT  
PERFORMANCE  
MEASURES/ SERVICE  
DELIVERY INDICATORS**
**ACTUAL PERFORMANCE AGAINST TARGET  
QUANTITY/ QUALITY/ TIMELINESS  
Target Actual**

Monitoring the implementation of the Commission's recommendations in respect of grievances.

Monitoring the implementation of the Commission's recommendations by executing authorities and departments is an ongoing process.

The Commission recommended appropriate solutions in respect of 17 grievances, of which seven were implemented; and five were not implemented. In one case, the Department of Finance, Provincial Administration: Western Cape indicated that it could not implement the recommendation of the Commission because the relevant post had been abolished, as a result of a comprehensive restructuring process.

Four recommendations of the Commission were not implemented, as a result of policy considerations.

In three cases, the relevant departments were still considering whether to implement the Commission's recommendations.

Two cases had not been followed up, as on 31 March 2004, as the Commission's system for following up its recommendations provides that departments only be followed up two months after being notified of the Commission's recommendation.

Monitoring of the implementation of the recommendations made by the Commission should be done on a six-monthly basis.

Reports were completed and approved by the Commission.

Monitoring and evaluating personnel and public administration practices by means of *ad hoc* requests and complaints, resulting in investigations/ giving advice to national organs of state.

The Commission conducted the following investigations:

- Alleged irregular practices and mismanagement in the Department of Social Development, Provincial Administration: Eastern Cape.
- Alleged maladministration in the State Attorney's Office.
- Alleged impropriety at Statistics SA.

14 April 2003

10 June 2003

October 2003

December 2003

December 2003

Not finalised

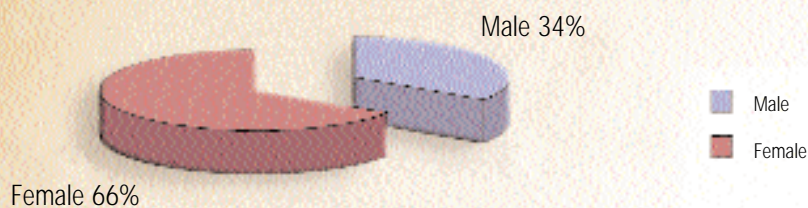


SUB- PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET	
			QUANTITY/ QUALITY/ TIMELINESS Target	Actual
	Monitoring and evaluation focus.	The Commission has observer status at the PSCBC and has entered into discussions with the Department of Labour on observer status at NEDLAC.	Ongoing	Ongoing
	Conducting cross-functional investigations.	Investigation into conduct of the Executive Assistant to the Secretary for Safety and Security.	November 2002	Investigation report completed in April 2003
	Intervention in the Eastern Cape.	<ul style="list-style-type: none"> <li>Four staff members of the component were deployed to assist with intervention in the Eastern Cape. All four staff members formed part of the Disciplinary Cases Task Team (DCT). The DCT was established to deal with backlog disciplinary cases in four departments, namely the departments of Social Development, Health, Education and Roads and Public Works. The mandate of the DCT was later extended to emerging disciplinary cases.</li> <li>Two employees from the component were nominated to assist with the appeal cases in the Eastern Cape.</li> </ul>	31 March 2003	31 March 2004

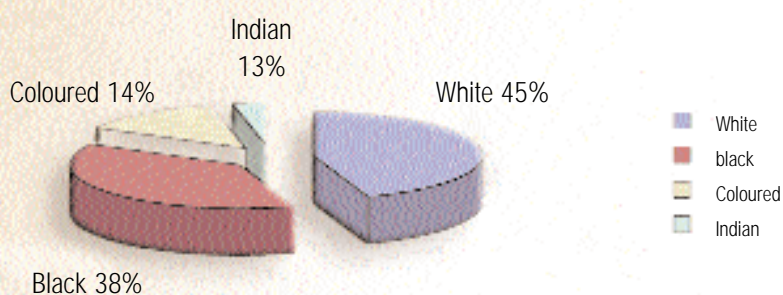




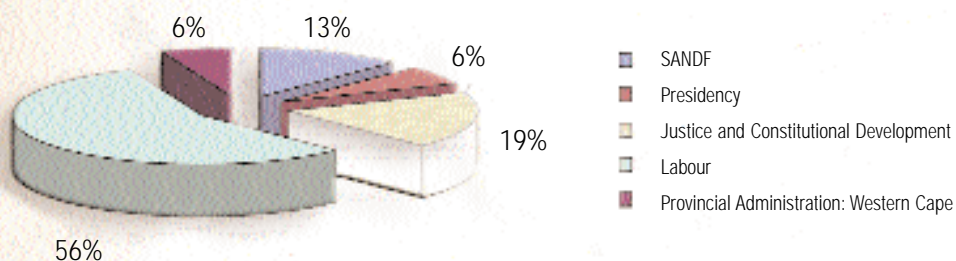
**CHART 1: GENDER IN RESPECT OF GRIEVANCES**



**CHART 2: RACE IN RESPECT OF GRIEVANCES**



**CHART 3: DEPARTMENTS AND A PROVINCIAL ADMINISTRATION WHERE GRIEVANCES WERE FOUND TO BE SUBSTANTIATED**



### 2.3.2 Sub-programme: Human Resource Management and Development

In order for the public service to function effectively, there should be sound human resource management. The public service is a reflection of democracy in action, and it is expected to be professional, representative and competent. If it does not fulfil these expectations, this may be interpreted as a fundamental failure within this key institution of our democracy.



Mr I Naidoo, Chief Director

The Commission has attempted to promote effective human resource management in the public service by implementing national projects around key elements of human resource management, as well as responding to requests for specific investigations. In cases where weaknesses were revealed during investigations, support was given in the form of checklists and guides.

This approach has contributed to the development of the monitoring and evaluation framework of the Commission.

#### Purpose

The main aim of this sub-programme is to investigate, monitor and evaluate human resource policies and practices.

#### Measurable objectives

The main objectives of the sub-programme are:

- to promote Affirmative Action, Equity and Representation in the public service;
- to ensure that human resources in the public service are managed in compliance with constitutional values and principles and the transformation policies of government; and
- to provide best practices regarding human resource management and development.

#### 2.3.2.1

#### Service delivery objectives and indicators

#### Recent outputs

##### Management of discipline in the public service

The Disciplinary Code and Procedures in the public service specify the conditions under which discipline should be managed at institutional level. This understanding underpins the premise on which the Public Service Commission conducted an investigation into the management of discipline in the public service. The investigation focused on three areas, namely the interpretation and implementation of policy and delegations impacting on management of discipline, organisational arrangements that are conducive to the efficient and effective management of this practice and the management of disciplinary procedures and related activities, as well as the impact of the transformation of the public service on discipline.

The study found that many managers are still experiencing difficulty in managing discipline. The view that discipline is a punitive function, with negative connotations attached to it, rather than a corrective one, still persists. The study showed that the





management of discipline has improved in some instances, but there are gaps that need to be closed in order to ensure that any gains made are not lost. The management of discipline remains primarily a management prerogative and responsibility.

### **The state of performance management systems in the South African public service**

With the urgency mounting for transformation and service delivery in the public service, the Public Service Commission conducted an investigation to determine progress in compliance and implementation, subsequent to a study by the Department of Public Service Administration. The focus was mainly on the extent to which performance management systems had been developed and implemented, assessment of the problems experienced with the development and implementation of the system and evaluation of the levels of implementation of the systems throughout the public service.

The overall picture emerging from this investigation shows that there is a high degree of compliance with policies and legislation throughout the public service. All responding national and provincial departments have processes in place, which are moving away from the old appraisal system to the new Performance Management Development System (PMDS). In many instances, however, this compliance does not translate into effective transformation of departments towards a culture of improved performance linked to strategic organisational objectives.

## 2.3.2.2

## Service delivery achievements

SUB-PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
Human Resource Management and Development	Oversight of the verification of qualifications of officials on levels 9 to 10 in the public service.	An investigation emanating from the investigation conducted into the verification of qualifications of Senior Managers in the public service in 2001.	January 2004	The project has been deferred to the latter part of the year.
	Verification of qualifications of Middle Managers (levels 11 to 12) in the public service.	Due to higher than anticipated funding requirements, the project was only finalised towards the first quarter of 2004.	July 2003	A draft report has been compiled.
	Audit of Affirmative Action in the public service.	There were delays in finalising this project, mainly due to slow responses from departments.	July 2003	A draft report has been compiled.
	Investigation into the state of performance management systems in the public service.	Investigation undertaken and report produced.	March 2003	A report has been compiled.
	Monitoring the implementation of the policy framework on HIV/Aids.	The Terms of Reference have been developed and the project is being funded jointly with GTZ (German Donor Funding Agency).	February 2004	Investigation is underway.
	Compilation of a "Toolkit" on recruitment and selection.	Based on various investigations around recruitment and selection, the Office produced a "Toolkit" to assist managers and practitioners in improving the key elements of HR.	March 2003	The "Toolkit" has been distributed.
	Management of discipline in the public service.	Investigation conducted and report produced.	March 2003	A report has been compiled.

SUB- PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
	Evaluation of the recruitment and selection procedures of Senior Managers appointed in the Eastern Cape Provincial Administration.	Investigation conducted and a report produced.	January 2004	Initial draft report produced. Project scheduled for completion in the first half of 2004.
	Secretariat to the Ministerial Task Team into the restructuring of the Office of the Secretary for Defence.	Investigation conducted and report produced.	October 2003	A report has been compiled and handed to the Minister of Defence.

### 2.3.3 Sub-programme: Senior Management and Conditions of Service

Senior managers form the backbone of any organisation. They provide direction and are mainly responsible for the achievement of objectives and targets. The Commission has, therefore, identified the monitoring, evaluation and investigation of personnel practices relating to the senior management service as one of its key performance areas. Although all aspects of senior management employment are covered, particular emphasis is placed on performance management.



*Ms V Nhlapo, Chief Director*

The overall cost of employment of public servants in government is high and it is necessary to ensure that this expenditure is efficiently managed. The Commission has prioritised evaluating the effectiveness and efficiency of the current conditions of employment and the management thereof.

#### Purpose

The main aim of this sub-programme is to manage the performance of Heads of Department and the development of the conditions of service of the Senior Management Service.

#### Measurable objectives

The main objectives of the sub-programme are:

- to improve the management of the employment conditions of public servants by investigating the management practices of departments;
- to focus on performance management in the Senior Management Service (SMS); and
- to manage the evaluation of the performance of Heads of Department.

#### 2.3.3.1

#### Service delivery objectives and indicators

##### Recent outputs

Intervention in the Eastern Cape impacted negatively on the achievement of outputs set by this sub-programme for the 2003/2004 financial year. Staff members had to be deployed, either for the full financial year, or as the need arose. This posed limitations on human resources. Despite these limitations, the sub-programme managed to achieve the outputs it had set out to achieve. Two reports on conditions of service and retention and one report on the assessment of the evaluation process are being drafted and should be finalised during the first quarter of the 2004/2005 financial year.

Delays in responses from departments remain the biggest challenge in finalising some of the outputs. A number of heads of department had not submitted their performance agreements by the end of the financial year, as indicated in the table below. This raises concerns about the compliance of senior managers with the regulatory framework.

The increase in the number of heads of department evaluated during the period under review is an encouraging achievement. There is, however, still a growing concern about the overlapping of evaluation periods, which is exacerbated by delays in the submission of documents by departments.



### 2.3.3.2

#### Service delivery achievements

SUB-PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
Senior Management and Conditions of Service	Investigation into the re-employment of persons retired due to ill health.	Report on findings.	April 2003	Report approved by the Commission.
	Investigation into the management of state housing.	Report on findings.	March 2004	Draft report in the process of being finalised.
	Investigation into the application of job evaluation in the public service and assessment of the compatibility of job evaluation systems with the public service.	Report on findings.	December 2003	Draft report in the process of being finalised.
	Assistance with investigation into allegations made by POPCRU: Judicial Inspectorate of Prisons.	Inputs for the report provided.	April 2004	Interviews and documentary review completed. Draft report in the process of being finalised.
	Assessment of the management of the HoD evaluation process.	Report published.	March 2004	Draft report being finalised.
	Management of the heads of department (HoD) evaluation process.	<ul style="list-style-type: none"> <li>- Timely evaluation of HoDs.</li> <li>- Their executing authorities (EAs) advised.</li> <li>- Results of the HoD evaluations reported.</li> </ul>	March 2004	Guidelines were developed and distributed in August 2003. 23 national and 38 provincial HoDs were evaluated. These totals include the evaluations that could not be finalised during the previous reporting period.

SUB-PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
	Monitoring and evaluating EAs and HoDs and advising them on Performance Agreements (PAs).	<ul style="list-style-type: none"> <li>- Database of all PAs in place.</li> <li>- Improved quality of PAs.</li> </ul>	March 2004	Out of 36 national departments, 19 HoDs submitted their PAs. Of the 19 PAs, 12 complied with the Performance Management and Development System for Senior Management Service (PMDS). Out of 77 provincial departments, 61 HoDs submitted their PAs, 21 of which complied with the PMDS. The parties concerned have been advised that their PAs do not meet the requirements of the PMDS.
	Conducting a review of leadership in the public service.	<ul style="list-style-type: none"> <li>- Approved report.</li> <li>- Implementation of recommendations.</li> </ul>	February 2004	The report was finalised in February 2004.

## 2.4 PROGRAMME 5: GOOD GOVERNANCE AND SERVICE DELIVERY

This programme aims to enable the Commission to perform its management and service delivery improvement functions, develop professional ethics and improve risk management in the public service. The programme is divided into three sub-programmes. They are: Professional Ethics and Risk Management; Management and Service Delivery Improvement; and Special Investigations.



Prof R Levin, Deputy Director-General

### 2.4.1 Sub-programme: Professional Ethics and Risk Management

The Commission has a constitutional mandate to promote a high standard of professional ethics in the public service. An essential component of the democratisation of the public service has been a dedicated effort to make good governance and professional ethics a cornerstone of public administration. This entails addressing important issues, such as accountability and transparency and the prevention of corruption.

Corruption remains a problem at all levels of government and the problem of complicity by public officials remains a challenge. This is especially true in the area of procurement and in the management of conflict of interest.

The Public Service Commission seeks to address corruption proactively and in an integrated manner by promoting the creation of an ethics management infrastructure. Research has shown the need to strengthen the ethics management skills of public servants, while the ethics management infrastructure has been found to be too basic and potentially ineffective. Many elements of an effective ethics infrastructure are usually present in departments but are often generic, inappropriate and poorly supported. The effectiveness of the different elements is often compromised by their failure to operate in an integrated and coordinated manner.

Research by the Public Service Commission during 2003 aimed to strengthen the fight against corruption and to support implementation of the national anti-corruption strategy for the public service. The results of the research continue to guide the implementation of this strategy and to assist in strengthening the ethics management infrastructure and the public service corruption prevention capacity.

#### Purpose

The main aim of this sub-programme is to establish a culture of professional and ethical behaviour and to monitor and assess the implementation of risk management strategies in the public service.

#### Measurable Objectives

The main objectives of the sub-programme are:

- to promote a high standard of professional ethics and anti-corruption measures in the public service;



Dr D Balia, Chief Director

- to develop effective tools for ethics management;
- to research and evaluate professional ethics and corruption prevention;
- to monitor and raise awareness of conflict of interest issues among managers and maintaining the financial disclosure framework; and
- to promote and evaluate best practice in risk management.

#### 2.4.1.1

#### Service delivery objectives and indicators

##### Recent outputs

In line with the PSC's mandate to promote professional ethics, activities are focused on strengthening the whistle-blowing infrastructure and mechanisms available to the public service. Based on previous research carried out by the PSC and stakeholder consultation, Cabinet took a decision in August 2003 to create a single national anti-corruption hotline for the public service and the PSC was mandated to implement it. It is anticipated that the hotline will only be operational in the middle of 2004. The PSC obtained expert advice on the technical aspects of the requirements, design and implementation of key elements of such a hotline. A report was produced in December 2003.

Consultative workshops were undertaken and culminated in the development of a proposed whistle-blowing policy for the public service. The guidelines will assist managers with implementing the Protected Disclosures Act, contribute to greater awareness of the Act and prevent whistle-blowers from occupational detriment. Whistle-blower protection procedures, however, still need to be tightened.

Research was undertaken which focused on, among others, the following specific areas requiring ethical guidance and intervention.

- The acceptance of gifts and entertainment requires dedicated intervention to ensure transparent and fair procurement processes. Guidelines were developed, taking cognisance of the Code of Conduct and other frameworks providing guidance to public servants in this problematic area.
- Remunerated work conducted outside the public service by officials in the health sector is an issue that needs to be addressed.

The PSC has been entrusted with management of the Asset Register and maintenance of the system for financial disclosures by SMS members. Comparative research on the management of asset registers was undertaken. The research report will enable the PSC to streamline the submission process and to determine what additional information should be included in financial disclosure forms. The research will also aid parastatal organisations, should they wish to implement similar accountability measures. In addition to the research, internal reports on basic compliance with financial disclosure requirements were submitted to Cabinet. Trends identified in this report may lead to an amendment to the core elements requiring disclosure. The current low level of basic compliance is a matter of serious concern, which needs to be addressed.



### 2.4.1.2

#### Service delivery achievements

SUB- PROGAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
Professional Ethics and Risk Management				
Implementation of the national anti-corruption strategy				
	Training in Anti- Corruption: Corruption Prevention Course presented in partnership with the University of Pretoria.	Course successfully presented.	In partnership with the University of Pretoria, PSC successfully presented the Anti- Corruption course in September 2003.	The course was presented for a third time in September 2003 and was attended by 50 senior government employees at national and provincial level. A corruption prevention module was developed and is being marketed by the University of Pretoria.
	Providing Secretariat for National Anti- Corruption Forum (NACF).	Minutes of meetings and reports are provided to the Minister for the Public Service and Administration and members of the NACF.	Dependent on nature of activity and specific request.	Extensive liaison and secretariat services were provided. Reports were provided to the Minister of Public Service and Administration. Workshop on United Nations and African Union anti- corruption conventions was held in March 2004.
	Generic professional ethics statement for the public service developed and communicated.	A Public Service Pledge developed and distributed in the public service. The aim is to inculcate and maintain a culture of integrity in the public service.	The draft Public Service Pledge was finalised in December 2002.	Consultation on the legal implications of the pledge delayed its finalisation. Lack of funds prevented the formal launch, distribution and advertising campaign in 2003. This will be done in 2004.

SUB-PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
	Proposals on the system of hotlines approved.	Proposal on hotlines for the public service approved.	National consultation to be held in March 2003 (to be facilitated by the Anti-Corruption Coordinating Committee).	In August 2003, Cabinet approved the establishment of a single national anti-corruption hotline to be housed at the PSC. A report was produced looking at elements such as the case management system and technical requirements. A national consultative workshop was held early in April 2004 to discuss implementation with public sector stakeholders.
	Develop guidelines for conducting risk assessment and risk management in the public service.	Guidelines for risk assessment were completed.	Guidelines to be developed by September 2003.	Draft guidelines were compiled together with National Treasury and widely distributed for comment and technical input. Draft was finalised in April 2004. Final booklets will be printed at a later stage.
<b>Research conducted</b>				
	Evaluation of fraud prevention plans.	Research report evaluating content and quality of fraud prevention plans.	December 2003	Project partially completed with research done. Finalisation delayed by secondment of staff to the Eastern Cape for the IMT intervention.
	Guidelines on whistle-blowing in the public service.	Guidelines published.	June 2003	Guidelines produced for inclusion in booklet
	Guidelines on acceptance of gifts and favours.	Research report compiled in 2002.	July 2003	Final draft ready for approval by Commission

SUB- PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
	Comparative analysis of the management of Asset Registers.	Research report completed.	Draft report by July 2002	A draft report was produced in November 2002 and finalised during 2003. Final report to be printed.

### Strengthening the professional ethics infrastructure

	Translation of the new explanatory manual on the Code of Conduct.	Translated version of the explanatory manual on the Code of Conduct printed and distributed in all official languages.	Distribution of translated versions by mid-2003	Translation of the manual was completed in 2003. Prohibitive printing costs delayed the printing and distribution of the manuals.
	Development of an Ethics Telematics Course.	Completed training course and course material.	December 2002	The research was outsourced to the University of Pretoria. Issues relating to user rights delayed completion of the course design. A pilot exercise was undertaken in October 2003.
	Investigation into non-compliance with the Code of Conduct: remunerative work in the Department of Health, Gauteng.	Report with findings of investigation compiled.	Draft report produced by July 2003	Completion of the report was delayed, as additional baseline information had to be obtained. Final report was printed and is to be tabled in the Gauteng Legislature.
	Management of Asset Register and system of financial disclosures for senior managers.	Asset Register maintained and management reports produced as per requirement.	Annual report to be submitted to the Minister. Additional report for leadership will be provided on request.	The Asset Register is maintained and updated, reports are produced on request. Two reports have been submitted to the Minister.

## 2.4.2 Sub-programme: Management and Service Delivery Improvement

Government has prioritised the transformation and improvement of service delivery through more effective resource management. The public service faces an enormous challenge in meeting the expectations for services from the public, particularly from those sectors that were denied access to services in the past. Also, consistent with global trends, there is increasing pressure on the public service to provide better quality services, despite limited resources. It is imperative that innovative approaches to service delivery be considered.

Changing the public service to become more developmentally and service-oriented is a fundamental goal of our democracy, the pursuit of which has consumed significant resources and public energy. This process will continue as government works to make socio-economic rights a reality for all our citizens.

### Purpose

The main aim of this sub-programme is to investigate, monitor and evaluate management practices and service delivery in the public service and to provide recommendations.

### Measurable objectives

The main objectives of the sub-programme are:

- to promote efficient, economic and effective use of resources;
- to promote and monitor impartial, fair, equitable and unbiased provision of services;
- to propose measures that will ensure a response to people's needs and that the public is



*Dr Z Tshandu, Chief Director*

encouraged to participate in policy-making and decisions on service delivery; and

- to monitor and investigate adherence to applicable procedures in the public service.

### 2.4.2.1

#### Service delivery objectives and indicators

#### Recent outputs

One of the PSC's mandates is to monitor and evaluate management practices and service delivery in the public service and to provide recommendations on improvements in these areas. In order to do so, the Chief Directorate focused on a number of key projects, one of which is the PSC's transversal Public Service Monitoring and Evaluation Project. The project involves the creation of a long-term monitoring and evaluation system for assessing and analysing the performance of the public service. The process will assist in the identification of areas where improvements can successfully be effected, thereby contributing to overall improvement in management and service delivery. The system investigates adherence to the constitutional values and principles governing public administration.





**Delegates attending a Citizens' Forum in the Eastern Cape**

Research was conducted in selected national and provincial departments in the Western Cape, Limpopo and North-West. Fourteen individual departmental research reports were produced, including a Consolidated Report. A further round of research was undertaken where additional departments at national and provincial level were identified. Research is currently underway within these departments.

Another research process involves evaluating specific departmental programmes, especially those involving development and poverty reduction. An evaluation of the National Housing Subsidy Scheme was undertaken and finalised.

Other projects undertaken by the Commission to enhance management practices and service delivery include the following:

- **Evaluation of Land Administration in the Eastern Cape:** The Eastern Cape government is experiencing major blockages in the land administration system, which have a detrimental effect on the provisioning, releasing and



determination of ownership of land. The Commission made certain holistic proposals to urgently address these issues.

- **Restructuring of the Chief State Law Adviser's Office:** A request was received from the Chief State Law Adviser for assistance with the modernisation and restructuring of this office. The Commission has undertaken research, conducted interviews and made certain proposals to the Chief State Law Adviser.
- **Development of Service Delivery Guides:** This is a joint project with the German agency, GTZ, involving the development of service delivery guides for services provided by the departments of Social Development and Home Affairs. One draft service delivery guide was compiled, while work is currently underway on the manual for the Department of Home Affairs.
- **Citizens' Forums:** This is a unique participatory approach, developed and piloted by the PSC in the Mpumalanga Department of Health's Primary Health Care Programme and the Poverty Alleviation Programme, implemented by the Eastern Cape Department of Social Development. Reports with recommendations made by the forums on how to improve service delivery were submitted to the relevant departments.

## 2.4.2.2

### Service delivery achievements

SUB-PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
Management and Service Delivery Improvement				
Programme and Systems Evaluation and / or Investigations				
	Evaluation of the National Housing Subsidy Scheme.	Report published.	August 2003	Achieved
	Investigation into land administration systems in the Eastern Cape province.	Report published.	July 2003	Achieved
	Investigation into Cubans in the public service.	Report approved.	November 2003	Achieved
	Evaluation of Performance Management in the Department of Social Welfare: KZN.	Report approved.	January 2003	Achieved
Organisation Restructuring				
	Providing advice and assistance to the Chief State Law Adviser with the modernisation and restructuring of his office.	Report approved.	May 2004	Advice and support were given. A draft report was produced.
Monitoring and Evaluation				
	Phase 3: Completing research in 14 national and provincial departments.	<ul style="list-style-type: none"><li>Fourteen research reports produced</li><li>Consolidated report approved.</li></ul>	July 2003  October 2003	The fourteen research reports and the consolidated report were approved by the Commission in November 2003.

SUB-  
PROGRAMME

OUTPUTS

OUTPUT  
PERFORMANCE  
MEASURES/ SERVICE  
DELIVERY INDICATORS

ACTUAL PERFORMANCE AGAINST TARGET  
QUANTITY/ QUALITY/ TIMELINESS  
Target Actual

**Phase 4:**

Implementing the PSC's  
Monitoring and  
Evaluation Assessment  
Framework in five  
national departments  
and three provincial  
administrations.

Final report with recommendations  
distributed to relevant stakeholders.

March 2004

Access to the following  
departments was obtained.

**National:**

Minerals and Energy; DPLG;  
National Treasury; Foreign  
Affairs; Health; Arts and  
Culture; and  
Communications.

**Gauteng Province:**

Health; Finance; and  
Economic Affairs.

**Limpopo Province:**

Local Government and  
Housing; Finance; and  
Economic Development.

**North West:**

Health; and Finance.

**Mpumalanga:**

Health; Finance; and  
Economic Affairs.

**KwaZulu Natal:**

Finance.

Research is currently  
underway. Problems with  
gaining access to  
departments and information  
have caused delays. Training  
and development of  
researchers have been  
required. Three draft reports  
have been produced with the  
remainder due in less than  
two months.

SUB- PROGRAMME	OUTPUTS	OUTPUT	ACTUAL PERFORMANCE AGAINST TARGET	
		PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	QUANTITY/ QUALITY/ TIMELINESS	Actual
Citizen Satisfaction Survey				
	Conducting Citizen Satisfaction Surveys in the Criminal Justice Sector, focusing on the departments of Correctional Services; Safety and Security; Justice and Constitutional Development.	Report with findings and recommendations issued to relevant stakeholders.	March 2004	Lack of funds delayed project initiation but the project is underway and will be completed in September 2004.
Evaluation of Service Standards in the Public Service				
	Evaluation of the performance of departments in implementing service standards, as required by the White Paper on Transforming Service Delivery.	Report with generic recommendations on implementing service standards for service delivery improvement and best practice model for the service standards of each line department.	March 2004	Project delayed due to increased scope. The initial plan was to include four departments only but the final scope includes all national and provincial departments. The project will be completed by December 2004.
Citizens' Forums				
	Conducting forums on specific services within specific departments across the selected provinces.	Reports with recommendations issued to all stakeholders. Holding feedback sessions with forum participants.	March 2004	Lack of funds and the national elections disrupted implementation.
Evaluation of the Success of Community Policing Forums (Sector Based Policing Initiatives)				
	Conducting a comprehensive evaluation of the performance of community policing projects (the success of sector based policing initiatives).	Report with findings and recommendations compiled.	March 2004	The project was delayed due to SAPS involvement in the national elections. It will be completed in September 2004.



**SUB-  
PROGRAMME****OUTPUTS****OUTPUT  
PERFORMANCE  
MEASURES/ SERVICE  
DELIVERY INDICATORS****ACTUAL PERFORMANCE AGAINST TARGET  
QUANTITY/ QUALITY/ TIMELINESS**  
**Target Actual****Developing Good Practice Guide on Police Station Management**

Developing a Good  
Practice Guide on Police  
Station Management.

An evaluation report with a Good Practice  
Guide.

March 2004

The project was delayed due  
to SAPS involvement in the  
national elections. It will be  
completed in September  
2004.

**Developing Good Practice Guide on School District Management**

Developing a Good  
Practice Guide on  
School District  
Management.

An evaluation report and an approved good  
practice guideline document.

April 2004

A draft guideline was  
developed with national and  
provincial role-players. The  
project was extended to  
allow for further refinement  
of the guideline, based on  
inputs received, and will be  
completed by September  
2004.

### 2.4.3 Sub-programme: Special Investigations

Many cases of corruption and related matters are reported to the Commission for investigation. This unit deals with high-level, sensitive investigations with a bearing on the fight against corruption. Over the past year, the Commission has conducted various investigations into allegations of corruption and maladministration. The Commission has subsequently submitted reports with findings and recommendations to the appropriate executing authorities.

#### Purpose

The main aim of this sub-programme is to combat corruption in the public service by conducting selected investigations.

#### Measurable objectives

The main objectives of the sub-programme are:

- to conduct special investigations in relation to the core functions of the Commission;
- to promote good governance and service delivery by contributing towards the national fight against corruption by conducting selected investigations with a special emphasis on procurement; and
- to contribute to the national fight against corruption by participating in cross-sectoral investigations.

#### 2.4.3.1

#### Service delivery objectives and indicators

Indicators of success at an output level relate to the successful completion of investigations identified as having the potential to deliver knowledge and information that are useful in a broader context. At the level of outcomes, performance indicators relate to the effective identification and implementation of systemic improvements that make the public service less vulnerable to corruption.



Mr M Madaka, Chief Director

During the period under review, many staff members from the unit were deployed in the Eastern Cape, where they were involved in investigating a broad range of ethical issues. Their deployment reduced the component's capacity and affected its ability to conduct other investigations elsewhere in the country. Furthermore, due to circumstances beyond its control, the unit could not achieve the following:

The Project: Investigation into allegations of irregularities in the handling of tenders in the Mpumalanga Department of Health was not carried out because it was found that the Auditor-General had already investigated the matter and that the recommendations made had not yet been implemented. The Commission, therefore, decided not to duplicate the Auditor General's work. Implementation of the Auditor-General's recommendation is being handled at the provincial level. Those found to have been involved in corruption are being dealt with accordingly.

The Project: Assessment of the role, powers and effectiveness of Departmental Tender Committees has been delayed until the new supply chain management system developed by Treasury is in operation.

### 2.4.3.2

#### Service delivery achievements

SUB-PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
Special investigations	Investigation into institutional and system risks in the procurement and distribution of state medicine in the North-West, Free State, Eastern Cape and Mpumalanga provinces.	Final report with recommendations distributed to relevant stakeholders	November 2003	<p>Four draft reports were produced covering the four provinces in which the project had been implemented. Findings led to a number of recommendations on how to strengthen systems and reduce risks in the procurement and distribution of state medicines. These were discussed with each province. Provinces appreciated the recommendations and a meeting was arranged with the North-West Department of Health for further discussions of the recommendations. The MEC for Health in Mpumalanga was also briefed. The four drafts will be consolidated into one report.</p> <p>The new target date for the final report is August 2004. The original target date of November 2003 was not met, due to difficulties in gaining access to stakeholders.</p>
				<p>The matter was finalised in May 2003, as targeted. The Commission is currently following up on the recommendations made to the Department.</p>

SUB- PROGRAMME	OUTPUTS	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET QUANTITY/ QUALITY/ TIMELINESS	
			Target	Actual
	Investigation into allegations of fraud, corruption and abuse of position in the Department of Education, Uthukela Region, KwaZulu-Natal.	Final report with recommendations distributed to relevant stakeholders.	December 2003	A report will be issued to relevant stakeholders in due course, when the outstanding matters have been finalised with the stakeholders.
	Complaints from employees regarding the Department of Roads and Public Works, North-West.	Final report with recommendations distributed to relevant stakeholders.	February 2004	Investigations completed in May 2004. A draft report is awaiting the Commission's approval.
	Investigation into allegations of corruption in the Department of Home Affairs, Regional Office, Durban.	Final report with recommendations distributed to relevant stakeholders.	July 2004	<p>Meetings have been held with the Minister of Home Affairs, the whistle-blower, the Scorpions and the SAPS. Further meetings will be held with management. Awaiting information from the Scorpions.</p> <p>This is a complicated matter, since it does not only involve corruption by government officials, but also criminal activities by syndicates.</p> <p>Additional meetings will be held with all relevant stakeholders to develop strategies and recommendations.</p>



**SUB-  
PROGRAMME****OUTPUTS****OUTPUT  
PERFORMANCE  
MEASURES/ SERVICE  
DELIVERY INDICATORS****ACTUAL PERFORMANCE AGAINST TARGET  
QUANTITY/ QUALITY/ TIMELINESS**  
**Target Actual**

Investigation into allegations of corruption in the Department of Transport, KwaZulu-Natal.

Final report with recommendations distributed to relevant stakeholders.

March 2004

Investigation is almost complete, except for a few issues that need specialised expertise. A draft report is being prepared.

It is envisaged that the final report will be produced by May 2004.

Investigation into allegations of corruption at Nebo Magistrate, Department of Justice.

Final report with recommendations distributed to relevant stakeholders.

N/A

The matter was referred to the Director-General of the Department of Justice for further attention. The complainant was informed accordingly.

# CHAPTER 3

## Human Resource Management Support





# INTRODUCTION



The statistics and information published in this chapter of the annual report relate to the management of the Office, and are required in terms of Section 40 (1)(d)(i), Chapter 5 of the Public Finance Management Act, 2000, read in conjunction with Regulation III.J.1-12 of the Public Service Regulations and have been prescribed by the Minister for the Public Service and Administration for all government departments within the Public Service.

## 3.1 SERVICE DELIVERY

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan, as well as progress made in implementation of the plans.



*Mr N Khoza, Deputy Director-General*

**Table 1. Main Services Provided and Standards**

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Recommendations, advice and proposed measures to promote ethical behaviour and fight corruption.	Executives Departments Legislatures Public servants Complainants	Parliament Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public National and Provincial Departments	Reports produced and presented to Parliament on Whistleblowing, Risk Management and National Anti-Corruption Forum (NACF).	Eight whistleblowing workshops held in eight provinces. Risk Management report became the basis for National Treasury to use as a guide for the public service. NACF revitalised.
Information and education on anti-corruption measures, ethical issues and the Code of Conduct for public servants.	Executives Departments Legislatures Public servants Complainants	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public National and Provincial Departments	Professional Ethics training presented.	Forty public servants trained.

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Monitoring and evaluation of and research and advice on the organisation of the public service, service delivery and resource management practices.	Executives Departments Legislatures	Executives Departments Legislatures	Clients are informed about the state of service delivery. Recipients of advice are satisfied with the information and analysis provided to them. Recommendations are implemented.	Based on feedback from clients, the Commission's reports are well received and contribute to effective public administration.
Monitoring and evaluation of and research and advice on affirmative action, human resource development, personnel practices, performance management and conditions of service.	Executives Departments Legislatures Public servants Complainants	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	Meetings held with departments and legislatures, updating them on progress against targets. Production of investigative reports and feedback to complainants. Production of thematic reports.	Completion of reports on Affirmative Action in the Public Service. Updates given to pertinent legislatures and departments on Affirmative Action progress. Reports produced on specific investigations. Reports on Performance Management Systems in the Public Service, Management of Discipline in the Public Service, Verification of qualifications of Middle Managers, "Toolkit" on Recruitment and Selection.
Grievances resolution and complaints	Executives Departments Legislatures Public servants Complainants	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	Recommendations accepted by all stakeholders.	Only four recommendations in respect of grievances were not implemented.





Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Research into grievances and related labour relations matters.	Executives Departments Legislatures Public servants Complainants	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	Monitor trends in labour relations. Report published. Database completed.	Obtained observer status at NEDLAC and the PSCBC. Report on Financial Misconduct. Database on financial misconduct cases established and maintained.
Advice on grievance procedures.	Executives Departments Legislatures Public servants Complainants	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	10 workshops on new Grievance Rules. Advice as requested.	10 workshops conducted. Advice provided when requested.
Reports and advice based on investigations.	Cabinet Legislatures Departments Public		Report to be finalised within set target.	Delay in submission of data by departments impacted on performance against standards.
Secretariat Services on evaluation of Heads of Department.	Cabinet Legislature Executives HOD's		Evaluations to be changed according to set guidelines.	23 National HoDs and 38 Provincial HoDs evaluated during the 2003/2004 financial year.
Investigation of merits of grievances.	Departments Employees	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	The Commission strives to finalise a grievance within 30 days from receiving all relevant information.	The Commission finalised 29 grievances during the 2003/2004 financial year.

**Table 2. Consultation Arrangements with Customers**

Type of Arrangement	Actual Customers	Potential Customers	Actual Achievements
Meetings with stakeholders to explain new Public Service Commission (PSC) and discuss their expectations of PSC.	The Executive Legislatures	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	Informed stakeholders. Assesses the report of the PSC. Facilitate the enforcement of the PSC recommendations.
Extensive engagement on terms of reference of projects, and conclusion of project on findings and recommendations.	Executives Legislatures Departments	Executives Legislatures Departments	Extensive engagement on terms of reference of projects, and at conclusion of project on findings and recommendations.

**Table 3. Service Delivery Access Strategy**

Access Strategy	Actual Achievements
Grievances of public servants are dealt with departmentally. When the grievance is not resolved to the officer's satisfaction, the matter may be referred to the PSC for investigation. In addition, the Commission plans to increase access by ensuring that all employees, departments, provincial administrations, organised labour and other stakeholders have access to the Commission's grievance rules which were gazetted on 29 February 2000.	29 Grievances referred to PSC finalised during the 2003/2004 financial year. 10 Workshops were conducted to popularise the Commission's Grievance Rules, which were gazetted on 29 February 2000.
The Code of Conduct is published as Chapter 2 of the Public Service Regulations and as a separate pamphlet for promotional purposes by the PSC. In addition, access will be increased by making the Code of Conduct available in all official languages, as well as in Braille.	Translation about to be finalised in order to go to printing for distribution.
Telephonic or written requests addressed to the Commission 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.	PSC published reports were tabled in Parliament and Provincial Legislatures. They were also distributed to PSC stakeholders. Two media briefings were held to brief journalists about the content of some of the reports.
Depending on the capacity of the Office, the Commission undertakes projects on request.	Extensive engagement on terms of reference of projects, and at conclusion of project on findings and recommendations.
Reports are also presented to Legislatures' portfolio committees at their request.	Requests of portfolio committees for presentations were met.



**Table 4. Service Information Tool**

Type of Information Tool	Actual Achievements
In order to ensure wider accessibility, all PSC reports which are tabled are accessible on the PSC website.	All tabled PSC reports are accessible on the website.

**Table 5. Complaints Mechanism**

Complaints Mechanism	Actual Achievements
All complaints will be recorded and responded to within time frames set in service standards for final replies to correspondence.	All complaints are either referred to relevant institutions or investigated within set targets.
Complaints from the public on service delivery are referred to the Public Protector.	A formal agreement has been entered into with the Public Protector and that Office provides the Commission with feedback.

## 3.2 EXPENDITURE

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure per programme (Table 6) and per salary band (Table 7). In particular, they provide an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

**Table 6. Personnel Costs per Programme, 2003/2004**

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. Administration	19 097	65	1 612	20 774	277
2. Human Resource Management and Development	12 529	30	317	12 876	238
3. Good Governance and Service Delivery	14 445	64	1 230	15 739	297
<b>TOTAL</b>	<b>46 071</b>	<b>159</b>	<b>3 159</b>	<b>49 389</b>	<b>812</b>

**Table 7. Personnel Costs per Salary Band, 2003/2004**

Salary Bands	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)
Lower skilled (Levels 1-2)	549	1,2	61	46 071	9
Skilled (Levels 3-5)	2 252	4,9	73	46 071	31
Highly skilled production (Levels 6-8)	6 132	13,3	116	46 071	53
Highly skilled supervision (Levels 9-12)	13 028	28,3	266	46 071	49
Senior Management (Levels 13-16)	24 110	52,3	502	46 071	48
<b>TOTAL</b>	<b>46 071</b>	<b>100</b>	<b>1 018</b>		<b>190</b>



The following tables provide a summary per programme (Table 8) and per salary band (Table 9) of expenditure incurred as a result of salaries, overtime, homeowners' allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

**Table 8. Salaries, Overtime, Homeowners' Allowance and Medical Assistance per Programme, 2003/2004**

Salary Bands	Salaries		Overtime		Homeowners' Allowance		Medical Assistance		Total Personnel Cost (R'000)
	Amount (R'000)	Salaries as a % of Personnel Cost	Amount (R'000)	Overtime as a % of Personnel Cost	Amount (R'000)	HOA as a % of Personnel Cost	Amount (R'000)	Medical Assistance as a % of Personnel Cost	
Programme 1	11 971	26	150	0,3	209	0,5	709	1,5	19 097
Programme 2	8 504	18,5	0	0	137	0,3	484	1,1	12 529
Programme 3	9 668	21	0	0	186	0,4	590	1,3	14 445
<b>TOTAL</b>	<b>30 143</b>	<b>65,4</b>	<b>150</b>	<b>0,3</b>	<b>532</b>	<b>1,2</b>	<b>1783</b>	<b>3,9</b>	<b>46 071</b>

**Table 9. Salaries, Overtime, Homeowners' Allowance and Medical Assistance per Salary Band, 2003/2004**

Programme	Salaries		Overtime		Homeowners' Allowance		Medical Assistance		Total Personnel Cost (R'000)
	Amount (R'000)	Salaries as a % of Personnel Cost	Amount (R'000)	Overtime as a % of Personnel Cost	Amount (R'000)	HOA as a % of Personnel Cost	Amount (R'000)	Medical Assistance as a % of Personnel Cost	
Lower skilled (Levels 1-2)	440	1	0	0	10	0	34	0,1	549
Skilled (Levels 3-5)	1 602	3,5	7	0	33	0,1	190	0,4	2 252
Highly skilled production (Levels 6-8)	4 414	9,6	86	0,2	127	0,3	360	0,8	6 132
Highly skilled supervision (Levels 9-12)	9 713	21,1	57	0,1	280	0,6	492	1,1	13 028
Senior Management (Levels 13-16)	13 974	30,3	0	0	82	0,2	707	1,5	24 110
<b>TOTAL</b>	<b>30 143</b>	<b>65,4</b>	<b>150</b>	<b>0,3</b>	<b>532</b>	<b>1,2</b>	<b>1 783</b>	<b>3,9</b>	<b>46 071</b>

## 3.3 EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate and whether there are any staff members who are additional to the establishment. This information is presented in terms of three key variables: programme (Table 10), salary band (Table 11) and critical occupation (Table 12). Departments have identified critical occupations that need to be monitored. Table 12 provides establishment and vacancy information for the key critical occupations of the department. The vacancy rate reflects the percentage of posts that are not filled.

**Table 10. Employment and Vacancies per Programme, 31 March 2004**

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
1. Programme 1	95	75	21,05	0
2. Programme 2	60	54	10,00	0
3. Programme 3	58	53	8,62	0
<b>TOTAL</b>	<b>213</b>	<b>182</b>	<b>14,55</b>	<b>0</b>

**Table 11. Employment and Vacancies per Salary Band, 31 March 2004**

Salary Bands	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	7	6	14,3	0
Skilled (Levels 3-5) Permanent	39	30	23,1	0
Skilled (Levels 3-5) Temporary	6	6	0	2
Highly skilled production (Levels 6-8)	59	51	13,6	0
Highly skilled supervision (Levels 9-12)	58	50	13,8	0
Senior Management (Levels 13-16) Permanent	49	46	6,1	0
Senior Management (Levels 13-16) Temporary	1	1	0	0
<b>TOTAL</b>	<b>219</b>	<b>190</b>	<b>13,2</b>	<b>2</b>

**Table 12. Employment and Vacancies per Critical Occupation, 31 March 2004**

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative-related, Permanent	1	1	0	0
Cleaner, Permanent	1	1	0	0
Switch operator, Permanent	1	1	0	0
Communication and information-related, Permanent	1	1	0	0
Finance and economics-related, Permanent	3	1	66,7	0
Financial and related professions, Permanent	3	3	0	0
Financial clerks, Permanent	6	5	16,7	0
Food Services Aid, Permanent	2	1	50	0
Head of Department	1	1	0	0
Human resources and organisational development-related, Permanent	23	22	4,3	0
Human resources clerks, Permanent	7	5	28,6	0
Human resources-related, Permanent	37	32	13,5	0
Information technology, Permanent	1	1	0	0
Other communication-related, Permanent	2	2	0	0
Library-related personnel, Permanent	3	3	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	3	3	0	0
Other administrative and related clerks, Permanent	2	2	0	0
Other administrative policy and related officers, Permanent	2	2	0	0
Other information technology personnel, Permanent	2	2	0	0
Other occupations, Permanent	1	1	0	0
Chairperson: PSC	1	1	0	0
Deputy Chairperson: PSC	1	1	0	0
Member: PSC	11	9	18,2	0
Secretaries, Permanent	45	36	20	0
Secretaries, Temporary	1	1	0	0
Security officers, Permanent	8	5	37,5	0
Security officers, Temporary	5	5	0	2
Senior managers, Permanent	34	33	2,9	0
<b>TOTAL</b>	<b>219</b>	<b>190</b>	<b>13,2</b>	<b>2</b>

The information in each case reflects the situation as at 31 March 2004. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

## 3.4 JOB EVALUATION

The Public Service Regulations, 1999 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 their organisation. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled.

The following table (Table 13) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 13. Job Evaluation, 1 April 2003 to 31 March 2004**

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated per Salary Band	Posts Upgraded		Posts Downgraded	
				Number	% of Posts Evaluated	Number	% of Posts Evaluated
Lower skilled (Levels 1-2)	7	0	0	0	0	0	0
Skilled (Levels 3-5)	45	2	4.4	0	0	0	0
Highly skilled production (Levels 6-8)	59	3	5	3	100	0	0
Highly skilled supervision (Levels 9-12)	58	1	1.7	0	0	0	0
Senior Management Service Band A	27	27	100	0	0	0	0
Senior Management Service Band B	7	7	100	1	14.2	0	0
Senior Management Service Band C	13	2	15.4	0	0	0	0
Senior Management Service Band D	3	1	33.3	0	0	0	0
<b>TOTAL</b>	<b>219</b>	<b>43</b>	<b>19.6</b>	<b>4</b>	<b>9.3</b>	<b>0</b>	<b>0</b>





The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

**Table 14. Profile of Employees whose Salary Positions were Upgraded, due to their Posts being Upgraded, 1 April 2003 to 31 March 2004**

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	3	0	0	0	3
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
Employees with a disability					0

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 15.**

**Total Number of Employees whose Salaries Exceeded the Grades Determined by Job Evaluation in 2003/ 2004** **None**

Table 16 summarises the beneficiaries of the above in terms of race, gender and disability.

**Table 16. Profile of Employees whose Salary Levels exceed the Grade determined by Job Evaluation, 1 April 2003 to 31 March 2004 (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
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability					0

## 3.5 EMPLOYEMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates per salary band (Table 17) and per critical occupation (Table 18).

**Table 17. Annual Turnover Rates per Salary Band for the Period 1 April 2003 to 31 March 2004**

Salary Band	Number of Employees per Band as on 1 April 2003	Appointments and Transfers into the Office	Terminations and Transfers out of the Office	Turnover Rate
Lower skilled (Levels 1-2) Permanent	7	0	0	0
Lower skilled (Levels 1-2) Temporary	3	8	5	166,7
Skilled (Levels 3-5) Permanent	35	0	4	11,4
Highly skilled production (Levels 6-8) Permanent	55	0	0	0
Highly skilled supervision (Levels 9-12) Permanent	55	0	2	3,6
Senior Management Service Band A Permanent	25	0	0	0
Senior Management Service Band B Permanent	7	0	0	0
Senior Management Service Band C Permanent	11	2	3	27,3
Senior Management Service Band D	3	0	0	0
Senior Management Service Band D Temporary	1	0	0	0
<b>TOTAL</b>	<b>202</b>	<b>10</b>	<b>14</b>	<b>6,9</b>

**Table 18. Annual Turnover Rates per Critical Occupation for the Period 1 April 2003 to 31 March 2004**

Occupation	Number of Employees per Occupation as on 1 April 2003	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Administrative-related, Permanent	3	0	0	0
Cleaner, Permanent	1	0	0	0
Switch operator, Permanent	1	0	0	0
Communication and information-related Permanent	1	0	0	0
Finance and economics-related, Permanent	2	0	1	50
Financial and related professions, Permanent	2	0	0	0
Financial clerks, Permanent	5	0	0	0
Food Services Aid, Permanent	2	0	0	0
Heads of Department and DDGs	3	0	0	0
Human resources and organisational development-related, Permanent	22	0	0	0
Human resources clerks, Permanent	7	0	0	0
Human resources-related, Permanent	36	0	1	2,8
Information technology, Permanent	1	0	0	0
Other communication-related, Permanent	2	0	0	0
Library-related personnel, Permanent	3	0	0	0
Driver, Permanent	1	0	0	0
Logistical support personnel, Permanent	4	0	0	0
Material recording and transport clerks, Permanent	3	0	0	0
Messengers, Permanent	3	0	0	0
Other administrative and related clerks, Permanent	1	0	0	0
Other administrative policy and related officers, Permanent	2	0	0	0
Other information technology personnel, Permanent	2	0	0	0
Other occupations, Permanent	11	0	3	27,3
Other occupations, Temporary	1	0	0	0
Secretaries, Permanent	42	0	3	7,1
Secretaries, Temporary	0	3	2	0
Security officers, Permanent	7	0	1	14,3
Security officers, Temporary	3	5	3	100
Senior Managers, Permanent	31	2	0	0
<b>TOTAL</b>	<b>202</b>	<b>10</b>	<b>14</b>	<b>6,9</b>

Table 19 identifies the major reasons why staff left the department.

**Table 19. Reasons why Staff Members are leaving the Office**

Termination Type	Number	% of Total	% of Total Employment
Death	1	7,1	0,5
Resignation, Permanent	4	28,6	2
Resignation, Temporary	2	14,3	1
Expiry of contract, Permanent	3	21,4	1,5
Expiry of contract, Temporary	3	21,4	1,5
Dismissal - operational changes	0	0	0
Dismissal - misconduct	1	7,1	0,5
Dismissal - inefficiency	0	0	0
Discharged due to ill health	0	0	0
Retirement	0	0	0
<b>TOTAL</b>	<b>14</b>	<b>100</b>	<b>6,9</b>



**Table 20. Promotions per Critical Occupation**

Occupation	Employees as at 1 April 2003	Promotions to Another Salary Level	Salary Level Promotions as a % of Employees per Occupation	Progressions to Another Notch within a Salary Level	Notch Progressions as a % of Employees per Occupation
Administrative-related	3	1	33,3	2	66,7
Cleaner	1	0	0	1	100
Switchboard operator	1	0	0	1	100
Communication and information-related	1	0	0	0	0
Finance and economics-related	2	0	0	2	100
Financial and related professions	2	1	50	1	50
Financial clerks	5	0	0	5	100
Food Services Aid	2	0	0	0	0
Heads of Department and DDGs	3	0	0	1	33,3
Human resources and organisational development-related	22	0	0	14	63,6
Human resources clerks	7	3	42,9	4	57,1
Human resources-related	36	0	0	23	63,9
Information technology	1	0	0	0	0
Other communication-related	2	0	0	0	0
Library-related personnel	3	0	0	2	66,7
Driver	1	0	0	0	0
Logistical support personnel	4	0	0	3	75
Material recording and transport clerks	3	0	0	3	100
Messengers	3	0	0	1	33,3
Other administrative and related clerks	1	0	0	1	100
Other administrative policy and related officers	2	0	0	2	100
Other information technology personnel	2	0	0	2	100
Other occupations	12	0	0	0	0
Secretaries	42	1	2,4	18	42,9
Security officers	10	1	10	6	60
Senior managers	31	1	3,2	3	9,7
<b>TOTAL</b>	<b>202</b>	<b>8</b>	<b>4</b>	<b>95</b>	<b>47</b>

**Table 21. Promotions per Salary Band**

Salary Band	Employees as at 1 April 2003	Promotions to Another Salary Level	Salary Band Promotions as a % of Employees per Salary Level	Progressions to Another Notch within a Salary Level	Notch Progressions as a % of Employees per Salary Band
Lower skilled (Levels 1-2)	7	0	0	3	42,9
Lower skilled (Levels 1-2) Temporary	3	0	0	0	0
Skilled (Levels 3-5)	35	0	0	20	57,1
Highly skilled production (Levels 6-8)	55	6	10,9	31	56,4
Highly skilled supervision (Levels 9-12)	55	1	1,8	37	67,3
Senior Management (Levels 13-15)	46	1	2,2	4	8,7
Senior Management (Levels 16)	1	0	0	0	0
<b>TOTAL</b>	<b>202</b>	<b>8</b>	<b>4</b>	<b>95</b>	<b>47</b>

## 3.6 EMPLOYMENT EQUITY

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

**Table 22. Total Number of Employees (including Employees with Disabilities) in each of the following Occupational Categories, as at 31 March 2004**

Occupational Categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior managers	16	1	4	5	6	1	1	2	36
Middle managers	20	5	0	7	11	1	0	5	49
Administrative/ Clerks	17	1	0	3	33	5	3	15	77
Elementary occupations	4	1	0	0	3	0	0	0	8
<b>TOTAL</b>	<b>57</b>	<b>8</b>	<b>4</b>	<b>15</b>	<b>53</b>	<b>7</b>	<b>4</b>	<b>22</b>	<b>170</b>
Employees with Disabilities	0	0	0	1	0	0	0	0	1

**Table 23. Total Number of Employees (including Employees with Disabilities) in each of the Following Occupational Bands, as at 31 March 2004**

Occupational Bands (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	1	0	1	0	0	3
Senior Management	15	1	4	4	6	0	1	2	33
Professionally qualified and experienced specialists and mid-management	20	5	0	7	11	1	0	5	49
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	7	0	0	1	10	2	1	3	24
Semi-skilled and discretionary decision-making	10	1	0	2	23	3	2	12	53
Unskilled and defined decision-making	4	1	0	0	3	2	0	0	8
<b>TOTAL</b>	<b>57</b>	<b>8</b>	<b>4</b>	<b>15</b>	<b>53</b>	<b>7</b>	<b>4</b>	<b>22</b>	<b>170</b>

**Table 24. Recruitment for the Period 1 April 2003 to 31 March 2004**

Occupational Bands (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	1	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision-making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Employees with Disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 25. Promotions for the Period 1 April 2003 to 31 March 2004**

Occupational Bands (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (15-16)	0	0	0	0	0	0	0	0	0
Senior Management (13-14)	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management (9-12)	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors (7-8)	1	1	0	0	2	0	0	0	4
Semi-skilled and discretionary decision-making (4-6)	0	0	0	0	1	0	0	1	2
Unskilled and defined decision-making (1-3)	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**Table 26. Terminations for the Period 1 April 2003 to 31 March 2004**

Occupational Bands (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	0	0	1	0
Semi-skilled and discretionary decision-making	0	0	0	0	1	1	0	0	0
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>4</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 27. Disciplinary Action for the Period 1 April 2003 to 31 March 2004**

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	1	0	0	0	2	0	0	0	3

**Table 28. Skills Development for the Period 1 April 2003 to 31 March 2004**

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers (13-16)	16	1	4	5	6	1	1	2	<b>36</b>
Professionally qualified and experienced specialists and middle management (9-12)	20	5	0	7	11	1	0	5	<b>49</b>
Skilled technical, junior management and supervisors (7-8)	7	0	0	1	10	2	1	3	<b>24</b>
Semi-skilled workers (4-6)	10	1	0	2	26	1	2	13	<b>55</b>
Elementary occupations(1-3)	4	1	0	0	3	0	0	0	<b>8</b>
<b>TOTAL</b>	<b>57</b>	<b>8</b>	<b>4</b>	<b>15</b>	<b>56</b>	<b>5</b>	<b>4</b>	<b>23</b>	<b>172</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

## 3.7 PERFORMANCE REWARDS



To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender and disability (Table 29), salary band (Table 30) and critical occupation (Table 31).

**Table 29. Performance Rewards per Race, Gender and Disability, 1 April 2003 to 31 March 2004**

	Number of Beneficiaries	BENEFICIARY PROFILE		COST	
		Total Number of Employees in Group	% of Total within Group	Cost (R'000)	Average Cost per Employee
<b>African</b>					
Male	3	67	4,5	48	16
Female	11	60	18,3	98	9
<b>Asian</b>					
Male	0	0	0	0	0
Female	1	4	25	4	4
<b>Coloured</b>					
Male	0	0	0	0	0
Female	0	0	0	0	0
<b>White</b>					
Male	1	15	6,7	8	8
Female	1	22	4,5	9	9
Employees with a disability	0	0	0	0	0
<b>TOTAL</b>	<b>17</b>	<b>168</b>	<b>10,12</b>	<b>167</b>	<b>10</b>

**Table 30. Performance Rewards per Salary Band for Personnel below Senior Management Service, 1 April 2003 to 31 March 2004**

Salary Band	BENEFICIARY PROFILE			COST	
	Number of Beneficiaries	Number of Employees	% of Total within Occupation	Total Cost (R'000)	Average Cost per Employee
Lower skilled (Levels 1-2)					
Skilled (Levels 3-5)	7	31	22,6	43	6 143
Highly skilled production (Levels 6-8)	6	53	11,3	53	8 833
Highly skilled supervision (Levels 9-12)	1	49	2	26	26 000
<b>TOTAL</b>	<b>14</b>	<b>133</b>	<b>10,5</b>	<b>122</b>	<b>8 714</b>

**Table 31. Performance Rewards per Critical Occupation, 1 April 2002 to 31 March 2004**

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	3	32	9,4	43	14 333
Human resources and organisational development-related	1	23	4,3	26	26 000
Finance clerks	1	7	14,3	3	3 000
Secretaries	11	37	29,7	86	7 818
Logistical support personnel	1	4	25	8	8 000
<b>TOTAL</b>	<b>17</b>	<b>103</b>	<b>16,5</b>	<b>166</b>	<b>9 765</b>

**Table 32. Performance-related Rewards (Cash Bonus), per Salary Band, for SMS**

Salary Bands	BENEFICIARY PROFILE			COST		
	Number of Beneficiaries	Number of Employees	% of Total within Band	Total Cost (R'000)	Average Cost per Employee	Total cost as % of the Total Personnel Expenditure
Band A	15	25	60	291	19 425,08	0,63
Band B	6	7	85,71	136	22 694,84	0,29
Band C	2	2	100	55	27 540,87	0,11
Band D	1	1	100	59	59 119,44	0,12
<b>TOTAL</b>	<b>24</b>	<b>35</b>		<b>541</b>	<b>22 572,77</b>	<b>1,15</b>



## 3.8 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and major occupation.

**Table 33. Foreign Workers, 1 April 2003 to 31 March 2004, per Salary Band**

Salary Band	1 APRIL 2003		31 MARCH 2004		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
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 34. Foreign Workers, 1 April 2003 to 31 March 2004, per Major Occupation**

Salary Band	1 APRIL 2003		31 MARCH 2004		CHANGE	
	Number	% of Total	Number	% of Total	Number	% Change
	0		0	0	0	0
	0		0	0	0	0
	0		0	0	0	0
	0		0	0	0	0
	0		0	0	0	0
<b>TOTAL</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 3.9 LEAVE UTILISATION

### 3.9 Leave Utilisation for the Period 1 January 2003 to 31 December 2003

The Public Service Commission has 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 35) and disability leave (Table 36). In both cases, the estimated cost of the leave is also provided.

**Table 35. Sick Leave, 1 January 2003 to 31 December 2003**

Salary Band	Total Days	% Days with Medical Certification	Number of Employees Using Sick Leave	% of Total Employees Using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total Number of Days with Medical Certification
Lower skilled (Levels 1-3)	324	86,2	3	2,3	10	4	25
Skilled (Levels 4-6)	220	74,1	28	21,1	8	36	163
Highly skilled production (Levels 7-8)	357	81	41	30,8	9	102	289
Highly skilled supervision (Levels 9-12)	286	71,7	38	28,6	8	197	205
Senior Management (Levels 13-16)	150	78	23	17,3	7	247	117
<b>TOTAL</b>	<b>1042</b>	<b>76,7</b>	<b>133</b>	<b>100</b>	<b>8</b>	<b>586</b>	<b>799</b>

**Table 36. Disability Leave (Temporary and Permanent), 1 January 2003 to 31 December 2003**

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
Lower skilled (Levels 3-5)	11	100	3	25	4	2	11
Skilled production (Levels 6-8)	47	100	4	33,3	12	15	47
Highly skilled supervision (Levels 9-12)	135	100	3	25	45	78	135
Senior Management (Levels 13-16)	17	94,1	2	16,7	90	27	16
<b>TOTAL</b>	<b>210</b>	<b>99,5</b>	<b>12</b>	<b>100</b>	<b>18</b>	<b>122</b>	<b>209</b>

Table 37 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 37. Annual Leave, 1 January 2003 to 31 December 2003**

Salary Bands	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-3)	91	23	8
Skilled (Levels 4-6)	723	20	55
Highly skilled production (Levels 7-8)	1 159	20	24
Highly skilled supervision (Levels 9-12)	1 322	23	49
Senior Management (Levels 13-16)	996	21	48
<b>TOTAL</b>	<b>4 291</b>	<b>21</b>	<b>184</b>

**Table 38. Capped Leave, 1 January 2003 to 31 December 2003**

Salary Bands	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee, as on 31 December 2003	Total Capped Leave Available, as at 31 December 2003	Number of Employees, as at 31 December 2003
Lower skilled (Levels 1-3)	9	0	39	116	8
Skilled (Levels 4-6)	5	0	44	697	55
Highly skilled production (Levels 7-8)	17	1	33	1 205	24
Highly skilled supervision (Levels 9-12)	61	3	67	3 232	49
Senior Management (Levels 13-16)	16	1	69	2890	48
<b>TOTAL</b>	<b>108</b>	<b>5</b>	<b>56</b>	<b>8140</b>	<b>184</b>

The following table summarises payments made to employees, due to leave not taken.

**Table 39. Leave Payouts for the Period 1 April 2003 to 31 March 2004**

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee
Leave payout for 2003 / 2004, due to non-utilisation of leave during the previous cycle	3	1	3
Capped leave payouts on termination of service for 2003 / 2004	199	3	66
Current leave payout on termination of service for 2003 / 2004	63	5	13
<b>TOTAL</b>	<b>265</b>	<b>9</b>	<b>29</b>

## 3.10 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

**Table 40. Steps Taken to Reduce the Risk of Occupational Exposure**

Units / Categories of Employees identified to be at High Risk of Contracting HIV / Aids and Related Diseases (if any)	Key Steps Taken to Reduce the Risk
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0	None yet
---	----------

**Table 41. Details of Health Promotion and HIV / Aids Programmes (tick the applicable boxes and provide the required information) - Also refer to Annexure A.**

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 H.A. Maluleke Director: Corporate Services
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.	√		18 Special Programmes Task Team 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.		√	
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) they represent.	√		See attached name list (Annexure A)
5. Has the department reviewed its employment policies and practices to ensure that they do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies / practices reviewed.	√		1. HIV/Aids Policy and Programme 2. Recruitment and Selection Policy





Question	Yes	No	Details, if yes
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.	√		<p>HIV/Aids Policy and Programme</p> <p>The purpose of this policy is to among others, sustain awareness and to implement a prevention strategy; to build capacity and skills development to equip Commissioners and employees to deal with the impact of the disease in a professional manner; and</p> <p>To create an enabling and supportive working environment and culture for the disclosure and care and support of Commissioners and employees living with HIV/AIDS as well as to those who are affected by HIV/AIDS. The policy extends to prospective employees, addressing the rights of the infected and affected, issues such as HIV/AIDS testing, the right to tell or not to tell about one's status, discrimination, provision of continued information, conditions under which service can be terminated, granting access to information sources, provision of care and support (internally and externally), respect of one's confidentiality, responsibility of all Commissioners and employees, and so forth. It also opens up complaints channel and dispute resolution measures to ensure proper implementation of the policy and that those whose rights are trampled upon do not suffer in silence. The policy also obliges the Commission/Office to interact with other departments through a focal person, who serves on the Inter-departmental Committee. Accordingly, Commissioners and employees living with HIV/AIDS as well as to those who are affected by HIV/AIDS, have the same rights and obligations as all the other Commissioners and employees - to be treated in a just, humane and life-affirming manner.</p> <p>In terms of the Office's HIV/AIDS Programme, the following principles are key: confidentiality, commitment, responsibility, and support. This programme comprises of the following elements: management support; education and awareness, condom distribution; infection reduction; support to the infected and affected; and the communication strategy around HIV/AIDS issues. The programme will be continuously evaluated with the purpose of identifying ways of enriching and improving it. The HIV/AIDS Task Team has been established to among others, handle this evaluation. Evaluation focuses on the following elements: impact; effectiveness; cost; and participation.</p>



Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		None so far
8. Has the department developed measures / indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures / indicators.	√		HIV/Aids Programme

## 3.11 LABOUR RELATIONS

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

**Table 42. Collective Agreements, 1 April 2003 to 31 March 2004**

Subject Matter	Date
HR Policies	19 March 2003
HR policies	11 March 2003
HR Policies	23 September 2003
HR Policies	08 March 2004

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

**Table 43. Misconduct and Disciplinary Hearings finalised, 1 April 2003 to 31 March 2004**

Outcomes of disciplinary hearings	Number	% of Total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	2	1
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	0,1
Not guilty	0	0
Case withdrawn	1	0,1
<b>TOTAL</b>	<b>4</b>	<b>1,2</b>

**Table 44. Types of Misconduct Addressed at Disciplinary Hearings**

Type of Misconduct	Number	% of Total
Poor performance	2	1
Removal of state property	1	0,1
<b>TOTAL</b>	<b>3</b>	<b>1,1</b>

**Table 45. Grievances Lodged for the Period 1 April 2003 to 31 March 2004**

	Number	% of Total
Number of grievances resolved	2	1
Number of grievances not resolved	0	0
<b>TOTAL</b>	<b>2</b>	<b>1</b>

**Table 46. Disputes Lodged with Councils for the Period 1 April 2003 to 31 March 2004**

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**Table 47. Strike Actions for the Period 1 April 2003 to 31 March 2004**

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

**TABLE 48. Precautionary Suspensions for the Period 1 April 2003 to 31 March 2004**

Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	30
Cost (R'000) of suspensions	R 3 862,75



## 3.12 SKILLS DEVELOPMENT



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

**Table 49. Training Needs Identified 1 April 2003 to 31 March 2004**

Occupational Categories	Gender	Number of Employees, as on 1 April 2003	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			Total
			Learnerships Identified	Skills Programmes and Other Short Courses	Other Forms of Training	
Chief Directors	Female	1	Financial Management	Labour Relations	Diversity Management	
	Male	5	Financial Management	Labour Relations	Diversity Management	
Directors	Female	10	Financial Management	Risk Management Labour Relations	Diversity Management	
	Male	16	Financial Management	Risk Management Labour Relations	Diversity Management	
Deputy Directors	Female	23	Project Management	Investigations Diversity Management	Labour Relations	
Assistant Directors	Male	11	Project Management	Investigations	Diversity Management	
	Female	2	Financial and HR Management	Financial, HR Management and Labour Relations	Diversity Management	
	Male	0				
Principal / Chief State Administration Officers	Female	10	Project Management Management	Investigations and Labour Relations	Diversity	
	Male	3	Project Management Labour Relations	Investigations and Diversity Management		
Senior / State Accountants	Female	1	Financial Management	PFMA and Budgeting	Diversity Management	
	Male	2	Financial Management	Provisioning Administration	Diversity Management	
Accounting Clerk	Female	0				
	Male	2		PFMA	Diversity Management	
Chief Personnel Officer	Female	1		PERSAL	Diversity Management	
	Male	0				
Principal Personnel Officer	Female	1		PERSAL	Diversity Management	
	Male	0				
Personnel Officer	Female	1		PERSAL	Diversity Management	
	Male	1		PERSAL	Diversity Management	

Occupational Categories	Gender	Number of Employees, as on 1 April 2003	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			Total
			Learnerships Identified	Skills Programmes and Other Short Courses	Other Forms of Training	
Provisioning Administration Officer	Female	2		Provisioning Administration and LOGIS	Diversity Management	
	Male	2		Provisioning Administration and LOGIS	Diversity Management	
Provisioning Administration Clerk	Female	2		Provisioning Administration and LOGIS	Diversity Management	
	Male	1		Provisioning Administration and LOGIS	Diversity Management	
Document Clerk	Female	1			Diversity Management	
	Male	0				
Communication Officer	Female	2			Diversity Management	
	Male	0				
Registry Clerk	Female	2			Diversity Management	
	Male	0				
Administrative Secretary	Female	29			Diversity Management	
	Male	1			Diversity Management	
Telecom Operator	Female	1			Diversity Management	
	Male	0				
Library Assistant	Female	1			Diversity Management	
	Male	0				
Administration Clerk	Female	0				
	Male	2			Diversity Management	
General Aid	Female	2		ABET	Diversity Management	
	Male	4		ABET	Diversity Management	
Typist	Female	1			Diversity Management	
	Male	0				
Cleaner	Female	0				
	Male	1			Diversity Management	
State Administration Officer	Female	4			Diversity Management	
	Male	2			Diversity Management	
Administration Officer	Female	2			Diversity Management	
	Male	0				
Assistant Administration Officer	Female	1			Diversity Management	
	Male	0				
Messenger	Female	0				
	Male	1			Diversity Management	
Chief Accounting Clerk	Female	3		PFMA	Diversity Management	
	Male	0				



Occupational Categories	Gender	Number of Employees, as on 1 April 2003	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			Total
			Learnerships Identified	Skills Programmes and Other Short Courses	Other Forms of Training	
Human Resource Practitioners	Female	1		HR Management and Development	Diversity Management	
	Male	2		HR Management and Development	Diversity Management	
PC Specialist	Female	1		Information Technology	Diversity Management	
	Male	1		Information Technology	Diversity Management	
Security Administration/ Security Officer	Female	1		Security Services	Diversity Management	
	Male	3		Security Services	Diversity Management	
Sub-total	Female	86				
	Male	84				
<b>TOTAL</b>						<b>151</b>

**Table 50. Training Provided 1 April 2003 to 31 March 2004**

Occupational Categories	Gender	Number of Employees, as on 1 April 2003	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			Total
			Learnerships Identified	Skills Programmes and Other Short Courses	Other Forms of Training	
Senior officials and managers	Female	10		Internal Control and Risk Management Performance Management 7th National PS Trainers' Conference Prevention of Corruption Internal Performance Evaluation and Report Short Course in Combating Corruption		7
	Male	26		NGO Adobe & Macro-media Freehand 16th Annual Labour Law Conference		3

Occupational Categories	Gender	Number of Employees, as on 1 April 2003	TRAINING PROVIDED DURING REPORTING PERIOD			Total
			Learnerships Identified	Skills Programmes and Other Short Courses	Other Forms of Training	
Professionals	Female	0	0			0
	Male	0	0			0
Technicians and associate professionals	Female	17	0	Internal Control and Risk Management Risk and Internal Control Assessment Financial Management for Non-Financial Managers Employee Assistance Programme 7th National PS Trainers' Conference Short Course in Combating Corruption MS Excel 2000 Beginners MS Excel 2000 Intermediate Training for Management of Learnerships in government departments		11
	Male	32	0	Law of Evidence MS Windows 98 MS Word 2000 Beginners MS Excel 2000 Beginners Prevention of Corruption Adobe & Macro-media Freehand 16th Annual Labour Law Conference MS Excel 2000 Intermediate MS Excel 2000 Advanced Risk and Internal Control Assessment Internal Control and Risk Management		14

Occupational Categories	Gender	Number of Employees, as on 1 April 2003	TRAINING PROVIDED DURING REPORTING PERIOD			Total
			Learnerships Identified	Skills Programmes and Other Short Courses	Other Forms of Training	
Clerks	Female	56	0	Adope & Macro-media Freehand Practical Use of English Professional Secretarial Training Project Management for Office Professionals LOGIS I Personal Assistants and Executive Secretaries' Conference MS Excel 2000 Intermediate MS PowerPoint 2000 MS Access 2000 Beginners Employee Assistance Programme 7th National PS Trainers' Conference MS Excel 2000 Advanced PERSAL Controllers' Skills Audit IT Forum MS Word 2000 Intermediate		23
	Male	21	0	Real Management Counselling Skills for Managing Poor Performers Training for Management of Learnership in government departments MS Word 2000 Advanced MS Excel 2000 Beginners MS Excel 2000 Intermediate MS Excel 2000 Advanced MS PowerPoint 2000 MS Internet Explorer 5		9

## 3.13 INJURY ON DUTY

The following tables provide basic information on injury on duty.

**Table 51. Injury on Duty, 1 April 2003 to 31 March 2004**

Nature of Injury on Duty	Number	% of Total
Required basic medical attention only	0	0
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

## 3.14 UTILISATION OF CONSULTANTS

**Table 52. Report on Consultant Appointments Using Appropriated (voted) Funds**

Project Title	Total Number of Consultants who worked on the Project	Duration: Work Days	Contract Value in Rand
Management of Discipline in the Public Service	1	180	108 000
Investigations into Allegations of Impropriety: Statics South Africa	3	20	100 000
Citizen Satisfaction Survey	4	132	1 145 021
Good Practice Guides on Police Station Management (Umhlabi Development Services)	1	120	160 680
Evaluation of Land Administration in the Eastern Cape - Presentation to the Legislature	1	2	8 047
Evaluation of National Housing Scheme	6	403	690 774
Development of Best Practice Guide on School District Management	6	120	376 000
Measuring the Efficacy of the Code of Conduct	4	50	275 000
<b>Total Number of Projects</b>	<b>Total Individual Consultants</b>	<b>Total Duration Work Days</b>	<b>Total Contract Value in Rand</b>
<b>8</b>	<b>261</b>	<b>1 027</b>	<b>2 863 522</b>

**Table 53. 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 Working on the project
Management of Discipline in the Public Service	100	100	1
Citizen Satisfaction Survey	45	50	02
Good Practice Guides on Police Station Management (Umlhlabi Development Services)	70	70	1
Evaluation of Land Administration in the Eastern Cape - Presentation to the Legislature	66	66	1
Evaluation of National Housing Scheme	100	100	1
Development of Best Practice Guide on School District Management	100	100	5

**Table 54. Report on Consultant Appointments Using Donor Funds**

Project Title	Total Number of consultants who worked on the Project	Duration: Work Days	Donor and Contract Value in Rand
Audit on Affirmative Action in the Public Service	3	240	R1 400 000
Verification of Qualifications of Middle Managers (Level 11-12) in the Public Service	2	180	R1 250 000
Evaluation of Performance Management in the Public Service	2	240	R450 000
Evaluation of the Service Standards in the Public Service (Strategy and Tactics)	6	250	855 000
Evaluation of the Performance of Sector Policing	5	120	400 000
Investigation into Institutional and Systems Risks in the Procurement and Distribution of State Medicines in the Eastern Cape, Free State, Mpumalanga and North-West	2	432	902 274
Evaluation of National Housing Subsidy Scheme	6	133	315 300
Labour Relations Training	2	12	147 972
Diversity Management Training	3	12	192 542
Skills Profiling and Restructuring	3	40	282 366
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: Work days</b>	<b>Total contract value in Rand</b>
10	29	1 595	6 195 454



**Table 55. 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 Working on the project
Audit on Affirmative Action in the Public Service	100	100	3
Verification of Qualifications of Middle Managers (Level 11-12) in the Public Service	100	100	2
Evaluation of Performance Management in the Public Service	100	100	2
Evaluation of the Service Standards in the Public Service (Strategy and Tactics)	80	50	03
Evaluation of the Performance of Sector Policing	70	70	03
Investigation into Institutional and Systems Risks in the Procurement and Distribution of State Medicines in the Eastern Cape, Free State, Mpumalanga and North-West	100	100	4
Labour Relations Training			2
Diversity Management Training	50	50	3
Skills Profiling and Restructuring	100	100	3

# ANNEXURE A

(This Annexure relates to Table 41)

## OFFICE OF THE PUBLIC SERVICE COMMISSION SPECIAL PROGRAMMES TASK TEAM MEMBERS

### CONTACT DETAILS:

NR.	NAME	TEL NUMBER	STATION
1.	Mr HA Maluleke	(012) 352-1030	Pretoria Headquarters
2.	*Ms PT Khumalo	(012) 352-1074	Pretoria Headquarters
3.	Ms JH Human	(012) 352-1116	Pretoria Headquarters
4.	Ms GL Kunene	(012) 352-1030	Pretoria Headquarters
5.	Ms NG de Free	(012) 352-1070	Pretoria Headquarters
6.	Mr SG Ngema	(012) 352-1133	Pretoria Headquarters
7.	*Ms VM Mashele	(012) 352-1112	Pretoria Headquarters
8.	Ms DN Mdunge	(012) 352-1194	Pretoria Headquarters
9.	Ms MM Adams	(012) 352-1151	Pretoria Headquarters
10.	Mr JD Kgoedi	(011) 833-5727	Johannesburg: Gauteng Province
11.	Ms AM Dunga	(021) 421-3980	Cape Town: Western Cape Province
12.	Ms LC Qithi	(051) 448-8696	Bloemfontein: Free State Province
13.	Mr RA Chauke	((015) 297-6284	Polokwane: Limpopo Province
14.	Ms G Appels	(053) 832-6222	Kimberley: Northern Cape Province
15.	Mr FM Dolamo	(013) 755-4070	Nelspruit: Mpumalanga Province
16.	Ms ROM Mmutle	(018) 384-1000	Mmabatho: North West Province
17.	Ms LT Mgagula	(033) 345-1621	Pietermaritzburg: KwaZulu-Natal Province
18.	Mr MV Rhawana	(043) 643-4704	King William's Town: Eastern Cape Province

\* Represents co-opted members of the Special Programmes Task Team

# 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 2004.

## 4.1 Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereunder and meets at least two times per annum as per the approved Audit Committee Charter. During the year under review two meetings were held i.e. 04 November 2003 and 06 February 2004.

Name of Member	Number of Meetings Attended
Prof H de Jager	2
Mr A K Soma	2
Mr D Mbatha	1
Ms S Machaba (resigned on 30 April 2004)	1
Mr N Khoza	2

## 4.2 Audit Committee Responsibility

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

## 4.3 The effectiveness of internal control

The system of controls designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed and from the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, 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. In line with the PFMA and the King II Report 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.

## 4.4 The quality of in year management and monthly reports submitted in terms of the PFMA

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

## 4.5 Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and the Accounting Officer the Audited Annual Financial Statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management's responses.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

**CHAIRPERSON OF THE AUDIT COMMITTEE**

**DATE: 28 JULY 2004**





# CHAPTER 5

## Annual Financial Statements

for the Year ended  
31 March 2004







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# 5.1 MANAGEMENT REPORT

## for the year ended 31 March 2004

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

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

For the financial year 2003/2004, the Public Service Commission's (PSC) Vote 11 received R64 215 000 from National Treasury. No additional amount was allocated in the Adjustments Estimate. The surplus on the budget for the 2003/2004 financial year was R70 210.

This clearly indicates that the PSC managed to improve on its expenditure and thus reducing the surplus to be surrendered for the 2002/2003 financial year, to almost nil compared with the 1% for the previous financial year.

At the time of the finalisation of the PSC's planned outputs for 2003/2004, it had not been anticipated that the PSC would be involved in assisting the Interim Management Team (IMT) in the Eastern Cape. The IMT was tasked with assisting the Eastern Cape Provincial Administration in tackling service delivery challenges in the Provincial Departments of Social Development, Education, Health and Roads & Public Works. A Considerable number of officials were deployed into various sections of the IMT. Furthermore, financial resources were also allocated to fund this deployment.

Despite this unplanned deployment of significant resources of the PSC to the IMT the planned outputs for 2003/2004 were achieved. Some of the outputs achieved during the year under review are as follows:

#### Human Resource Management And Labour Relations

- Development and launch of New Grievance Rules
- Development of Complaints Rules

- The evaluation of the extent to which dispute resolution mechanisms are utilised by employees in the Public Service
- Reporting on the outcomes of disciplinary proceedings in cases of financial misconduct in the Public Service
- Database on agreements reached in the departmental chambers
- Employee Grievances and Complaints Investigations
- Investigations into various public administration practices
- Verification of qualifications of Middle Managers
- Audit of affirmative action in the Public Service
- Investigation into the state of Performance Management Systems in the Public Service
- Evaluation of the recruitment and selection procedures of Senior Managers appointed in the Eastern Cape Provincial Administration
- Secretariat to the Ministerial Task Team into the restructuring of the Office of the Secretary for Defence
- Investigation into the re-employment of persons retired due to ill-health
- Investigation into the management of State housing
- Investigation into the application of job evaluation in the Public Service and evaluation of the compatibility of job evaluation systems with the Public Service
- Management of the Heads of Department (HoD) evaluation process

#### Good Governance And Service Delivery

- Development of guidelines on acceptance of gifts and favours
- Development of guidelines on whistle blowing in the Public Service
- Development of guidelines for conducting risk assessment in the Public Service
- Ongoing management of the asset register
- Development of generic ethics statement for the Public Service
- Proposals on a System of National Public Service Anti-Corruption Hotline

- Providing Secretariat to the National Anti-Corruption Forum (NACF)
- Presentation of an Anti-Corruption Course in partnership with University of Pretoria
- The Monitoring and Evaluation System
- State of the Public Service Report - 2004
- Evaluation of the National Housing Subsidy Scheme
- Evaluation of Land Administration in the Eastern Cape
- Investigation into Cubans in the Public Service
- Investigation into performance management in the Department of Social Welfare: KZN
- Citizens Satisfaction Survey
- Citizens Forums
- Providing advice and assistance on the restructuring of the Office of the Chief State Law Adviser
- Evaluation of the performance of community policing forums
- Evaluation of service standards in the Public Service
- Good practice guides on managing police stations.
- Good practice guides on school district management
- Investigation into institutional and systems risks in the procurement and distribution of state medicines
- Investigation into the allegations of irregularities in the handling of tenders in the Mpumalanga Department of Health
- Investigation into allegations of irregularities in the acquisition of land in the Department of Land Affairs: Free State Regional Office
- Investigation into allegations of corruption in the KwaZulu-Natal Department of Transport.

The abovementioned outputs are explained in detail in chapter 2 of this annual report.

### 5.1.2 SERVICES RENDERED BY THE PUBLIC SERVICE COMMISSION

The Public Service Commission, 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. This mandate also entails the evaluation of achievements, or lack thereof of Government programmes. Linked to the aforementioned powers, 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 Commissioner resident in each province. The PSC is supported by the Office of the PSC, headed by the Director-General, with its head office in Pretoria and regional offices in each province.

### 5.1.3 MANDATE OF THE PSC

The PSC derives its mandate from sections 195 and 196 of the Constitution of the Republic of South Africa, which sets out its powers and functions as follows:

- Promote the values and principles described in Section 196 of the Constitution
- Investigate monitor and evaluate the organisation and administration and the personnel practices of the public service, and to advise national and provincial organs of state on their personnel practices
- Propose measures to ensure effective and efficient performance within the public service



- Give directions to ensure that personnel procedures comply with the constitutional values and principles
- To investigate the grievances of employees in the public service
- Report on its activities and performance.

### 5.1.4 STRATEGIC FOCUS

The organisational structure of the PSC is designed around its strategic objectives and consequently its functional areas.

#### Professional Ethics and Risk Management

The executive and legislatures advised on the status of professional ethical standards in public administration and strategies for intervention.

#### Anti-Corruption Investigations

Areas in public administration vulnerable to corruption identified and selected corruption cases resolved.

#### Management and Service Delivery Improvement

Regular, useful and timely information provided to relevant stakeholders on service delivery improvement.

#### Monitoring and Evaluation System

The state of the public service systematically monitored and evaluated in terms of the constitutional values governing public administration.

#### Human Resource Management and Development

Sound human resource management practices promoted (especially in the areas of human resource procurement, utilisation and development).

#### Labour Relations Monitoring

The executive and legislatures advised on trends and other matters relating to labour relations in the public service.

#### Senior Management and Conditions of Service

The executive and legislatures advised on the performance and employment conditions of the senior management service and to advise and inform them on the administration and effectiveness of conditions of service for all public servants.

#### Institution Building

Provision of general and financial management, personnel and provisioning administration, the provision of legal and other support services to the PSC.

### 5.1.5 CAPACITY CONSTRAINTS AND IMPROVEMENTS


As already indicated above, the year under review started with the deployment of several senior officials of the PSC to the Eastern Cape to assist the IMT. The deployment of the Director-General of the Office of the Public Service Commission as a member of the IMT meant that an acting Director-General had to be appointed for a major part of the period. Furthermore, a number of acting appointments were made as a result of these deployments.

Despite the above, the PSC managed to make significant progress in achieving the planned outputs for 2003/2004.

### 5.1.6 DONOR FUNDS

During the financial year the PSC received an amount of R477 258.21 from the German Agency for Technical Cooperation (GTZ) to fund the services of the Monitoring and Evaluation System Technical Advisor. This amount was deposited into the RDP Fund which is under the control of National Treasury. An amount of R342 646.92 was drawn and utilised for this purpose during the financial year.





Furthermore, the PSC continued to receive donor funds in kind mainly from GTZ and Department for International Development (DFID). These donations come in kind as the PSC only receive the services procured by the donors on its behalf. Therefore, none of the donor funds were under the control of the PSC. It should however, be noted that the availability of the donor funds has significantly improved the ability of the PSC to deliver on its mandate taking into consideration the limited financial resources at its disposal.

The cooperation agreement with DFID expired on 31 July 2003 and negotiations on a new agreement are still to be finalised.

### **5.1.7 TRADING ENTITIES/ PUBLIC ENTITIES**

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

### **5.1.8 OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE**

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

### **5.1.9 PUBLIC/PRIVATE PARTNER-SHIPS (PPP)**

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



### **5.1.10 CORPORATE GOVERNANCE ARRANGEMENTS**

The PSC continues to have appropriate governance structures which were set up to deal with ongoing management issues as follows:

#### **Public Service Commission Plenary**

This is a quarterly meeting of all the Commissioners together with the Executive Management of the Office of the Public Service Commission 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 of Pretoria based Commissioners including the Commissioner from Gauteng Province as well as Executive Managers from the Office of the Public Service Commission. It meets bi-weekly to consider and make operational decisions within the parameters of the policy framework including ad-hoc projects. These are subsequently ratified at full plenary where all the Commissioners are present.

#### **Specialist Teams**

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

- Institution Building and Special Investigations
- Professional Ethics and Risk Management and Service Delivery Improvement
- Labour Relations Monitoring and Monitoring and Evaluation
- Human Resource Management and Senior Management and Conditions of Service .





### **Executive Management Committee**

This Committee consists of Executive Managers from the Office of the Public Service Commission. It meets on a bi-weekly basis to consider policy and management issues affecting the Office of the Public Service Commission.

### **Management Committee**

This is a Forum comprising Executive and Senior Managers from the Office of the Public Service Commission. The purpose of this forum is to discuss project related issues and to engage on the strategic planning exercise as well as to give feedback to Senior Managers on policy and management decisions taken at the various aforementioned governance structures. This Forum meets on a bi-annually basis.

## **5.1.11 DISCONTINUED ACTIVITIES**

No activities were discontinued during the period under review.

## **5.1.12 NEW OR PROPOSED ACTIVITIES**

The Cabinet approved in 2003 the establishment of a National Public Service Anti-Corruption Hotline. The PSC was tasked with the responsibility for managing and/or overseeing the functioning of this hotline. It was anticipated that the hotline would be operational by the beginning of April 2004. However, due to the non-availability of sufficient funds for the preparatory activities prior to April 2004, the planned launch date for the hotline is now September 2004.

## **5.1.13 EVENTS AFTER ACCOUNTING DATE**

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

## **5.1.14 PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS**

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

The Internal Audit function was outsourced to a consortium of Gobodo Risk Management and MSGM Masuku-Jeena (now PricewaterhouseCoopers), with effect from May 2002. The internal audit contract terminates on 31 July 2004. The internal auditors performed a number of audits as per the internal audit coverage plan thus providing management with important findings and observations on issues of internal controls. The year under review has also seen an improvement in the coordination of activities and resources between the Internal Auditors and the Auditor-General.

The functioning of the Audit Committee has improved. A new Audit Committee was established effective from July 2003.

The Fraud Prevention Plan for the PSC was approved and is in place. The Internal Auditors have also reviewed this plan and have made certain recommendations with regards to the implementation thereof. A certificate in this regard was forwarded to National Treasury as per the Treasury Regulations requirements. The focus is to now provide ongoing education of staff on this plan.



### 5.1.15 PERFORMANCE INFORMATION

The PSC with the assistance of the GTZ (donors) is in the process of developing an Information and Knowledge Management System (IKM). This system will be used to address the following areas:

- Workflow and project management;
- Manage the project related budgeting and financial reporting;
- Store data gathered through the M&E system and other projects; and
- Management of information system that will enhance decision making.

The implementation and ongoing review of the Public Finance and Management Act, Public Service Act and Regulations related policies has continued during the year under review. The implementation of these policies continues to result in significant improvements in financial management and human resource management within the Office of the Public Service Commission. Furthermore, training on Finance for Non-Financial Managers was arranged for all Responsibility Managers during the period under review. All the financial reports and documentation required in terms of the PFMA, as well as the Treasury Regulations were prepared timeously and forwarded to the relevant parties. The quarterly information required by National Treasury on the achievement on Estimate of National Expenditure (ENE) outputs was also submitted timeously.

#### APPROVAL

The annual financial statements set out on pages 93 to 135 have been approved by the Accounting Officer.

**MJ SIKHOSANA**  
**DIRECTOR-GENERAL**  
**DATE: 31 MAY 2004**



## 5.2 REPORT OF THE AUDITOR-GENERAL



**TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE 11 - PUBLIC SERVICE COMMISSION FOR THE YEAR ENDED 31 MARCH 2004**

### 5.2.1 AUDIT ASSIGNMENT

The financial statements as set out on pages 93 to 135, for the year ended 31 March 2004 have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

### 5.2.2 NATURE AND SCOPE

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

#### **An audit includes:**

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

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

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

### 5.2.3 AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Public Service Commission at 31 March 2004 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No 1 of 1999).

### 5.2.4 APPRECIATION

The assistance rendered by the staff of the Public Service Commission during the audit is sincerely appreciated.

**JE van Heerden**  
**for Auditor-General**

**Pretoria**  
**15 July 2004**

## 5.3 STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

for the year ended 31 MARCH 2004

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act.

### 5.3.1 BASIS OF PREPARATION

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

### 5.3.2 REVENUE

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

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt

date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred annually to the National Revenue Fund.

### 5.3.3 DONOR AID

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

### 5.3.4 CURRENT EXPENDITURE

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

### 5.3.5 UNAUTHORISED, IRREGULAR, AND FRUITLESS AND WASTEFUL EXPENDITURE

Unauthorised expenditure means:

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

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

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



- the Public Finance Management Act, and
- the State Tender Board Act, or any regulations made in terms of this act.

Irregular expenditure is treated as expenditure in the income statement.

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

### 5.3.6 DEBTS WRITTEN OFF

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

### 5.3.7 CAPITAL EXPENDITURE

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

### 5.3.8 RECEIVABLES

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

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements

are prepared on a cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

### 5.3.9 PAYABLES

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

### 5.3.10 PROVISIONS

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

### 5.3.11 LEASE COMMITMENTS

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

### 5.3.12 ACCRUALS

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





### 5.3.13 EMPLOYEE BENEFITS

#### **Short-term employee benefits**

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

#### **Termination benefits**

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

#### **Retirement benefits**

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

#### **Medical benefits**

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

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

### 5.3.14 RECOVERABLE REVENUE

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

### 5.3.15 COMPARATIVE FIGURES

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

PUBLIC SERVICE COMMISSION. VOTE 11  
APPROPRIATION STATEMENT  
for the year ended 31 March 2004

	2003/2004				2002/2003			
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation %	Revised Allocation R'000	Actual Expenditure R'000
1. Administration								
Current	27,511	(230)	27,281	27,268	13	99.95	26,000	25,735
Capital	1,422	–	1,422	1,171	251	82.36	950	807
2. Human Resource Management and Labour Relations								
Current	15,193	1,312	16,506	16,491	15	99.91	13,954	13,922
Capital	–	–	–	–	–	–	–	–
3. Good Governance and Service Delivery								
Current	20,089	(1,082)	19,006	18,991	15	99.92	17,017	16,777
Capital	–	–	–	–	–	–	50	–
4 Special functions: Authorised Losses								
Current	–	–	–	224	(224)	–	–	187
Total	64,215	–	64,215	64,145	70	99.89	57,971	57,428
Reconciliation with Income Statement								
Add: Local and foreign aid assistance (including RDP funds)			343	343			–	–
Add: Other Receipts			228	–			238	–
Actual amounts per Income Statement			64,786	64,488			58,209	57,428

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2004

Economic Classification	2003/2004					2002/2003		
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	46,551	(455)	46,096	46,071	24	99.95	43,788	43,763
Transfer payments	–	–	–	–	–	–	–	–
Other	16,295	455	16,750	16,903	(152)	100.91	13,183	12,858
<b>Capital</b>								
Transfer payments	–	–	–	–	–	–	–	–
Acquisition of capital assets	1,369	–	1,369	1,171	198	85.55	1,000	807
<b>Total</b>	<b>64,215</b>	<b>–</b>	<b>64,215</b>	<b>64,145</b>	<b>70</b>	<b>99.89</b>	<b>57,971</b>	<b>57,428</b>
Standard Item Classification	2003/2004					2002/2003		
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	46,551	(455)	46,096	46,071	24	99.95	43,788	43,763
Administrative	9,474	2,191	11,667	11,651	17	99.86	8,195	8,095
Inventories	2,106	(380)	1,726	1,717	9	99.52	1,404	1,362
Equipment	1,469	56	1,525	1,323	201	86.76	1,203	975
Land and buildings	–	–	–	–	–	–	–	–
Professional and special services	4,615	(1,412)	3,201	3,159	43	98.66	3,381	3,046
Transfer payments	–	–	–	–	–	–	–	–
Miscellaneous	–	–	–	–	–	–	–	187
Special functions	–	–	–	224	(224)	–	–	–
<b>Total</b>	<b>64,215</b>	<b>–</b>	<b>64,215</b>	<b>64,145</b>	<b>70</b>	<b>99.89</b>	<b>57,971</b>	<b>57,428</b>

**DETAIL PER PROGRAMME 1**  
for the year ended 31 March 2004

	2003/2004					2002/2003		
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Programme per subprogramme								
1.1 Public Service Commission								
Current	9,114	(2)	9,112	9,106	6	99.93	8,454	8,432
Capital	–	–	–	–	–	–	10	10
1.2 Management								
Current	3,408	995	4,404	4,399	5	99.88	3,361	3,294
Capital	–	–	–	–	–	–	2	1
1.3 Corporate Services								
Current	15,042	(1,223)	13,818	13,763	55	99.61	14,185	14,009
Capital	1,369	–	1,369	1,171	198	85.55	848	796
1.4 Government Motor Transport								
Capital	–	–	–	–	–	–	90	–
Total	28,933	(230)	28,703	28,439	264	99.08	26,950	26,542

**DETAIL PER PROGRAMME 1**  
for the year ended 31 March 2004

		2003/2004				2002/2003			
Economic Classification	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / (Underspend) (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current									
Personnel	19,395	(284)	19,111	19,098	13	99.93	18,536	18,526	
Transfer payments	–	–	–	–	–	–	–	–	
Other	8,169	54	8,223	8,170	53	99.36	7,464	7,209	
Capital									
Transfer payments	–	–	–	–	–	–	–	–	
Acquisition of capital assets	1,369	–	1,369	1,171	198	85.55	950	807	
Total	28,933	(230)	28,703	28,439	264	99.08	26,950	26,542	
	2003/2004				2002/2003				
Standard Item Classification	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / (Underspend) (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Personnel	19,395	(284)	19,111	19,098	13	99.93	18,536	18,526	
Administration	5,068	718	5,787	5,775	12	99.81	4,732	4,650	
Inventories	801	(115)	686	685	1	99.87	816	794	
Equipment	1,422	46	1,468	1,269	199	86.46	1,073	901	
Land and buildings	–	–	–	–	–	–	–	–	
Professional and special services	2,247	(595)	1,651	1,612	39	97.60	1,793	1,671	
Transfer payments	–	–	–	–	–	–	–	–	
Miscellaneous	–	–	–	–	–	–	–	–	
Special functions	–	–	–	–	–	–	–	–	
Total	28,933	(230)	28,703	28,439	264	99.08	26,950	26,542	



**DETAIL PER PROGRAMME 2**  
for the year ended 31 March 2004

Programme per sub-programme	2003/2004					2002/2003		
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation %	Revised Allocation R'000	Actual Expenditure R'000
2.1 Labour Relations								
Current	4,319	900	5,220	5,216	4	99.92	4,119	4,108
Capital	—	—	—	—	—	—	—	—
2.2 Human Resource Management and Development								
Current	6,725	206	6,931	6,923	8	99.89	6,336	6,326
Capital	—	—	—	—	—	—	—	—
2.3 Senior Management and Conditions of Service								
Current	4,149	206	4,355	4,352	3	99.92	3,499	3,488
Capital	—	—	—	—	—	—	—	—
Total	15,193	1,312	16,506	16,491	15	99.91	13,954	13,922

**DETAIL PER PROGRAMME 2**  
for the year ended 31 March 2004

Economic Classification	2003/2004					2002/2003		
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	12,556	(22)	12,534	12,529	5	99.96	11,863	11,856
Transfer payments	-	-	-	-	-	-	-	-
Other	2,637	1,334	3,972	3,962	10	99.74	2,091	2,066
<b>Capital</b>								
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>15,193</b>	<b>1,312</b>	<b>16,506</b>	<b>16,491</b>	<b>15</b>	<b>99.91</b>	<b>13,954</b>	<b>13,922</b>

Standard item Classification	2003/2004					2002/2003		
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	12,556	(22)	12,534	12,529	5	99.96	11,863	11,856
Administration	1,923	1,221	3,145	3,143	2	99.92	1,633	1,627
Inventories	502	(26)	476	473	3	99.44	310	303
Equipment	25	6	31	29	2	95.07	41	38
Land and buildings	—	—	—	—	—	—	—	—
Professional and special services	187	133	320	317	3	98.88	107	98
Transfer payments	—	—	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	—	—	—
Special functions	—	—	—	—	—	—	—	—
<b>Total</b>	<b>15,193</b>	<b>1,312</b>	<b>16,506</b>	<b>16,491</b>	<b>15</b>	<b>99.91</b>	<b>13,954</b>	<b>13,922</b>

**DETAIL PER PROGRAMME 3**  
for the year ended 31 March 2004

		2003/2004				2002/2003			
Programme per subprogramme		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
3.1 Management and Service Delivery Improvement									
	Current	8,796	(827)	7,968	7,965	3	99.96	7,702	7,487
	Capital	–	–	–	–	–	–	50	–
3.2 Professional Ethics and Risk Management									
	Current	6,849	606	7,456	7,449	7	99.91	6,345	6,330
	Capital	–	–	–	–	–	–	–	–
3.3 Special Investigations									
	Current	4,444	(861)	3,582	3,577	5	99.85	2,970	2,960
	Capital	–	–	–	–	–	–	–	–
	Total	20,089	(1,082)	19,006	18,991	15	99.92	17,067	16,777
2003/20042002/2003									
Economic Classification		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current									
	Personnel	14,600	(149)	14,451	14,445	6	99.96	13,389	13,381
	Transfer payments	–	–	–	–	–	–	–	–
	Other	5,489	(933)	4,555	4,546	9	99.80	3,628	3,396
Capital									
	Transfer payments	–	–	–	–	–	–	–	–
	Acquisition of capital assets	–	–	–	–	–	–	50	–
	Total	20,089	(1,082)	19,006	18,991	15	99.92	17,067	16,777

Standard Item Classification	2003/2004					2002/2003		
	Adjusted Appropriation R'000	Virement R'000	Final		Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
			Allocation R'000	Expenditure R'000				
Personnel	14,600	(149)	14,451	14,445	6	99.96	13,389	13,381
Administration	2,483	252	2,735	2,732	3	99.89	1,830	1,818
Inventories	803	(239)	564	559	5	99.15	278	265
Equipment	22	4	26	25	1	93.93	89	36
Land and buildings	—	—	—	—	—	—	—	—
Professional and special services	2,181	(950)	1,230	1,230	—	100.02	1,481	1,277
Transfer payments	—	—	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	—	—	—
Special functions	—	—	—	—	—	—	—	—
Total	20,089	(1,082)	19,006	18,991	15	99.92	17,067	16,777



**DETAIL PER PROGRAMME 4**  
for the year ended 31 March 2004

	2003/2004				2002/2003			
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation %	Revised Allocation R'000	Actual Expenditure R'000
Programme per subprogramme								
4.1 Special Programme: Thefts and losses								
Current	–	–	–	224	–	–	–	187
Capital	–	–	–	–	–	–	–	–
Total	–	–	–	224	–	–	–	187

Economic item classification	2003/2004					2002/2003		
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation %	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	—	—	—	—	—	—	—	—
Transfer payments	—	—	—	—	—	—	—	—
Other	—	—	—	224	—	—	—	187
<b>Capital</b>								
Transfer payments	—	—	—	—	—	—	—	—
Acquisition of capital assets	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>224</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>187</b>

	2003/2004				2002/2003			
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Standard item classification								
Personnel	-	-	-	-	-	-	-	-
Administration	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	-	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	224	-	-	-	187
Special functions	-	-	-	-	-	-	-	-
Total	-	-	-	224	-	-	-	187



## NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 MARCH 2004



### **1. 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.

### **2. Detail of special functions (theft and losses)**

Detail of these transactions per programme can be viewed in note 9.4 (Details of special functions (theft and losses)) to the annual financial statements.

### **3. Explanations of material variances from Amounts Voted (after virement):**

#### **3.1 Per programme:**

##### **Programme 1: Administration**

Saving mainly due to the physical security upgrade of the building which was still in progress at the end of the financial year.

#### **3.2 Per standard item:**

##### **Equipment:**

Saving due to the physical security upgrade of the building which was still in progress at the end of the financial year.

**PUBLIC SERVICE COMMISSION  
VOTE 11**

# **INCOME STATEMENT** (STATEMENT OF FINANCIAL PERFORMANCE)

for the year ended 31 March 2004

	Note	2003/2004 R'000	2002/2003 R'000
<b>REVENUE</b>			
Voted funds		64,215	57,971
Annual Appropriation	1	64,215	57,971
Other revenue to be surrendered to the revenue fund	2	229	238
Local and foreign aid assistance (incl. RDP funds)	3	343	–
<b>TOTAL REVENUE</b>		<b>64,787</b>	<b>58,209</b>
<b>EXPENDITURE</b>			
<b>Current</b>			
Personnel	4	46,071	43,763
Administrative		11,651	8,095
Inventories	5	1,717	1,362
Machinery and Equipment	6	152	168
Professional and special services	7	3,159	3,046
Special functions: authorised losses	9	224	187
Local and foreign aid assistance (incl. RDP funds)	3	343	–
<b>TOTAL CURRENT EXPENDITURE</b>		<b>63,317</b>	<b>56,621</b>
<b>Capital</b>			
Machinery and Equipment	6	1,171	807
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>1,171</b>	<b>807</b>
<b>TOTAL EXPENDITURE</b>		<b>64,488</b>	<b>57,428</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>299</b>	<b>781</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds to be surrendered to the Revenue Fund	13	70	543
Other Revenue to be surrendered to the Revenue Fund	2	229	238
<b>NET SURPLUS FOR THE YEAR</b>		<b>299</b>	<b>781</b>

**PUBLIC SERVICE COMMISSION  
VOTE 11**

**BALANCE SHEET** (STATEMENT OF FINANCIAL POSITION)  
at 31 March 2004

<b>ASSETS</b>	<b>Note</b>	<b>2003/2004 R'000</b>	<b>2002/2003 R'000</b>
Current assets		1,195	1,078
Cash and cash equivalents	10	9	472
Receivables	11	1,186	606
Non-current assets		211	144
Receivables	12	211	144
<b>TOTAL ASSETS</b>		<b>1,406</b>	<b>1,222</b>
<b>LIABILITIES</b>			
Current liabilities		1,279	1,140
Voted funds to be surrendered to the Revenue Fund	13	70	543
Other Revenue funds to be surrendered to the Revenue Fund	14	15	93
Bank overdraft	15	1,120	–
Payables	16	74	504
<b>TOTAL LIABILITIES</b>		<b>1,279</b>	<b>1,140</b>
<b>NET ASSETS/LIABILITIES</b>		<b>127</b>	<b>82</b>
Represented by:		127	82
Recoverable revenue		127	82
<b>TOTAL</b>		<b>127</b>	<b>82</b>





PUBLIC SERVICE COMMISSION  
VOTE 11

## STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2004

	Note	2003/2004 R'000	2002/2003 R'000
<b>Recoverable revenue</b>			
Opening balance		82	145
Transfer to Revenue Fund	14	(60)	(30)
Debts written off	9.3	–	(84)
Debts raised		105	51
Closing balance		127	82
<b>TOTAL</b>		<b>127</b>	<b>82</b>

## CASH FLOW STATEMENT

for the year ended 31 March 2004

	Note	2003/2004 R'000	2002/2003 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flow generated by operating activities	17	1,470	1,588
Cash utilised to increase working capital	18	(1,032)	416
Voted funds and Revenue funds surrendered	19	(850)	(1,661)
<b>Net cash flow available from operating activities</b>		<b>(412)</b>	<b>343</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(1,171)	(807)
<b>Net cash flows from operating and investing activities</b>		<b>(1,583)</b>	<b>(464)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,583)</b>	<b>(464)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>472</b>	<b>936</b>
<b>Cash and cash equivalents at end of period</b>	10 & 15	<b>(1,111)</b>	<b>472</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 MARCH 2004

2003/2004  
R'000

2002/2003  
R'000

### 1. Annual Appropriation

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

Programmes	Total Appropriation 2003/2004	Actual Funds Received	Variance over/(under)	Total Appropriation 2002/2003
	R'000	R'000	R'000	R'000
Administration	28,703	28,439	264	27,076
Human Resource Management and Labour Relations	16,506	16,491	15	13,828
Good Governance and Service Delivery	19,006	18,991	15	17,067
Special functions: Authorised losses	-	224	(224)	-
<b>TOTAL</b>	<b>64,215</b>	<b>64,145</b>	<b>70</b>	<b>57,971</b>

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

Programme 1: Administration

Saving mainly due to the physical security upgrade of the building which was still in progress at the end of the financial year.

No application will be made for rollover as no funds are available.

### 2. Other revenue to be surrendered to the revenue fund

Cheques written back/stale cheques	9	3
Interest received (other)	12	6
Interest received (recoverable revenue)	4	17
Debt recoveries (other)	(1)	59
Debt recoveries (recoverable revenue)	56	13
Subsidised transport loan	-	10
Commission	19	17
Parking	13	7
Recovery previous bookyear	102	105
Other	15	1
<b>Total other revenue collected</b>	<b>229</b>	<b>238</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 MARCH 2004

### 3. Local and foreign aid assistance (including RDP funds)

3.1 Assistance received in cash	Opening Balance	Revenue	Current	Capital	Closing Balance
<b>Name of Donor and purpose</b>					
<b>Foreign aid assistance</b>					
GTZ- Monitoring and Evaluation advisor for the PSC		208	208		–
GTZ- Monitoring and Evaluation advisor for the PSC		135	135		–
	–	343	343	–	–

Foreign aid funds had been deposited in RDP Fund with National Treasury and requested on a monthly basis from National Treasury.

	2003/2004 R'000	2002/2003 R'000
<b>3.2 Assistance received in kind</b>		
<b>Foreign aid assistance</b>		
<b>DFID</b>		
Capacity building: Office of the Public Service Commission	555	100
Publications	533	60
Management of Suspensions Project	53	13
Handling of appeals	73	34
Procedures for dealing with complaints	146	134
The Causes and Effects of mobility in the Senior Management Service and among Professional Staff in the Public Service	93	100
Citizen Satisfaction Survey	2,744	1,244
Citizen's Forums	47	110
Evaluation of the Housing Subsidy Scheme	315	320
Evaluation of Land Administration Systems in the Eastern Cape	260	260
Monitoring and Evaluation Advisor for the PSC	707	400
Provincial Workshops and training	95	70
Verification of qualifications	635	–
Blacklisting	308	–
Code of Conduct Publication	863	–
Anti-Corruption Hotlines	64	–
Whistleblowing	203	–
Study tour	532	–
Evaluation methodology training	182	–
<b>Ford Foundation</b>		
Audit of Affirmative Action in the Public Service	–	1,400
<b>GTZ</b>		
Personnel expenditures	–	760
Equipment and material	–	159
Consultancy fees	–	1,139
Counterpart upgrading	–	135
Travel expenses	–	19
Local subsidies	–	67
Administrative costs	–	119
Other costs	–	111
Skills Profiling	282	–
Evaluation of Performance Management Systems in the Public Service	431	–
Reemployment of Public Servants retired due to ill-health	741	–
Production of Cabinet Video on Citizen's Forums	27	–
<b>Total local and foreign aid assistance received in kind</b>	<b>9,889</b>	<b>6,754</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 MARCH 2004

	2003/2004 R'000	2002/2003 R'000
<b>4. Personnel</b>		
<b>4.1 Current expenditure</b>		
Basic salary costs	30,143	28,225
Pension contributions	4,493	4,187
Medical aid contributions	1,907	1,686
Other salary related costs	9,528	9,663
<b>Total Personnel Costs</b>	<b>46,071</b>	<b>43,761</b>
Average number of employees	193	185
<b>5. Inventories</b>		
<b>5.1 Current expenditure</b>		
Inventories purchased during the year		
Printing	974	509
Stationery	568	435
Other stores (Printers cartridges, etc.)	38	244
Publications	131	147
Miscellaneous	6	27
<b>Total cost of inventories</b>	<b>1,717</b>	<b>1,362</b>
<b>6. Machinery and equipment</b>		
Current (Rentals, maintenance and sundry)	152	168
Capital	1,171	807
<b>Total current and capital expenditure</b>	<b>1,323</b>	<b>975</b>
<b>6.1 Capital machinery and equipment analysed as follows:</b>		
Computer equipment	575	460
Furniture and office equipment	253	335
Other machinery and equipment	343	12
	<b>1,171</b>	<b>807</b>

	2003/2004 R'000	2002/2003 R'000
<b>7. Professional and special services</b>		
<b>7.1 Current expenditure</b>		
Auditors' remuneration		
Regulatory	336	301
Contractors	305	276
Consultants and advisory services	1,389	1,181
Internal Audit services	313	267
Computer services	420	409
Promotions and gifts	15	–
Maintenance: Other equipment	40	40
Maintenance: Computer equipment	60	265
Maintenance: Other	1	16
Maintenance: Small works	43	49
Maintenance: Buildings	34	12
Relocation and refurbishing	69	18
Legal costs	17	–
Advertisements vacancies	107	108
Advertisements: Other	10	3
<b>Total Professional and special services</b>	<b>3,159</b>	<b>3,046</b>
<b>8. Miscellaneous</b>		
<b>8.1 Current expenditure</b>		
Gifts, donations and sponsorships	8.3	1
	–	1
<b>8.2 Capital expenditure</b>		
Gifts, donations and sponsorships	8.3	10
	–	10
<b>Total miscellaneous expenditure</b>	<b>–</b>	<b>11</b>
<b>8.3 Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)</b>		
<b>Current</b>		
Gifts presented during foreign study tour	–	1
<b>Capital</b>		
Wheelchair donated to:		
Soshanguwe Self Help Association of people with Disabilities	–	10
	<b>–</b>	<b>11</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 MARCH 2004

		2003/2004 R'000	2002/2003 R'000
<b>9. Special functions: Authorised losses</b>			
Material losses through criminal conduct	9.1	28	15
Other material losses written off in income statement	9.2	192	95
Debts written off	9.3	4	77
		<b>224</b>	<b>187</b>
<b>9.1 Material losses through criminal conduct</b>			
Thefts		28	15
		<b>28</b>	<b>15</b>
<b>9.2 Other material losses written off in income statement</b>			
Non arrival charges		1	5
Car accidents		39	20
Other		30	34
Damage to equipment		14	36
Cancellation fees		1	–
Penalty bank charges		1	–
GG Transport expenditure		10	–
Irregular expenditure: Printing costs		96	–
		<b>192</b>	<b>95</b>
<b>9.3 Debts written off</b>			
Bursary debt		–	(24)
Staff debtors		4	14
Recoverable revenue		–	84
Other debt		–	3
		<b>4</b>	<b>77</b>

	2003/2004 R'000	2002/2003 R'000
<b>9.4 Details of special functions (theft and losses)</b>		
<b>Per programme</b>		
Expensed under Programme 4: Special programme: Thefts and Losses iro:		
<b>Programme 1: Administration</b>		
Theft	28	13
GG Transport	10	–
Penalty charges	1	–
Non-arrival charges	–	1
Car accidents	40	11
Other	30	34
Damage to equipment	8	14
Bursary debt	–	50
Staff debtors	4	24
Other debt	–	2
Irregular expenditure: Printing	52	–
	<b>173</b>	<b>149</b>
<b>Programme 2: Human Resource Management and Labour Relations</b>		
Non-arrival charges	–	1
Damage to equipment	6	16
Irregular expenditure: Printing	43	–
	<b>49</b>	<b>17</b>
<b>Programme 3: Good Governance and Service Delivery</b>		
Theft	–	3
Cancellation fees	1	–
Non- arrival charges	1	3
Car accidents	–	9
Damage to equipment	–	6
	<b>2</b>	<b>21</b>
	<b>224</b>	<b>187</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 MARCH 2004

		2003/2004 R'000	2002/2003 R'000
<b>10. Cash and cash equivalents</b>			
Paymaster General Account		–	463
Cash on hand		9	9
		<b>9</b>	<b>472</b>
<b>11. Receivables - current</b>			
Amounts owing by other departments	Annexure 3	828	105
Staff debtors	11.2	44	42
Other debtors	11.3	299	381
Advances	11.4	15	79
		<b>1,186</b>	<b>607</b>
<b>11.1 Age analysis – receivables current</b>			
Less than one year		924	234
One to two years			
Staff debtors		4	20
Other		246	7
Travel and accommodation		–	46
More than two years			
Departments		–	56
Staff debtors		12	6
Deductions		–	45
Travel and accommodation		–	188
Other		–	2
Advances & prepayments		–	2
		<b>1,186</b>	<b>606</b>
<b>11.2 Staff debtors</b>			
Travel and subsistence		20	22
Salary		4	5
Bursary		10	3
Tax debt		4	–
Disallowances		–	3
Cellphone		1	–
Other		1	2
Driver's license assistance		4	–
		<b>44</b>	<b>35</b>



	2003/2004 R'000	2002/2003 R'000
<b>11.3 Other debtors</b>		
Travel and accommodation costs	–	222
GG Transport	–	17
Salary	–	33
Bursary	–	1
Medical deduction	–	2
Income tax deduction	52	42
Tax debt	8	–
Salary deductions	1	5
*Other	232	49
Pension	6	8
Telephone	–	1
	<b>299</b>	<b>380</b>

\*Included in the amount is R 221 413.34 owed by Cambio Travel (pty) Ltd in respect of outstanding air flights tickets returned for refund.  
This matter is now a subject of litigation and there is uncertainty regarding its recoverability or part thereof.

#### 11.4 Advances

Travel and subsistence	15	71
Legal services (State Attorney)	–	2
Government transport (GG Garage)	–	6
	<b>15</b>	<b>79</b>

#### 12. Receivables – non-current

Staff		
Bursaries	63	28
Salaries	50	4
Driver's license assistance	13	–
Tax debt	3	–
Computer equipment	14	–
Travel and subsistence	–	47
Debt: Guarantee: Motor Finance Scheme for Senior Officials	68	65
	<b>211</b>	<b>144</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 MARCH 2004

		2003/2004 R'000	2002/2003 R'000
<b>13. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		543	1,271
Transfer from income statement		70	543
Paid during the year		(543)	(1,271)
Closing balance		<b>70</b>	<b>543</b>
<b>14. Other revenue funds to be surrendered to the Revenue Fund</b>			
Opening balance		93	245
Transfer from income statement for revenue to be surrendered		169	208
Transfer from income statement for revenue to be surrendered (Recoverable revenue)		60	30
Paid during the year		(307)	(390)
Closing balance		<b>15</b>	<b>93</b>
<b>15. Bank overdraft</b>			
Paymaster General Account (Exchequer account)		<b>1,120</b>	<b>-</b>
<b>16. Payables - current</b>			
Other payables	16.1	74	504
		<b>74</b>	<b>504</b>
<b>16.1 Other payables</b>			
Staff		-	2
Cellphone		1	-
Income tax deductions		48	469
Pension deductions		24	26
Salary deductions		1	7
		<b>74</b>	<b>504</b>
Recoverable Revenue			
Recoverable Revenue debt		1	28
Recoverable Interest debt		30	26
		<b>31</b>	<b>54</b>
		<b>105</b>	<b>558</b>
<b>17. Net cash flow generated by operating activities</b>			
Net surplus as per Income Statement		299	781
Adjusted for items separately disclosed		1,171	807
Capital expenditure		1,171	807
Net cash flow generated by operating activities		<b>1,470</b>	<b>1,588</b>



	2003/2004 R'000	2002/2003 R'000
<b>18. Cash generated / (utilised) to (increase)/decrease working capital</b>		
(Increase) / decrease in receivables – current	(643)	285
(Increase) / decrease in receivables – non-current	(67)	(80)
(Increase) / decrease in prepayments and advances	64	(43)
Increase / (decrease) in payables - current	(386)	254
	<b>(1,032)</b>	<b>416</b>
<b>19. Voted funds and revenue funds surrendered</b>		
Voted funds surrendered	543	1,271
Revenue funds surrendered	307	390
	<b>850</b>	<b>1,661</b>



# DISCLOSURE NOTES



## TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2004

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

			2003/2004	2002/2003	
			R'000	R'000	
20	<b>Contingent liabilities</b>				
	<b>Liable to</b>	<b>Nature</b>	<b>Note</b>		
	Motor vehicle guarantees	Employees	Annexure 1	557	851
	Housing loan guarantees	Employees	Annexure 1	594	651
				<u>1,151</u>	<u>1,502</u>
21	<b>Commitments</b>				
	<b>Current expenditure</b>				
	Approved and contracted/ordered			1,193	–
	Approved but not yet contracted			148	–
				<u>1,341</u>	–
	<b>Capital expenditure</b>				
	Approved and contracted/ordered			204	–
				<u>204</u>	–
	<b>Total Commitments</b>			<u>1,545</u>	–

	2003/2004 R'000	2002/2003 R'000
<b>22 Accruals</b>		
<b>Listed by standard Item</b>		
Personnel expenditure	–	1
Administrative expenditure	479	288
Inventories	20	37
Equipment	92	2
Professional and Special services	3	22
	<b>594</b>	<b>350</b>
<b>Listed by programme level</b>		
Programme 1: Administration	313	223
Programme 2: Human Resource Management and Labour Relations	181	69
Programme 3: Good Governance and Service Delivery	100	58
	<b>594</b>	<b>350</b>
<b>23 Employee benefits</b>		
Leave entitlement	6,560	5,888
Thirteenth cheque	1,463	1,338
	<b>8,023</b>	<b>7,226</b>

**24 Leases**

<b>24.1 Operating leases</b>	<b>Equipment</b>	<b>Total 2003/2004</b>	<b>Total 2002/2003</b>
Minolco			
Not later than 1 year	19	19	5
Later than 1 year and not later than 3 years	–	–	–
Nashua			
Not later than 1 year	–	–	–
Later than 1 year and not later than 3 years	408	408	71
Katlego Solutions			
Not later than 1 year	–	–	–
Later than 1 year and not later than 3 years	–	–	43
	<b>427</b>	<b>427</b>	<b>119</b>





# DISCLOSURE NOTES



## TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2004

	2003/2004	2002/2003	
	R'000	R'000	
<b>25 Irregular expenditure</b>			
<b>25.1 Movement Schedule of irregular expenditure</b>			
Opening Balance	—	—	
Irregular expenditure current year	96	—	
Expenditure condoned	(96)	—	
Expenditure waiting condonement	—	—	
<b>26 Key management personnel</b>			
<b>26.1 Remuneration</b>			
<b>Rank</b>	<b>Remuneration</b>	<b>Number</b>	<b>Amount</b>
Chairperson of Commission	811	1	811
Two Members (including deputy chairperson)	787	2	1,574
Members of Commission	611	9	5,500
Director-General	848	1	848
Deputy Director-General	620	2	1,240
Deputy Director-General	611	1	611
Chief Director	480	1	480
Chief Director	504	1	504
Chief Director	511	4	2,044
		<b>22</b>	<b>13,612</b>

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

**ANNEXURE 1**

**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2004**

**DOMESTIC**

Guaranteed institution	Guarantee in respect of	Original Guaranteed capital amount	Opening Balance 01/04/2003	Guarantees issued during the year	Guarantees Released during the year	Guaranteed interest outstanding as at 31/03/2004	Closing Balance 31/03/2004	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Stannic	Motor Vehicle scheme for Senior Officials	-	851	-	294	-	557	-
	100% Guarantee scheme for housing loans							
ABSA		-	118	-	12	-	106	-
FNB		-	107	50	42	-	115	-
NBS		-	13	-	-	-	13	-
NEDCOR		-	125	-	-	-	125	-
OLD MUTUAL		-	30	-	-	-	30	-
PERMANENT		-	161	-	40	-	121	-
STANDARD		-	97	-	13	-	84	-
		-	651	50	107	-	594	-
		-	1,502	50	401	-	1,151	-

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

## ANNEXURE 2

### PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/2004	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>807</b>	<b>1,171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,978</b>
Computer equipment	460	575	-	-	-	1,035
Furniture and office equipment	335	253	-	-	-	588
Other machinery and equipment	12	343	-	-	-	355
	<b>807</b>	<b>1,171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,978</b>

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/2003	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>-</b>	<b>807</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>807</b>
Computer equipment	-	460	-	-	-	460
Furniture and office equipment	-	335	-	-	-	335
Other machinery and equipment	-	12	-	-	-	12
	<b>-</b>	<b>807</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>807</b>

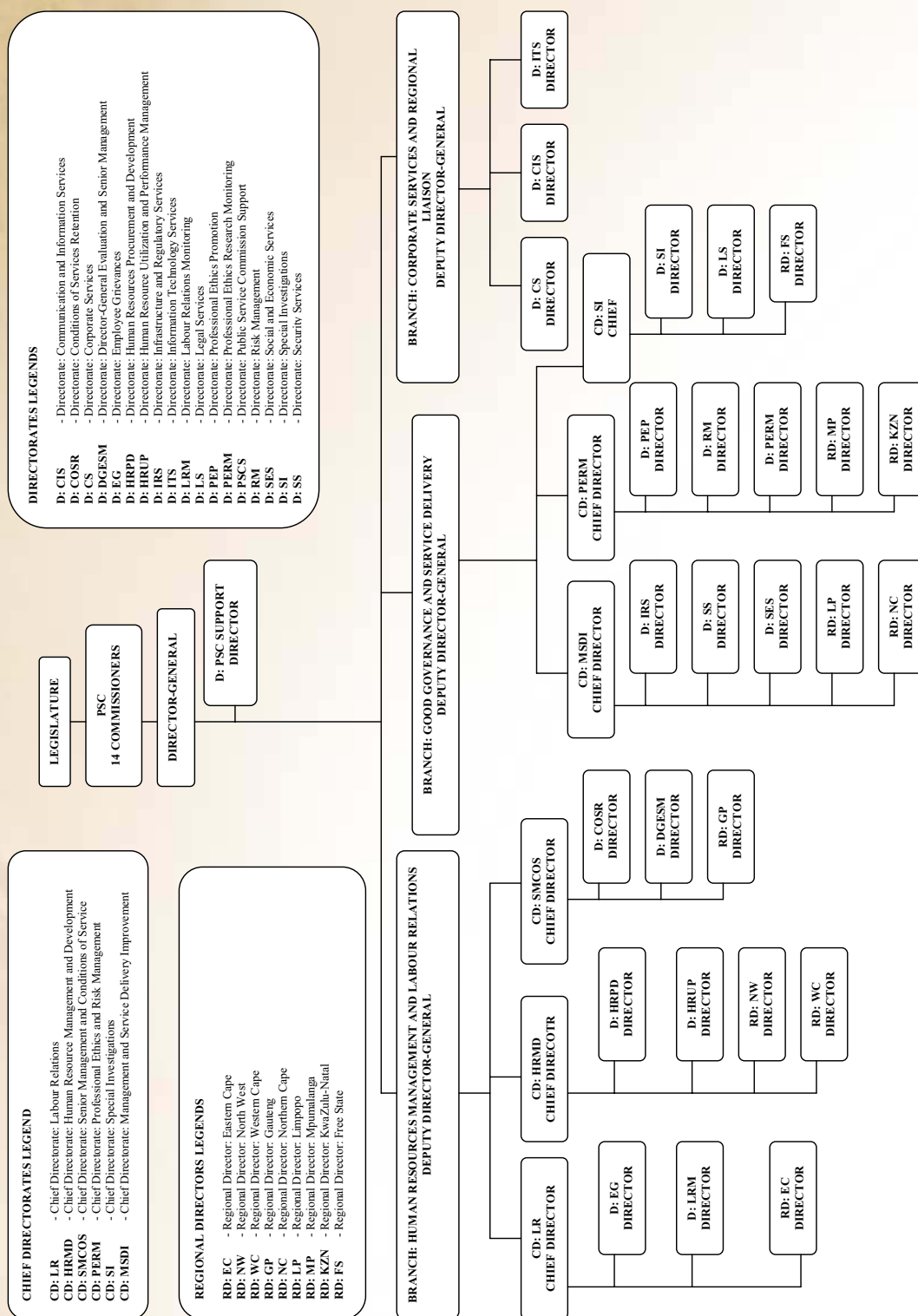
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 MARCH 2004

**ANNEXURE 3**  
**INTER-DEPARTMENTAL RECEIVABLES – CURRENT**

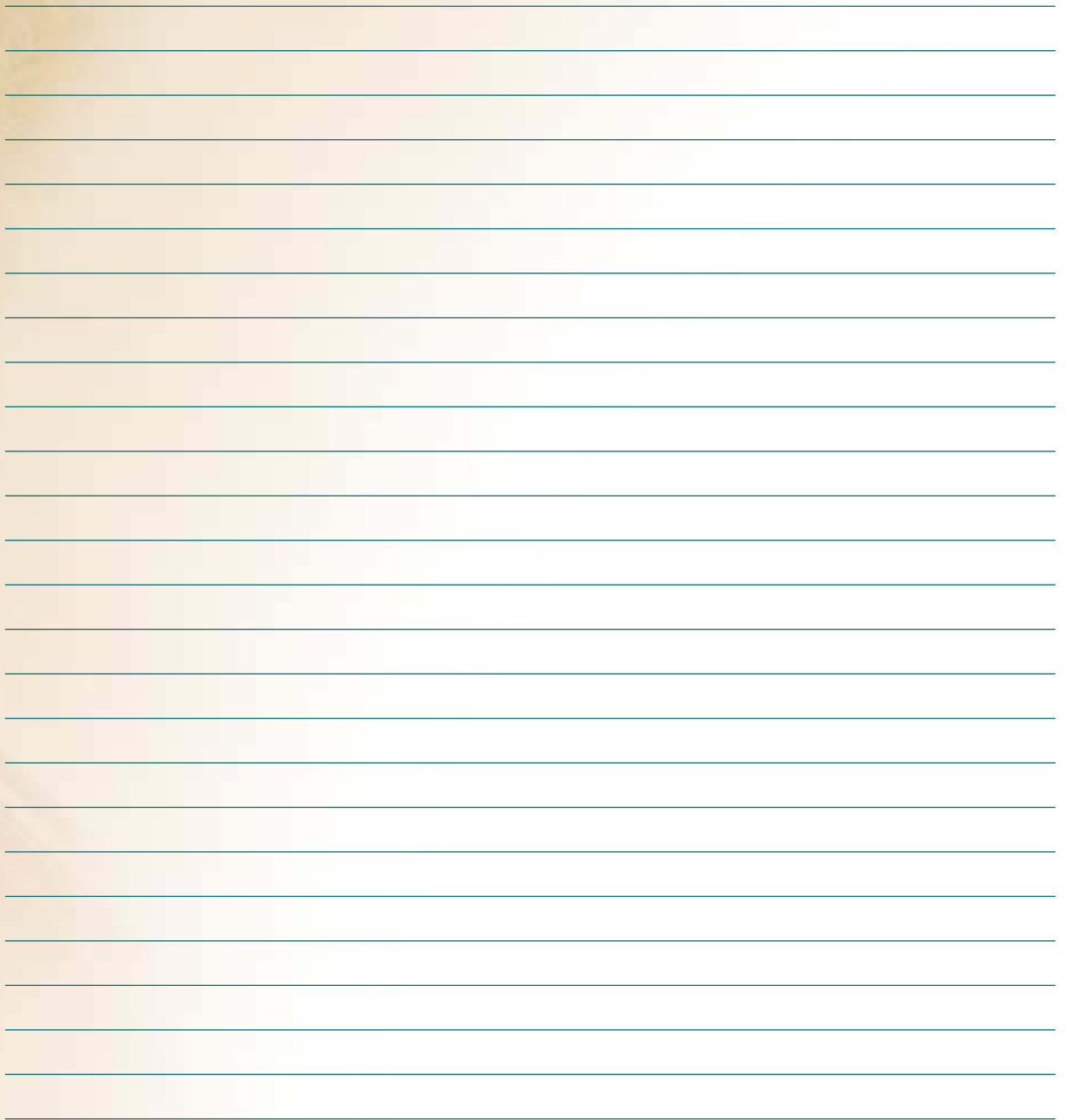
Department	Confirmed balance outstanding 31/03/2004 R'000	Confirmed balance outstanding 31/03/2003 R'000	Unconfirmed balance outstanding 31/03/2004 R'000	Unconfirmed balance outstanding 31/03/2003 R'000
Provincial Administration: Western Cape	–	–	3	4
Provincial Administration: Western Cape	–	–	6	–
Department of Public Service and Administration	518	–	–	–
Department of Public Service and Administration	282	–	–	–
Department of Traditional and Local Government	–	–	2	2
Department of Education Eastern Cape	–	–	10	–
Office of the Premier: Bisho	–	–	7	7
Department of Agriculture	–	–	–	7
Department of Environmental Affairs	–	–	–	1
Department of Water Affairs and Forestry	–	24	–	–
Department of Education: KwaZulu Natal	–	–	–	44
Gauteng Provincial Government	–	–	–	2
Department of Correctional Services	–	–	–	8
Gauteng Provincial Government	–	–	–	5
Gauteng Provincial Government	–	–	–	1
<b>TOTAL</b>	<b>800</b>	<b>24</b>	<b>28</b>	<b>81</b>

# ORGANISATIONAL STRUCTURE

## PUBLIC SERVICE COMMISSION - ORGANISATIONAL STRUCTURE









# CONTACT DETAILS



## OFFICE OF THE PUBLIC SERVICE COMMISSION REPUBLIC OF SOUTH AFRICA

### Head Office:

Private Bag X21  
Pretoria, 0001

Commission House  
Cnr Hamilton & Ziervogel Streets  
Arcadia  
Pretoria

Tel: (012) 328 7690

Fax: (012) 325 8382

### Parliamentary Office:

Sanlam Golden Acre Building  
21st Floor, Adderley Street  
PO Box 746, Cape Town 8000

Tel: (021) 418 4940

Fax: (021) 418 1362

### Regional Offices:

#### Free State:

Tel: (051) 448 8696

Fax: (051) 448 4135

#### Gauteng:

Tel: (011) 833 5721

Fax: (011) 834 1200

#### North-West:

Tel: (018) 384 1000

Fax: (018) 384 1012

#### Eastern Cape:

Tel: (043) 643 4704

Fax: (043) 642 1371

#### Northern Cape:

Tel: (053) 832 6222

Fax: (053) 832 6222

#### Western Cape:

Tel: (021) 421 3998

Fax: (021) 421 4060

#### Kwazulu-Natal:

Tel: (033) 345 9998

Fax: (033) 345 8505

#### Mpumalanga:

Tel: (013) 755 4070

Fax: (013) 752 5814

#### Limpopo:

Tel: (015) 297 6284

Fax: (015) 297 6276





**Commission House  
cnr Hamilton & Ziervogel Streets  
Arcadia 0083**

**Private Bag X121  
Pretoria**

**Tel: (012) 328 7690  
Fax: (012) 325 8382**

**21st Floor  
Sanlam Golden Acre Building  
Adderley Street**

**PO Box 746  
Cape Town 8000**

**Tel: (021) 418 4940  
Fax: (021) 418 5040**

**[www.psc.gov.za](http://www.psc.gov.za)**