



Custodian of Good Governance

ANNUAL REPORT 2005/2006

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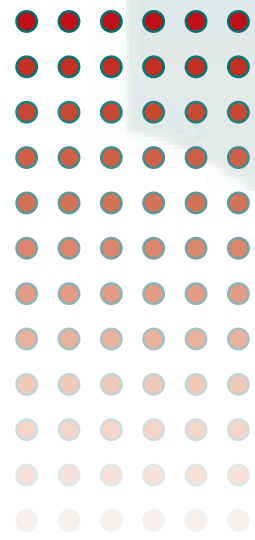
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31 August 2006

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Chairperson of the Public Service Commission
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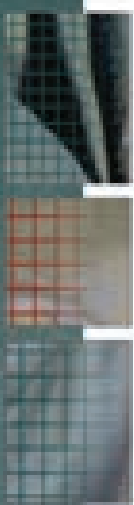
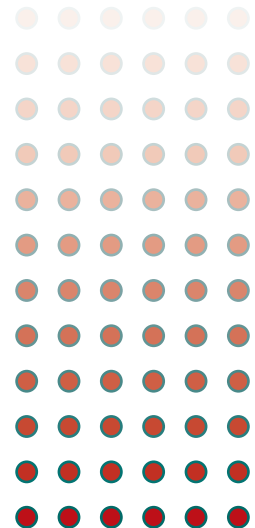
Dear Prof Sangweni

It is a great honour and pleasure to present to you the 2005/2006 Annual Report for the Public Service Commission.

The report reflects the overall role played by the PSC as the custodian of good governance in promoting effective administration and governance in the field of public service. While highlighting the achievements of the PSC, it is mindful of the challenges faced by the PSC in its quest to achieve the set objectives during the period under review.

Yours sincerely

**Ms OR RAMSINGH
DIRECTOR-GENERAL**



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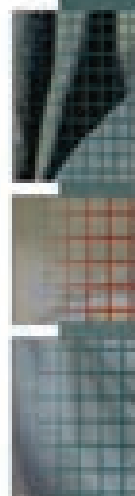
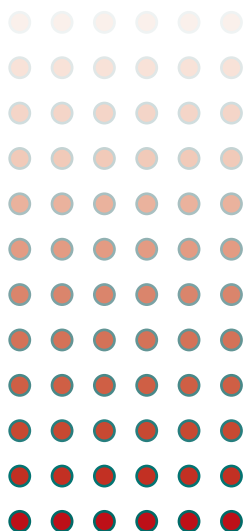
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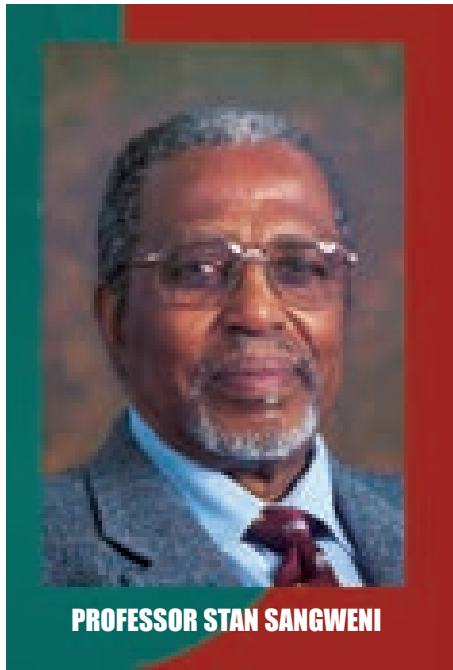
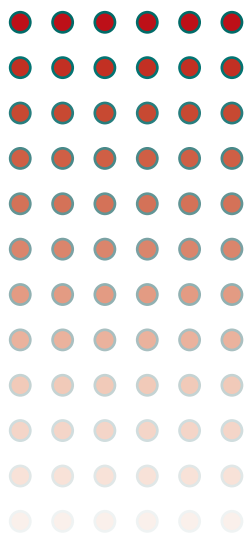
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PROFESSOR STAN SANGWENI

FOREWORD BY THE CHAIRPERSON

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The Public Service Commission (PSC) takes pleasure in submitting its Annual Report for the 2005/2006 financial year. This Report 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 period under review has been both exciting and challenging for the PSC. The PSC has been in a position to deepen its penetrative oversight reach in the Public Service. In this regard, it has been able to calibrate its work with the challenges of time and release the full potential of the collective energy of the institution to bring it to bear on these challenges. Needless to say, at the heart of these challenges is the eagerness to address the harsh legacy of abject poverty of the majority of our primary stakeholders, the citizenry.

The period under review saw a change in leadership of the Office of the Public Service Commission (OPSC). The Director-General, Mr Mpume Sikhosana left the OPSC at the end of December 2005 following the expiry of his contract. During his tenure as Director-General, Mr Sikhosana guided and led the OPSC to high levels of achievement in a professional and insightful manner. I would like to wish him well in his future endeavours.

I would also like to take this opportunity to congratulate Ms Odette Ramsingh on her appointment as the new Director-General for the OPSC. She comes with a track record of excellence and high performance, and her appointment is truly an affirmation of excellence in the Public Service.

During the period under review, the PSC's plans were successfully implemented and have yielded positive results in improving the state of public administration. The PSC's activities are discussed in detail in this Report.

Promoting a high standard of professional ethics in the Public Service is a key imperative and one of which the PSC has actively contributed towards. To this effect, the PSC manages the Financial Disclosure Framework for senior managers in the Public Service. The Financial Disclosure Framework is an important mechanism in establishing an integrity framework in the Public Service.

The National Anti-Corruption Hotline (NACH) for the Public Service (0800 701 701) continues to mature and is indeed an excellent facility to report acts of corruption in the Public Service. The PSC refers allegations of corruption reported to this facility to departments for investigation and report back.

In its capacity as Secretariat to the National Anti-Corruption Forum (NACF), comprising Government, Business and Civil Society, the PSC has played a critical role by, amongst others, carrying out strategic research and providing advice on preventing and combating corruption. It has also facilitated the effective functioning of the NACF through its coordination of the National Anti-Corruption Programme.

In its effort to promote good personnel practice in the Public Service, the PSC continues to perform its Constitutional mandate by considering grievances and

complaints of public servants. The Grievance Rules which were developed by the PSC three years ago have ensured uniformity and effectiveness in the manner in which grievances are dealt with in the Public Service before referral to the PSC. To compliment this development, during the period under review, the PSC produced guidelines aimed at assisting departments with the handling of grievances.

During the period under review, the PSC continued to facilitate the evaluation process of Heads of Department as well as the evaluation of key programmes of Government in its endeavour to promote a high standard of public service leadership and encourage improvements in service delivery. Although some progress has been achieved in this area, the PSC is nevertheless concerned about the low number of HoDs being evaluated. In this regard, an assessment of the previous evaluation cycle has been conducted and a Report is being prepared for the attention of the President and Cabinet.

In an attempt to assist departments to implement effective, efficient and focused service delivery improvement strategies on an annual basis, the PSC initiates studies to determine what citizens think about services they receive from government. During the period under review, the PSC assessed the level of citizen satisfaction with service delivery by undertaking the Citizens' Satisfaction Survey focussing on the Departments of Agriculture, Land Affairs and Water Affairs and Forestry.

The PSC continues to produce the State of the Public Service Report, which is a consolidation of its work across the line function branches in the OPSC, and is widely regarded as an authoritative barometer of trends in the Public Service. The fifth edition of the State of the Public Service Report, which was finalized during the period under review, evaluated the state of capacity in the Public Service, and made recommendations on how it could be enhanced.

I wish to place on record the gratitude and appreciation of the PSC to the staff of the Office of the Public Service Commission, operating under the leadership and professionalism of the Director-General, Ms Odette Ramsingh. These Officials implemented the strategic objectives of the PSC with dedication and commitment during the period under review.

I would also like to thank my fellow Commissioners for serving the PSC with distinction during the period under review.

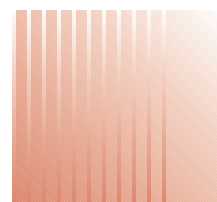
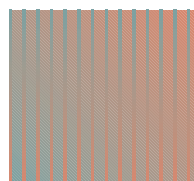
In conclusion, I would like to thank the Minister for Public Service and Administration, Ms Geraldine Fraser-Moleketi and the Chairperson of the Portfolio Committee on Public Service and Administration, Mr John Gomomo for their ongoing support during the period under review.

I would also like to thank the Chairperson of the Select Committee on Local Government and Administration, Mr Sicelo Shiceka for his Committee's valuable interaction with the PSC during the period under review.

Thank you.



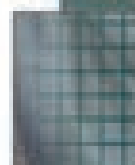
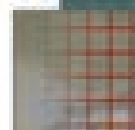
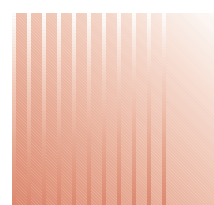
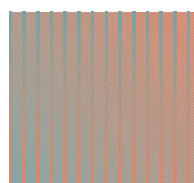
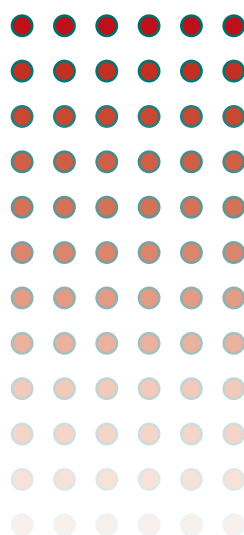
PROFESSOR SS SANGWENI
CHAIRPERSON:
PUBLIC SERVICE COMMISSION

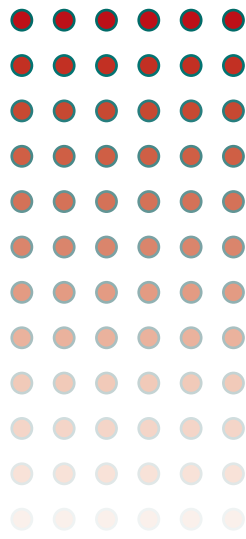




CHAPTER 1

INTRODUCTION





1.1 Overview by the Director-General



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It is indeed a great honour for me to have been entrusted with the responsibility of supporting the PSC with the execution of its Constitutional mandate. In accepting the position of Director-General of the OPSC, I trust that in partnership with the staff, I will be able to build on the base laid down by my predecessor, Mr Mpume Sikhosana.

The PSC is an organisation that is at the cutting edge of public administration. As its most senior public servant, this gives me the opportunity to be at the coalface of an exciting time to be able to influence policy, and to look back and say, I too walked that path. At the same time I remain mindful of the challenges that lie ahead.

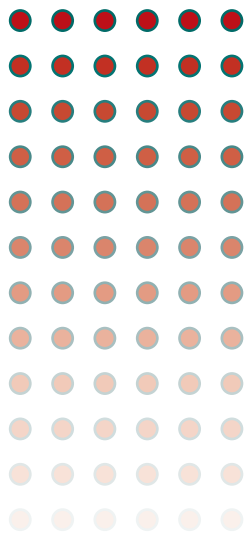
The period under review has seen the PSC undertake a comprehensive body of work which it can be proud of. We have become well-known and respected for the calibre, professionalism, and integrity of our work. Testimony to this is our research that continues to raise debate, and the increased interaction with our various stakeholders.

Our oversight work into the human resource management practices has proven over the years that the manner in which public servants are managed, impacts significantly on the ability of the Public Service to deliver on its mandate. It is therefore not surprising that the PSC has prioritized strategic research and reviews into the human resource management practices of the Public Service. In this regard, the PSC has amongst others, successfully conducted workshops on the Toolkit on Recruitment and Selection; produced a report on The Audit of Affirmative Action in the Public Service; and on the Implementation of the Policy Framework on managing HIV and AIDS in the Public Service, respectively. Collectively, such research by the PSC raises the bar in the area of human resource management.

Dissatisfaction amongst public servants adversely impacts on service delivery in departments. Resolving complaints and grievances of public servants is an important focus of the PSC. Since these processes begin in departments before being referred to the PSC, the PSC produced guidelines on the handling of grievances to support departments, and also translated the Grievance Rules into all official languages of South Africa to ensure easier access to employees. However, the need to amend certain aspects of the Grievance Rules has been identified and will be addressed in the next financial year.

In acknowledging that the success of any organization is largely dependant on the ability of its leadership to plan and manage resources, the PSC continues to monitor and evaluate the leadership and performance of Heads of Departments (HoDs) of both national and provincial departments in terms of the HoD Evaluation Framework, and in compliance with the requirement for HoDs to file their Performance Agreements (PAs) with the PSC. The compliance challenges throughout the HoD evaluation framework, suggest that the PSC will have to engage more closely with Executing Authorities and FOSAD to bring all relevant parties on board. This becomes even more relevant given the fact that the PSC will embark on organisational performance assessments to forge a link between an individual HoD and his/her department. The piloting of this instrument will be conducted during the HoD evaluations for the 2005/2006 financial year.

In the arena of anti-corruption and professional ethics, the PSC seeks to reinforce the public's perception of integrity in public administration, and has thus become a central figure in the promotion of integrity and the prevention of corruption in the Public Service. Some of the key interventions through which the PSC contributed valuably towards the fight against corruption are its management of the NACF for the Public Service; serving as the Secretariat to the NACF, which comprises the public sector, business sector and civil society; as well as the development of a set of guidelines to empower departments to verify the qualifications of all staff employed by the state.



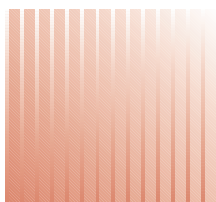
1.2 Information on the Public Service Commission

1.2.1 Background

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

The PSC is accountable to the National Assembly and must report to it annually. It must also report to the Legislature of the province concerned on its activities in each province.

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



1.2.2 Members

The following are members of the PSC:

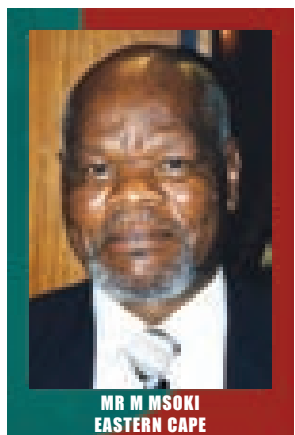
Nominated by the National Assembly:

Prof SS Sangweni, Chairperson
 Mr JH Ernstzen, Deputy Chairperson
 Dr EG Bain
 Ms MRV Mokgalong
 Dr NJ Mxakato-Diseko

Nominated by the Provincial Legislatures:

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

MEMBERS OF THE PSC



1.2.3 Official visits abroad

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

DESTINATION	DATE/PERIOD	NAME OF COMMISSIONER	PURPOSE OF VISIT
Budapest, Hungary	15 to 19 May 2005	Dr NV Maharaj	To attend 30th International Symposium on Public Personnel Management.
Seoul, South Korea	24 to 27 May 2005	Mr KE Mahoi	To attend the 6th Global Forum on Reinventing Government.
Brasília, Brazil	07 to 10 June 2005	Prof SS Sangweni Ms MRV Mokgalong	To attend the Global Forum on Fighting Corruption.
Ottawa, Canada	27 June to 1 July 2005	Dr NJ Mxakato-Diseko	To attend a training course on Monitoring and Evaluation.
Como, Italy	11-15 July 2005	Dr EG Bain	To attend a conference of the International Association of Schools and Institutes of Administration (IASIA) on Education and Training at Various Administrative Levels.
Maputo, Mozambique	07 to 09 December 2005	Ms MRV Mokgalong	To attend a seminar on the fight against corruption.
Monterrey, Mexico	17 to 22 February 2006	Dr NJ Mxakato-Diseko	To attend Phase I of the 3rd International Conference of International Institute of Administrative Sciences.

1.2.4 Institutions falling under the control of the Chairperson of the PSC

There were no such institutions during the period under review.

1.2.5 Bills submitted during the financial year

No bills were submitted during the period under review.

1.3 Mission Statement

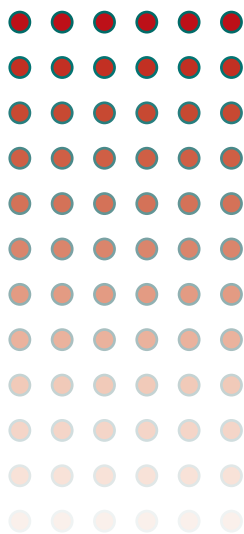
The PSC's vision and mission are derived from the values and principles of public administration laid down in the Constitution, 1996 (Section 195 (1) (a)-(i)).

Vision

The 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 of the Public Service by investigating, monitoring, evaluating, communicating and reporting on public administration. Through research processes, it will ensure the promotion of excellence in governance and the delivery of affordable and sustainable quality services.



1.4 Legislative Mandate

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

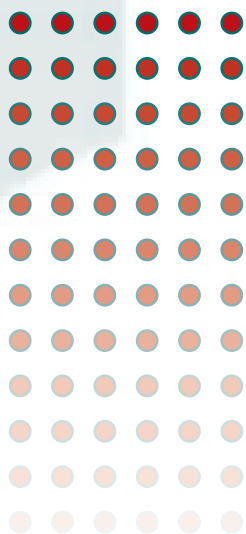
- a. a high standard of professional ethics;
- b. efficient, economic and effective use of resources;
- c. a development-orientated public administration;
- d. provision of services in an impartial, fair and equitable way, without bias;
- e. responding to people's needs and encouraging the public to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

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

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

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

- a. to promote the values and principles, as set out in Section 195, throughout the Public Service;
- b. to investigate, monitor and evaluate the organisation, administration and personnel practices of the Public Service, in particular adherence to the values and principles set out in Section 195 and the public service procedures;
- c. to propose measures to ensure effective and efficient performance within the Public Service;
- d. to give directions aimed at ensuring that personnel procedures relating to recruitment, transfers, promotions and dismissals comply with the values and principles set out in Section 195;
- e. to report on its activities and the performance of its functions, including any findings it may make and directions and advice it may give; and to provide an evaluation of the extent to which the values and principles set out in Section 195 are complied with; and
- f. either of its own accord, or on receipt of any complaint,
 - i. to investigate and evaluate the application of personnel and public administration practices and to report to the relevant executive authority and legislature;
 - ii. to investigate grievances of employees in the Public Service concerning official acts or omissions and to recommend appropriate remedies;
 - iii. to monitor and investigate adherence to applicable procedures in the Public Service; and
 - iv. to advise national and provincial organs of state regarding personnel practices in the Public Service, including those relating to the recruitment, appointment, transfer, discharge and other aspects of the careers of employees in the Public Service.



are covered as part of the sub-programme reports under both the above-mentioned line-function branches.

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

1.5 Management Systems

The PSC is supported by the Office of the Public Service Commission (OPSC), 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 PSC is structured around six performance areas, as reflected in 2.1.2.2.

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

a) Branch: Investigations and Human Resource Reviews

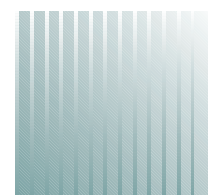
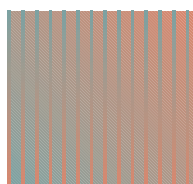
This branch enables the PSC to improve labour relations and management; undertake public administration audits and investigations and promote anti-corruption practices; and review the implementation of human resource policies in the Public Service.

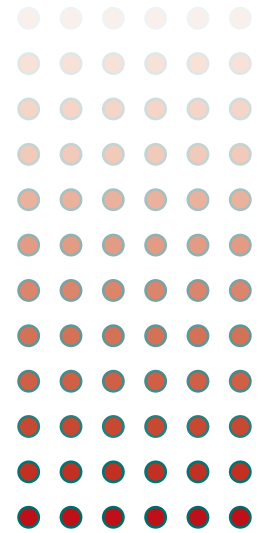
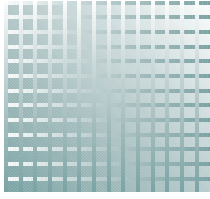
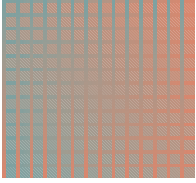
b) Branch: Monitoring and Evaluation

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

The two branches are supported by **Corporate Services**. Corporate Services renders administrative and overall support services to the two line-function branches.

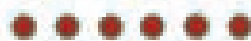
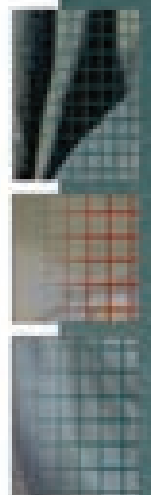
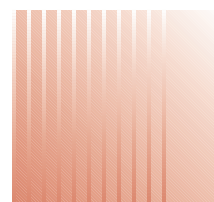
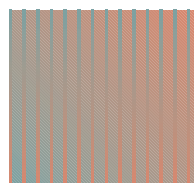
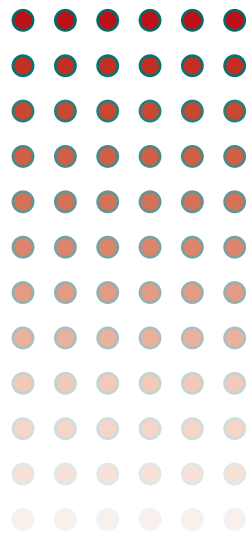
The PSC has nine regional offices located in each of the provinces and established as part of a single national entity. These offices serve as a base for the provincially-based Commissioners and are administered by regional directors and support staff. The activities of the regional offices





CHAPTER 2

PROGRAMME PERFORMANCE



Voted Funds

Main Appropriation

R86 106 000

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

The activities undertaken by the Public Service 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, 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 PSC is to promote the Constitutional values and principles of public administration in the Public Service.

2.1.2 Key measurable objectives

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

The core business of the PSC is to investigate, monitor, evaluate and advise on strategic public service issues.

The PSC is a knowledge-based organisation, which produces and uses information to contribute to a participatory and developmental Public Service.

2.1.2.1 Key objectives of the PSC are to:

- build professional ethics and risk management;
- investigate allegations of corruption;
- monitor and evaluate service delivery and improve its management;
- monitor labour relations and improve human resource management and development; and
- promote sound institution-building in the Public Service.

2.1.2.2 Key performance areas of the PSC are:

- labour relations improvements;
- public administration investigations;
- professional ethics and human resource reviews;
- governance monitoring;
- leadership and performance improvements; and
- service delivery and quality assurance.

2.1.3 Summary of programmes

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

- **Administration** manages and organises the Office of the Public Service Commission.
- **Investigations and Human Resource Reviews** enables the PSC to contribute towards the improvement of labour relations management; undertake public administration audits and investigations and promote anti-corruption practices; and review the implementation of human resource policies in the Public Service.

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

2.1.3.1 Overview of the service delivery environment for 2005/2006

This section provides an overview of the environment in which the PSC operated during the period under review. The overview includes a description of significant developments external to the PSC, that may have impacted either on the demand for PSC's services or on its ability to deliver those services. It also provides commentary on the PSC's overall performance, outlining its key outputs, particularly relating to services rendered directly to the public.

The PSC as custodian of good governance has contributed immensely towards good governance and accountability in the Public Service and as such greater demands are placed on it to advise and introduce innovative approaches to public administration. Thus, during the period under review, the PSC completed its intervention in KwaZulu-Natal where a scoping exercise was conducted in all departments under the Provincial Administration at the request of the Premier. The scoping exercise was followed by support programmes focusing on high risk departments. Scoping exercises such as these enable the PSC to contribute, albeit indirectly (through other departments), towards the improvement of services delivered to one of its key stakeholders, the citizenry.

Equally important, is the PSC's contribution towards services rendered directly to the citizenry, through its various citizen-centered programmes/initiatives. In its effort to give the citizenry platforms through which they can report suspected acts of corruption in the Public Service, the PSC launched the NACH for the Public Service in September 2004. During the period under review, the NACH for the Public Service has proved to be a popular and accessible facility through which allegations of corruption are reported. However, an unintended consequence of the Hotline is the large number of service delivery complaints that are reported. In excess of 2 700 calls relating to alleged corruption and service delivery complaints have been processed by the NACH for referral to departments as at 31 March 2006.

In line with its citizen-centered initiatives which are aimed at enhancing public participation that accurately

determines and responds to the needs of the public, the PSC took a number of initiatives, which include amongst others, the development of a Citizens' Forums Toolkit containing an Instructional Video and a graphic Step-by-Step Guide for the implementation of Citizens' Forums; and conducting of the third *Citizen Satisfaction Survey*.

2.1.3.2 Overview of the organisational environment for 2005/2006

This section provides an overview of significant developments internal to the PSC that had the potential to impact on its ability to deliver on its strategic plan.

The period under review was challenging for the OPSC in as far as a change in leadership is concerned, and this had the potential of having a direct impact on the organisation's ability to deliver on its strategic plan. The contract of the Director-General of the OPSC expired on 31 December 2005. The Director-General was not available for consideration for an extension of his contract.

To mitigate the potential impact of the above, the Deputy Director-General: Investigations and Human Resource Reviews was appointed Acting Director-General and handled the day to day running of the Office. In order to fill the gap created by the appointment of Deputy Director-General: Investigations and Human Resource Reviews as Acting Director-General, the Chief Director: Leadership and Performance Improvement was appointed Acting Deputy Director-General: Investigations and Human Resource Reviews. An Acting Chief Director and Acting Director were also appointed in mitigation of the potential impact that the aforementioned appointments could have on the operations of the PSC.

2.1.3.3 Strategic overview and key policy developments for the 2005/2006 financial year

This section gives an overview of strategic developments that had an impact on the operations of the PSC during the period under review.

National Anti-Corruption Hotline for the Public Service

The NACH for the Public Service has been up and running since September 2004. In excess of 2 700 calls relating to alleged corruption and service delivery complaints have been processed by the national anti-

corruption hotline for referral to departments as at end of March 2006. However, reporting of complaints relating to service delivery was not anticipated. As a result, this trend has led to substantial increase in the number of investigations that had to be dealt with by the PSC. Management of the hotline has placed significant additional demands on the OPSC's capacity, especially in relation to human resources.

In order to ensure the credibility and integrity of the hotline services, consideration must be given to resourcing its operations, especially with regard to the investigative capacity needed to respond to the reports made.

National Anti-Corruption Forum

The PSC continues to provide secretariat services to the NACF, which was launched in June 2001. The secretariat services include amongst others, conducting strategic research and giving advice on preventing and combating corruption; liaising with various stakeholders in the forum; sourcing donor funding and the provisioning of strategic direction in the latest trends in preventing and combating corruption. Emanating from the action-based resolutions that were adopted at the second national anti-corruption summit organised by the PSC in March 2005, the NACF launched a National Programme of Action (NAP), reflecting the resolve of all sectors to fight corruption.

Improvements in Labour Relations

In order to establish a uniform approach and method for dealing with grievances, the PSC continuously evaluates the management of grievances and the efficiency of grievance procedures within departments. Through these evaluations, the PSC found that departments are having difficulties in keeping with the timeframes as stipulated in the Grievance Rules. Subsequently, the PSC has identified a need to amend certain aspects of the Grievance Rules and this will be addressed in the coming financial year.

Financial Misconduct

The public expects government to operate in an open, transparent and accountable manner. This expectation includes effective accountability in respect of public funds, and the management of government programmes and services. Dealing with public funds openly and transparently, imbues the public with confidence that public resources are administered in an accountable manner. Departments are compelled in

terms of the provisions of the Public Finance Management Act, 1999, to report finalised financial misconduct cases to the PSC. Through the analysis of the information provided by departments, the PSC compiles a report on the financial misconduct for each financial year. During the period under review, the PSC published an overview of financial misconduct covering the 2004/2005 financial year. This report is critical in monitoring financial misconduct in the Public Service, and serves as an important instrument in deepening accountability reporting.

Financial Interests of Public Servants

Each year, senior management service members in the Public Service are required to disclose to their Executing Authorities, all financial interests which are subject to registration, in line with Chapter 3 of the Public Service Regulations. Such disclosures help to avoid potential conflicts of interest between public and private interests. To this effect, the PSC manages the Financial Disclosure Framework for senior managers in the Public Service. During its management of this framework, the PSC realised the need for the establishment of a comprehensive framework to manage conflicts of interests. It has therefore conducted extensive research on the management of conflicts of interest and a report with findings and recommendations will be published during the 2006/2007 financial year. A key recommendation of the report is the implementation of a policy on conflicts of interest.

Public Service Monitoring and Evaluation System

The PSC's transversal Public Service Monitoring and Evaluation System, which investigates adherence to the constitutional values and principles governing public administration continues to mature. Attesting to this is the deepening quality of the products it produces in the area of monitoring and evaluation and the annual *State of the Public Service Report* which embodies the monitoring and evaluation oversight of the PSC. During the period under review, the PSC conducted research in selected national and provincial departments, and consequently produced 14 individual departmental research reports.

Citizen Satisfaction Surveys

Citizen Satisfaction Surveys help to measure the gaps between citizen's expectations about particular services and their experience of service delivery. Once gaps are identified, it becomes possible to determine how to

better meet existing expectations. The PSC believes that a comprehensive approach to measuring citizen satisfaction can bring considerable benefits to Public Service delivery institutions. It will enhance Batho Pele and help to develop a service delivery culture throughout the Public Service.

The PSC views Citizen Satisfaction Surveys as important for gauging the state's success in making a material impact in citizen-centred service delivery. In this regard, the PSC conducted a citizen satisfaction survey focusing on the Departments of Agriculture, Land Affairs and Water Affairs and Forestry, during the period under review.

Citizens' Forums

Citizens' Forums have evolved as a unique PSC development to promote public participation. The forums involve institutions that are independent of the Executive, like the PSC itself and Provincial Legislatures, which participate jointly with citizens to propose practical ways of improving service delivery and to inform and standardize government's approach to development.

Due to resource constraints, the PSC had to cut down its involvement in the facilitation of Citizens' Forums. However, in order not to lose the significance of participatory governance, the PSC developed a Toolkit on Citizens' Forums that can be used by departments, oversight bodies, communities and other relevant stakeholders. The PSC will continue to monitor and provide advice and assistance to departments.

2.1.4 Collection of departmental revenue

No revenue collection was planned for the period under review. Revenue amounting to R209 398 65 was, however, received from financial institutions as a result of deductions from employees salaries, repayment of loans on bursaries, fees charged for parking facilities, private use of telephones and stale cheques.

2.1.5 Transfer payments

There were no transfer payments during the period under review.

2.1.6 Conditional grants and earmarked funds

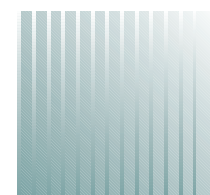
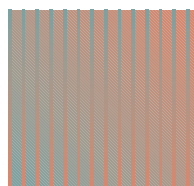
There were no conditional grants or earmarked funds during the period under review.

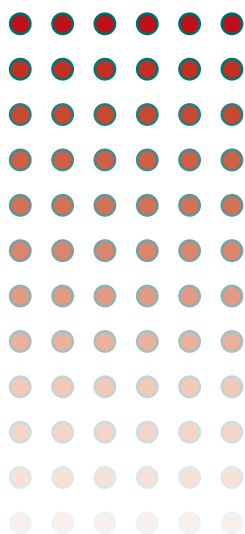
2.1.7 Capital investment, maintenance and asset management plan

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

2.1.8 Notes on programmes

For ease of reference, each chief directorate in a branch (programme) will be considered to be a sub-programme.





2.2 Programme 1: Administration



This programme is responsible for the overall management of the OPSC. It provides for policy formulation by the Minister, the PSC 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.

2.2.1 Sub-programme: Public Service Commission

Purpose

This sub-programme provides for the conditions of service of the 14 Commissioners appointed in terms of

Section 196 of the Constitution, 1996.

Measurable objectives

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

The objectives and activities for 2005/2006 are discussed in detail under Programme 2: Investigations and Human Resource Reviews, and Programme 3: Monitoring and Evaluation.

2.2.2 Sub-programme: Management

Purpose

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

Measurable objectives

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

2.2.3 Sub-programme: Corporate Services

Purpose

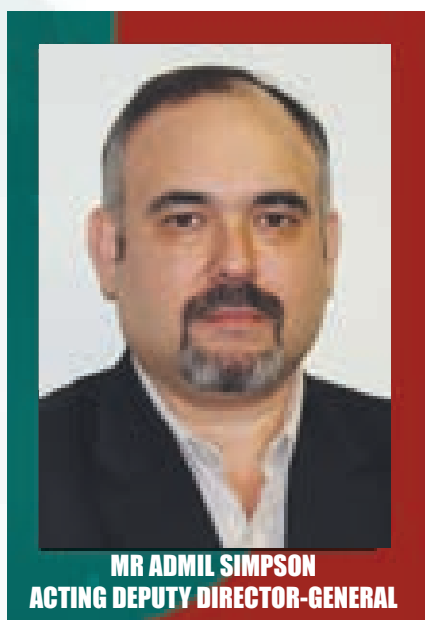
The main aim of this sub-programme is to provide corporate services to the PSC and its Office.

Measurable objectives

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

- implementing and maintaining sound human resource management and development practices;
- providing effective logistical support;
- ensuring accountable financial administration and management;
- providing effective information technology services; and
- providing effective communication and information services.

2.3 Programme 2: Investigations and Human Resource Reviews



This programme aims to enable the PSC to contribute towards the improvement of labour relations management; undertake public administration audits and investigations and promote anti-corruption practices; and review the implementation of human resource policies in the Public Service. The programme is divided into three sub-programmes: Labour Relations Improvement, Public Administration Investigations, and Professional Ethics and Human Resource Reviews.

2.3.1 Sub-programme: Labour Relations Improvement

In the past ten years, the legislative and regulatory framework on labour relations has changed to promote the transformation of the Public Service. Since its inception, the PSC has ensured that its

mandate to promote sound labour relations is executed through the handling of grievances. It has developed Grievance Rules which were gazetted three years ago. The introduction and implementation of the Grievance Rules has ensured that there is uniformity and effectiveness in the processing of grievances within the Public Service before referral to the PSC.



Purpose

The core-function of the sub-programme is to enhance public service labour relations and management by conducting investigative research and providing advice on complaints, grievances, labour relations practices and policies.

Measurable objectives

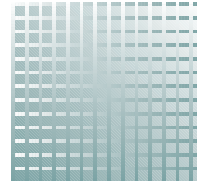
The main objectives of the sub-programme are to:

- investigate grievances and complaints lodged by public servants and recommend appropriate remedies to national and provincial Executing Authorities;
- conduct investigations into complaints relating to the application of personnel and public administration; and
- conduct research on issues relating to the implementation of labour relations principles.

2.3.1.1 Service delivery objectives and indicators

The PSC continues to perform its constitutional mandate in considering the grievances and complaints of public servants. To assist departments with the

handling of grievances, the PSC produced Guidelines which were published during the first quarter of the period under review. The PSC recognises the diversity of the Public Service and the need to make information more accessible. The Grievance Rules has therefore been translated into all official languages.

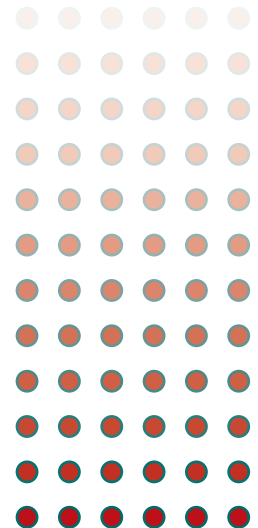


Since the promulgation of the Grievance Rules which became effective in September 2003, the PSC is continuously evaluating their management by departments, as well as the efficiency of grievance procedures within departments. Through this evaluation, the PSC found that departments are having difficulty in keeping with the time-frames as stipulated in the Grievance Rules. Subsequently, the need to amend certain aspects of the Grievance Rules has been identified and will be addressed in the coming financial year.

During the period under review, the PSC received 486 grievances. A total of 406 were concluded whilst 80 were pending. A total of 364 grievances were referred back to departments as the PSC did not have the jurisdiction to consider them. The PSC considered the merits of 42 grievances. It recommended appropriate remedies to Executing Authorities in respect of seven grievances that were found to be substantiated, of which three were implemented by the Executing Authorities. In four cases, the relevant Executing Authorities have not yet responded on their decision in relation to the recommendations. A total of 35 grievances were found to be unsubstantiated.

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The PSC is in the process of conducting research on the management of poor performance in the Public Service. This investigation was prompted by amongst others, the fact that the highest number of grievances handled by the PSC emanates from dissatisfaction with performance appraisals. The research will determine how effectively poor performance is managed and corrected in the Public Service.



2.3.1.2 Service delivery achievements

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timeliness	
			Target	Actual
Labour Relations Improvement	Investigation and complaints.	Percentage of complaints successfully assessed.	95%	<p>The PSC received 486 grievances during the reporting period of which of grievances grievances and 406 were concluded. are pending.</p> <p>A total of 364 grievances were referred due to the fact that the PSC at that stage had no jurisdiction to consider the grievances. Reasons for this may be one of the following:</p> <ul style="list-style-type: none"> Grievances were not dealt with in terms of the prescribed procedure; and Grievances related to former officers, over whom the PSC has no jurisdiction. <p>Five grievances were referred to other institutions.</p> <p>The PSC considered the merits of 42 grievances and found seven to be substantiated.</p>
	Reports on labour relations issues.	Number of reports with recommendations produced.	2 reports by March 2006	<p><i>Investigation into the Management of Poor Performance in the Public Service:</i> The project was delayed due to lack of financial resources and capacity brought about by the deployment of three senior officials to KwaZulu-Natal. Donor funding was acquired in January 2006 and the project had to be outsourced. The procurement of a service provider was only concluded by the close of the financial year.</p> <p><i>Analysis of labour relations trends in the Public Service:</i> The project could not be concluded due to a lack of capacity brought about by the deployment of two officials to KwaZulu-Natal. The investigation will be concluded and reported on in the next reporting period.</p>

Chart 1: Grievances Recieved

The following chart provides the status of grievances during the period under review. From the 486 cases received, the PSC had finalised 406 cases. 80 cases were pending due to lack of information from departments.

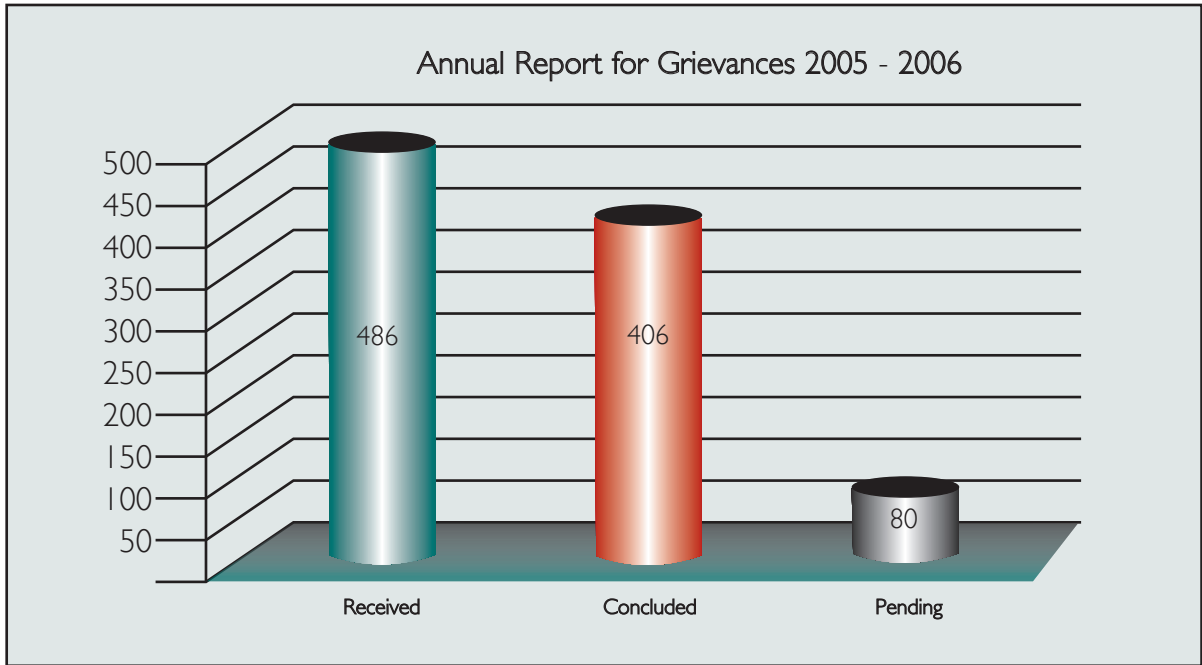


Chart 2: Nature of Grievances

The chart below depicts the reasons that gave rise to the various grievances referred to the PSC. The total figure of 502 is more than the total stated in chart 1 (486) because some of the aggrieved lodged two or more different grievances at the same time. Grievances resulting from performance assessment were the highest at 163. Other grievances related to: salary problems (99); unfair treatment (91), filling of posts (71), undermining of authority (11), disciplinary matters (9), application approval/refusal to approve application (7), and 51 cases were not listed in the list of keywords.

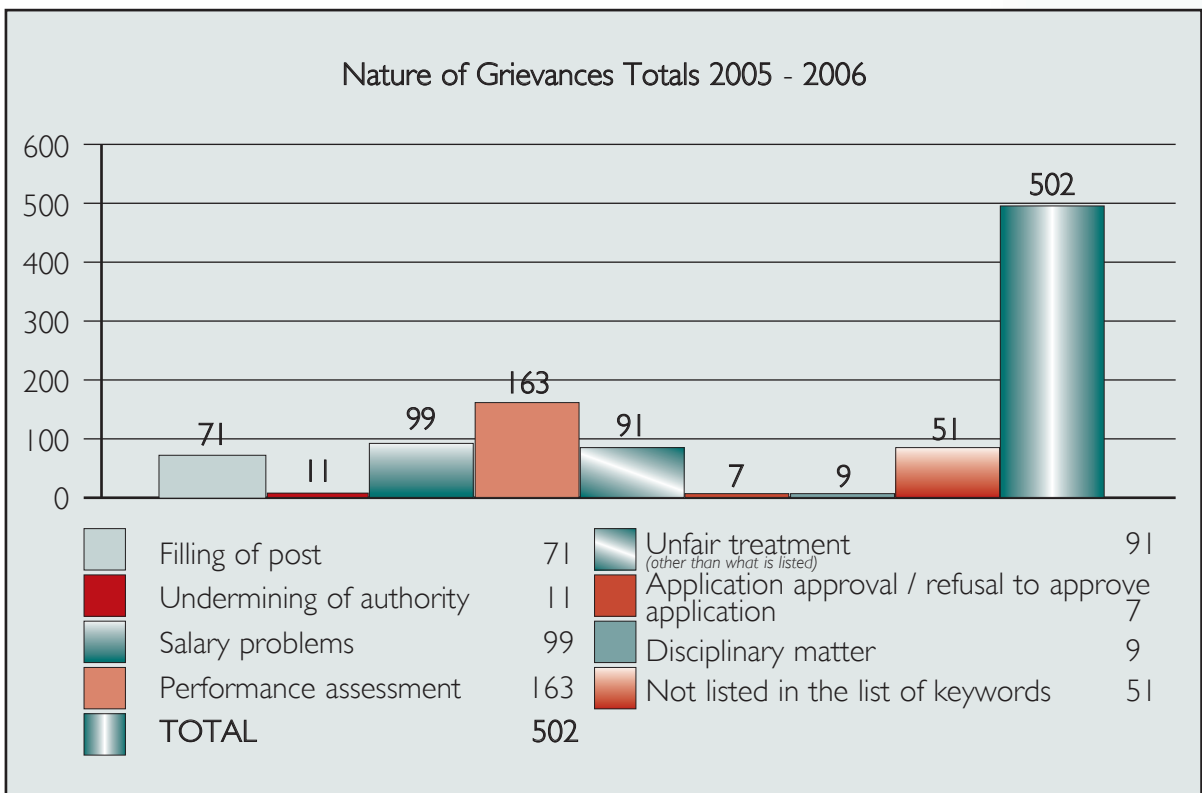


Chart 3: Gender in Respect of Grievances Lodged

The chart below provides a breakdown in relation to gender of the individuals whose grievances were received during the period under review. The number of grievances submitted by males was the highest at 60%, followed by females at 39%. As a result of individuals directly referring grievances to the PSC, there was not sufficient biographical data with respect to gender in 1% of grievances received.

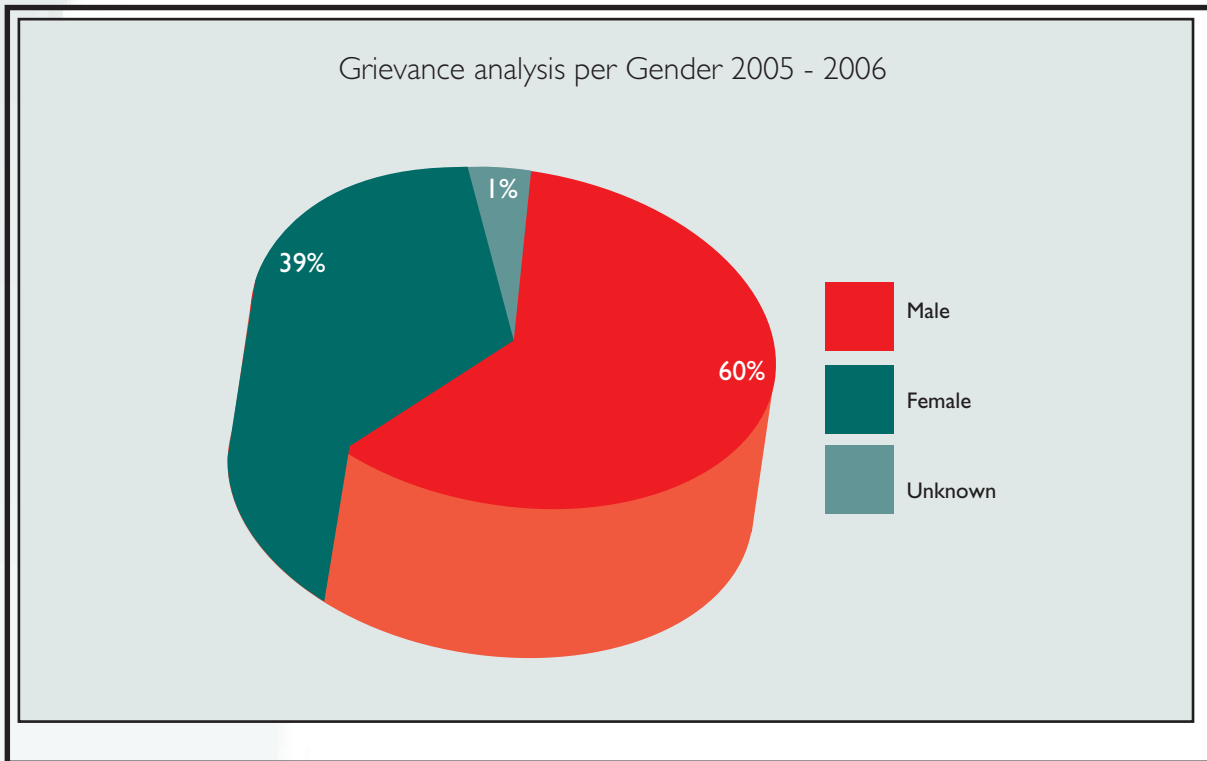
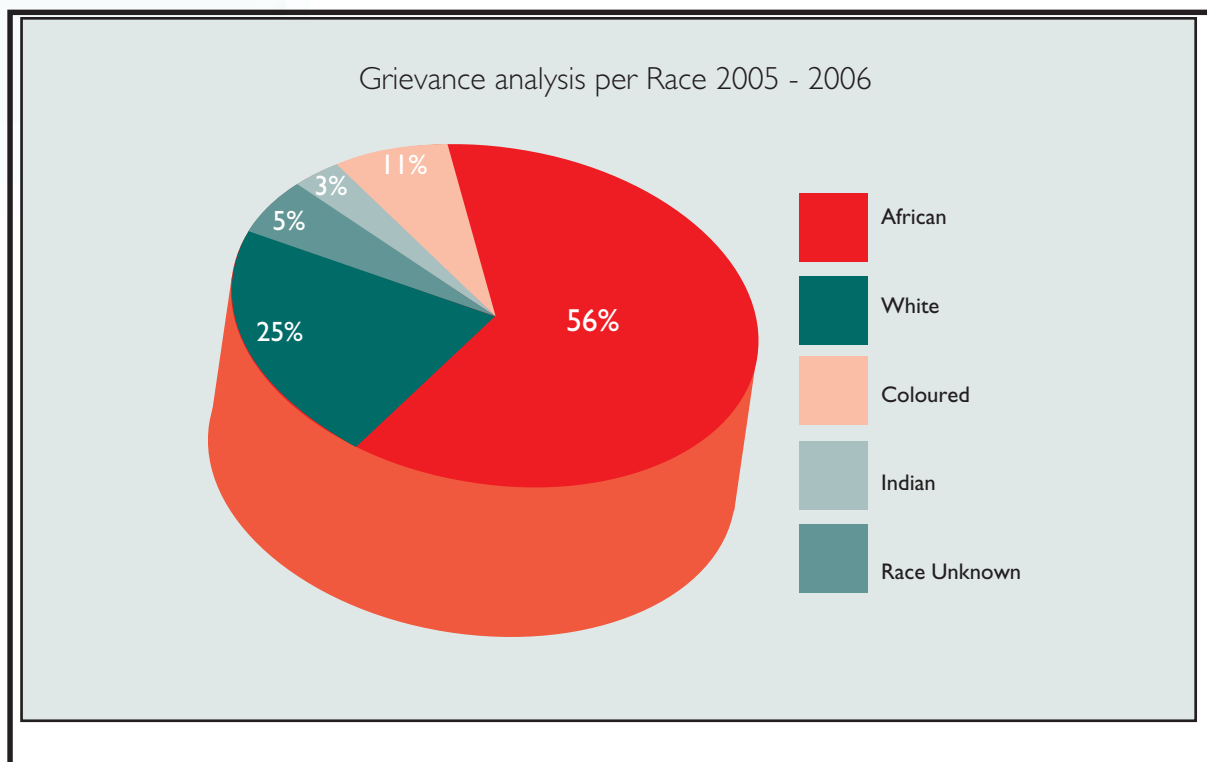
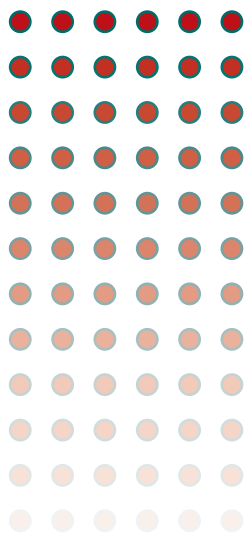


Chart 4: Race in Respect of Grievances Lodged

The following chart provides an analysis in terms of race of individuals who lodged grievances - Africans (56%), Whites (25%), Coloured (11%), Indians (3%), and unknown race (5%).





2.3.2 Sub-programme: Public Administration Investigations

The PSC responds to complaints regarding alleged maladministration, and following investigation, reports with findings and recommendations are submitted to Executing Authorities. For purposes of ensuring consistency, objectivity and fairness in the execution of such investigations, a procedure for the conducting of Public Administration Investigations by the PSC has been developed. In order to avoid duplication of resources, some complaints including anonymous ones are referred to other institutions such as the Independent Complaints Directorate, the Office of the Auditor-General, and the Human Rights Commission for further handling and investigation.

Purpose

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

Measurable objectives

- The main objectives of the sub-programme are to:
- investigate public administration practices and make recommendations to departments;
 - undertake forensic audits and investigations into public administration practices; and
 - monitor and evaluate financial misconduct cases and maintain a database.

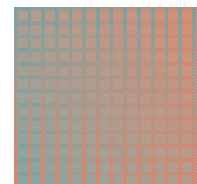
2.3.2.1 Service delivery objectives and indicators

Audits and forensic investigations into public administration practices have gained momentum. Most of the investigations during the period under review, related to maladministration and irregularities pertaining to human resource and procurement practices. As at 31 March 2006, a total of 12 investigations were concluded. These investigations emanated from complaints lodged with the PSC and requests from, among others, Executing Authorities, public servants and whistle-blowers. Through these investigations, the PSC advised Executing Authorities on the veracity of allegations made and recommended remedial action to be taken. Follow-ups were also made in respect of the implementation of the recommendations made. A total of 38 complaints received by the PSC were not investigated. These complaints either fell outside the jurisdiction of the PSC and were referred to the relevant institutions, or were dealt with in terms of other processes such as grievance procedures.

The PSC also manages the NACH for the Public Service which came into operation on 1 September 2004. This key strategy adopted by government is strictly for the reporting of corruption and corruption related cases. However, complaints relating to the behaviour, competency and attitude of staff as well as standards of service delivery are also reported to the NACH and contribute to the PSC's investigative work into public administration practices. In this regard, the PSC has received 752 service delivery cases, of which 263 were referred to departments for further handling and investigation for the year under review. A discussion of corruption related cases is provided in section 2.3.3 of this Chapter. A database of all the cases is kept by the PSC to ensure that there is follow up with the departments concerned.

In terms of the provisions of the Public Finance Management Act, 1999, read with the Treasury Regulations, departments are compelled to report

finalised financial misconduct cases to amongst others, the PSC. Through the analysis of the information provided by departments, the PSC compiles a report on the financial misconduct for each financial year. An overview of financial misconduct for the 2004/2005 financial year was published during the period under review. This overview serves as baseline information through which trends can be identified for future analysis in the Public Service.



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
Public Administration Investigations	Investigation on public administration and anti-corruption.	Number of reports with recommendations produced.	5 reports by March 2006	12 investigations were finalised and reports submitted to Executing Authorities. 5 investigations were in the process of being finalised. A list of finalised investigations appears under 2.3.2.2.1 and a list of investigations in the process of being finalised appears under 2.3.2.2.2.

2.3.2.2.1 Finalised investigations

The following investigations were finalised and submitted to Executing Authorities:

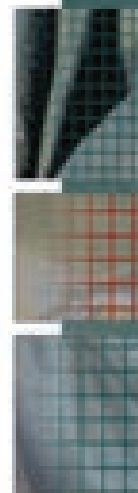
- Allegations of unfair labour practice in the Department of Correctional Services.
- Allegations of maladministration in the Department of Finance and Economic Affairs in Gauteng.
- Irregularities in the filling of a post of Deputy Director: Security Services in the Department of Arts, Culture and Tourism in KwaZulu-Natal.
- Irregularities in the filling of posts at the Gauteng Shared Services Centre.
- Unethical and dishonest practices at the Judicial Inspectorate of Prisons: A desk top report was submitted to the Inspecting Judge.
- Alleged submission of a fraudulent qualification for appointment in the Department of Education, Limpopo.
- Allegations of mismanagement, corruption and procurement irregularities at the National Prosecuting Authority.
- Allegations of maladministration, fraud, corruption and unethical conduct against the HoD: Department of Agriculture and Land Administration in Mpumalanga.

- Allegations of unfair labour practices and procurement irregularities in the Department of Water Affairs and Forestry.
- Allegations into mismanagement, fraud and corruption within the Ministry of Safety and Security.
- Allegations against the Executive Director of the Independent Complaints Directorate.
- Irregularities in the Department of Finance, Mpumalanga.

2.3.2.2.2 Investigations in the process of being finalised

The following investigations were still being completed:

- Potential irregularities in the awarding of a bid in the Department of Land Affairs and Agriculture, Mpumalanga: A report will be finalised by June 2006.
- Rationalisation and filling of posts at the East London Hospital Complex, Eastern Cape: A report will be finalised by June 2006.
- Alleged fraud and corruption at the Department of Tourism, Environmental and Economic Affairs, Free State: A report will be finalised by July 2006.



- Allegations of mismanagement of human resources at SAPS, Free State: A report will be finalized by August 2006.
- Allegations into the irregular filling of posts at the Provincial Treasury, Eastern Cape: A desk top audit has been finalized and a report will be produced by June 2006.



2.3.3 Sub-programme: Professional Ethics and Human Resource Reviews

The work of the PSC in this area has focused on promoting the values in the Constitution of a high standard of professional ethics and sound human resource management and development practices.

The PSC has become a central figure in the promotion of integrity and the prevention of corruption in the Public Service. Through the management of key interventions in the area of anti-corruption and professional ethics, the PSC seeks to reinforce the public's perception of integrity in public administration.

The most strategic resource of the Public Service is its employees. The manner in which these employees are managed impacts significantly on the ability of the public service to deliver on its mandate. The PSC has prioritized the need to conduct strategic research and reviews into the human resource management practices of the Public Service.

Purpose

The main aim of this sub-programme is to establish a

culture of professional and ethical behaviour and to review human resource practices in the Public Service.

Measurable objectives

The main objectives of the sub-programme are to:

- research and evaluate professional ethics and corruption prevention;
- monitor and raise awareness of conflict of interest issues among managers and managing the financial disclosure framework; and
- review human resource practice in the Public Service.

2.3.3.1 Service delivery objectives and indicators

During the period under review, the PSC continued to manage the Financial Disclosure Framework for senior managers in the Public Service. Such disclosures help to avoid potential conflicts of interest between public and private interests. During its management of the Disclosure Framework, the PSC has realised the need for the establishment of a comprehensive framework to manage conflicts of interest. It has therefore conducted extensive research on the management of conflicts of interest and a report with findings and recommendations will be published during the 2006/2007 financial year. A key recommendation of the report is the implementation of a policy on conflicts of interest. A consultative process will be followed with the implementation of the recommendations in the report. It is expected that the resulting implementation of the framework for managing conflicts of interest will have a significant impact on the PSC's resources as it will deepen its role of reviewing and advising on disclosures.

The PSC has been assigned the task by Cabinet to manage the NACH for the Public Service. In its management of the NACH, the PSC has as at 31 March 2006, referred 1 681 cases of corruption to departments for further investigation and handling. The PSC does recognize that to sustain the integrity and credibility of the hotline, departments will have to play a much more active and speedy role in the finalization of reported cases to ensure that the public receives the necessary feedback. For this reason, it is imperative that departments should have a unit devoted to handling hotline cases referred to them. This can be in the form of the Minimum Anti-Corruption Capacity prescribed by Cabinet.

As the Secretariat to the NACF, the PSC manages all the administrative functions of the NACF. A key

highlight in this regard has been the adoption of a National Anti-Corruption Programme. The NAP has identified a number of key joint projects to be carried out by the three sectors of the NACF. These include amongst others:

- raising awareness of the role and functioning of the NACF;
- development of a generic ethics statement for leaders of all sectors;
- production of a user-friendly guide on the Prevention and Combating of Corrupt Activities Act; and
- a joint research programme to audit the state of professional ethics in each sector of the NACF.

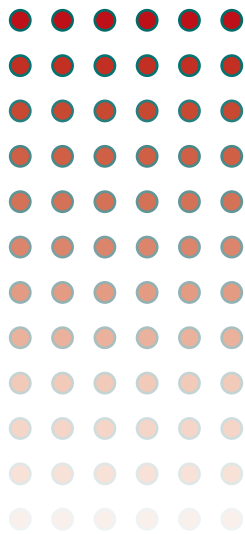
The PSC also continuously conduct human resource reviews to ensure the promotion of good human resource strategies, practices and principles.

An important study that was finalised during period under review was an *Evaluation of the Implementation of the Policy Framework on the Management of HIV and AIDS in the Public Service*. The study identified deficiencies in the implementation of the policy framework and a number of recommendations have been made with a view to improve the roll-out of the framework. In the next financial year the PSC will engage stakeholders responsible for the implementation of the framework.

A report on Affirmative Action in the Public Service was published during the period under review. The report covers a ten year review and provides an analytical perspective to Affirmative Action in the Public Service. The audit found that there is progress in respect to the setting of targets by departments. However, there are significant challenges when it comes to compliance with policy requirements.

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
Professional Ethics and Human Resource Reviews	Promotion of professional ethics and anti-corruption.	Number of ethics workshops held and number of reports with recommendations produced.	6 workshops and 3 reports by March 2006	<p>6 workshops were held. Two reports were produced:</p> <ul style="list-style-type: none"> • Report on the proceedings of the Second National Anti-Corruption Summit and • Report on the Management of Conflicts of Interests. • A Toolkit for the National Anti-Corruption Hotline is in the process of being finalised. <p>The PSC was also engaged with the following:</p> <ul style="list-style-type: none"> • The provision of secretariat services to the National Anti-Corruption Forum which included the development of- <ul style="list-style-type: none"> - A website ; - A logo; - A NACF ethics statement; and - The hosting of various NACF meetings. • Management of the Financial Disclosure Framework. • Management of the National Anti-Corruption Hotline for the Public Service.
	Review of human resource management	A number of reports with recommendations produced.	Three reports produced by March 2006	<p>Three Reports were produced:</p> <ul style="list-style-type: none"> • Report on the Audit of Affirmative Action in the Public Service. • Report on the Evaluation of the Implementation of the Policy Framework on Managing HIV and AIDS in the Public Service. • Report on Staff Turnover in The Presidency.



2.4 Programme 3: Monitoring and Evaluation



This programme aims to enable the PSC to establish a high standard of public service leadership, good governance and improved service delivery through public participation. The programme is divided into three sub-programmes. These are: Governance Monitoring, Leadership and Performance Improvement, and Service Delivery and Quality Assurance.

2.4.1 Sub-programme: Governance Monitoring

The implementation of an effective M&E system remains pivotal to effective service delivery. The PSC has developed an M&E system that looks at the extent to which departments adhere to the values and principles of public administration contained in the Constitution. Each year the system is applied to a sample of departments, and the information generated is used amongst others, to advise the departments on areas for improvement.



Purpose

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

Measurable objectives:

- The main objectives of the sub-programme are to:
- monitor and evaluate the implementation of the principles governing public administration; and
 - monitor and evaluate the implementation of compliance frameworks in the area of selected legislation, e.g. the Promotion of the Administrative Justice Act and Promotion of the Access to Information Act.

2.4.1.1 Service delivery objectives and indicators

During the period under review, the sub-programme produced 10 evaluation reports through the application of the Public Service Commission's Monitoring and Evaluation System in selected departments. Owing to staffing constraints that the sub-programme faced, the number of departments assessed is lower than the 15 originally planned and only 10 instead of the original 15 departments were assessed. The following provincial departments were assessed:

- | | |
|------------|---|
| Gauteng | - Department of Local Government |
| | - Department of Public Transport, Roads and Works |
| Limpopo | - Department of Public Works |
| | - Department of Roads and Transport |
| Mpumalanga | - Department of Education |

- Department of Local Government and Housing
- North West - Department of Developmental Local Government and Housing
- Department of Transport and Roads
- Northern Cape - Department of Housing and Local Government
- Department of Transport, Roads and Public Works.

It was found that the majority of the departments do not have their own policy on the handling of misconduct cases, and that they take long to resolve cases. Tangible evidence of departments' involvement in poverty reduction programmes was also found to be inadequate. Furthermore, the implementation of the Promotion of Administrative Justice Act was found to be weak, thus raising concerns about how departments ensure fairness and lack of bias in their administrative decisions. The research also showed that the majority of departments do not have any guidelines in place for public participation.

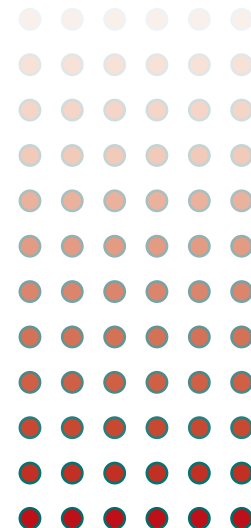
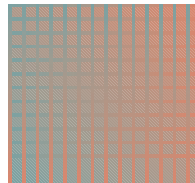
The PSC contributed towards the development of the Government-Wide Monitoring and Evaluation (GWM&E) System during the period under review. It conducted an audit of departmental M&E systems and reporting requirements, which sought to establish the nature of the reporting demands that are placed on departments and the systems that are already in place to conduct M&E.

The GWM&E system, whose development is coordinated by the Office of the Presidency, will be a secondary system which collates and analyses information from a range of sources and presents it to meet the needs of different users. In the past year, the PSC also conducted an audit of reporting requirements and M&E systems in all government departments. Preliminary results from the audit have pointed to areas that need attention if departments are to be successful in implementing their M&E systems. The audit showed that there is uneven capacity in M&E across government departments. This points to the need for serious capacity building and support in the area of M&E. Such capacity would particularly be important because the success of the Government-Wide M&E System would largely be dependent upon how well M&E works at departmental level.

The fifth State of the Public Service Report was produced. As with previous editions, the Report provides a high-level overview of the progress made by the Public Service in giving effect to the Constitutional values and principles of public administration. The Report was released under the theme "Girding the Public Service with the Appropriate Capacity for

Effective Service Delivery and Adherence to the Values of the Constitution". The theme was seen to be very pertinent at this stage of the Public Service transformation process given the imperative to accelerate service delivery and to create a better life for all. This report provides insights on the areas where capacity needs to be strengthened, in order to improve the effectiveness of the developmental state.

In strengthening the implementation of the Public Service Anti-Corruption Strategy, the PSC developed a set of guidelines to empower departments to verify the qualifications of all staff already employed by the state. A very successful national workshop with representatives of all the national and provincial departments was held in June 2005. The aim of the workshop was to assist departments with the implementation of the guidelines. The monitoring of progress made with the implementation of these guidelines has commenced and a monitoring report will be produced in the new financial year.



2.4.1.2 Service delivery achievements

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timeliness	
			Target	Actual
Governance Monitoring	Monitoring and evaluation of good governance and practice.	Number of evaluation reports with recommendations produced.	5 reports by March 2006	14 reports were produced: <ul style="list-style-type: none"> • Consolidated Monitoring and Evaluation Report for the 2004/2005 research cycle; • Audit of Departmental Monitoring and Evaluation Reporting Requirements; • State of the Public Service Report; • Implementation of the Promotion of Administrative Justice Act; and • 10 reports on departments' compliance with the Constitutional Values and Principles.



**MR SIFISO NGEMA
ACTING CHIEF DIRECTOR**

Measurable objectives

The main objectives of this sub-programme are to:

- facilitate the evaluation of national and provincial HoDs;
- provide guidelines on the performance management of HoDs;
- advise Executing Authorities and HoDs on the quality of performance agreements; and
- conduct evaluations of key government programmes.

2.4.2.1 Service delivery objectives and indicators

During the period under review, preparations were made for the evaluation of all qualifying HoDs for the 2004/2005 financial year in terms of the HoD Evaluation Framework. The PSC published guidelines for the 2004/2005 evaluation cycle during September 2005. A total of 14 HoDs of national departments and 23 from provincial departments were evaluated. Of these, five national and eight provincial evaluations were those outstanding from the previous cycle.

The PSC is concerned about the low numbers of HoDs being evaluated. In this regard, an assessment of the previous evaluation cycle has been conducted and a report is being prepared for the attention of the President and Cabinet.

In another initiative in support of the performance management of HoDs, the PSC was requested by Cabinet to monitor and evaluate the performance agreements of HoDs. To facilitate this, Cabinet directed that all HoDs should file their Performance Agreements with the PSC once these have been agreed to and signed. The PSC would then advise Executing Authorities and HoDs on the quality and compliance status of these Performance Agreements.

2.4.2 Sub-programme: Leadership and Performance Improvement

The success of any organisation, whether in the public or private sectors, is largely dependant on the ability of its leadership to plan and manage resources. The PSC has, therefore, focused its attention, in the execution of its M&E task, on the assessment of Public Service leadership and performance. The PSC's contribution in this area is ever increasing and was performed during the period under review through the facilitation of the evaluation process for HoDs, as well as the evaluation of key programmes of government.

Purpose

The main aim of this sub-programme is to promote a high standard of public service leadership and to encourage improvements in service delivery.

Only 17 HoDs in national departments and 30 in provincial departments filed their Performance Agreements for monitoring and evaluation by the PSC.

It needs to be mentioned that all HoDs in the North West Province have submitted their Performance Agreements and all those who qualified were evaluated.

In order to further strengthen the Performance Evaluation Framework of HoDs, the PSC has been focusing on ways through which to provide feedback on the performance of departments. In this regard, an instrument for assessing organisational performance was finalised. The instrument will assist in collating information about the performance of each department which would be packaged for the EAs, the HoDs and the panels which will be evaluating the various HoDs. The piloting of this instrument will be conducted during HoD evaluations for the 2005/2006 financial year.

At the request of the Gauteng Department of Health, a review was conducted to assess the status of the implementation of the Performance Management and Development System (PMDS) for Senior Managers in the department. A report with findings and recommendations was produced and submitted to the department. The PSC also participated in a project of the Governance and Administration (G&A) Cluster of FOSAD on role clarification at the executive interface and the capacity of Ministerial Offices. The aim of this exercise was to examine issues that impact on the administrative-political interface, and to make recommendations. A report with findings and recommendations was produced and submitted to the Minister for Public Service and Administration as well as the G&A Cluster.

An audit of Government's poverty reduction programmes and projects was undertaken during the period under review. A draft report was developed containing among others, a database of key existing programmes and projects. The next phase of this project will involve impact assessment of some of these projects.

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
Leadership and Performance Improvement	Management of HoD performance evaluation.	Number of evaluations successfully completed.	Evaluation of all HoDs who qualify to be evaluated by March 2006 (33 national and 85 provincial HoDs evaluated by March 2006)	14 national and 23 provincial HoDs were evaluated. The number of HoDs evaluated is dictated by a number of factors including: <ul style="list-style-type: none"> • whether HoDs have completed qualifying periods; and • whether a signed performance agreement is in place. In addition, the HoD evaluation framework was reviewed, leading to new Evaluation Guidelines being issued.
	Promotion of improved service delivery.	Assessment of government's Poverty Relief Programme finalised.	Audit report by March 2006	A draft report containing a database of all poverty reduction programmes has been finalised and submitted for approval.



Purpose

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

Measurable objectives

- The main objectives of the sub-programme are to:
- conduct performance and management audits;
 - promote Batho Pele compliance;
 - assess the impact of the quality assurance assessment methodology;
 - plan, conduct and manage citizen satisfaction surveys and citizens' forums; and
 - monitor and investigate adherence to applicable procedures in the Public Service.

2.4.3 Sub-programme: Service Delivery and Quality Assurance

Government is committed to modernising public service management processes and improving citizen satisfaction with the services it delivers. This is a continuous process, which requires departments to shift from inward-looking bureaucratic systems, processes and attitudes to searching for new ways of working that put the needs of the clients first.

2.4.3.1 Service delivery objectives and indicators

Citizen Satisfaction Surveys

In order to assist departments to implement effective, efficient and focused service delivery improvement strategies, the PSC initiated a study to determine what citizens thought about services they received from government. The surveys further aim to create service

delivery systems that are responsive and citizen-centered. The first study was done in 2003/2004 in the social services sector and it included the Departments of Health, Social Development, Education and Housing. The project was rolled out in phases focusing on specific government sectors. The second survey followed in 2004/2005 in the Criminal Justice Sector, focusing on the Departments of Correctional Services, Justice and Constitutional Development and South African Police Services. The third survey was conducted in 2005/2006, focusing on the Departments of Agriculture, Land Affairs and Water Affairs and Forestry. The overall satisfaction ratings' average which includes the banking, postal services, hospitality, telecommunications services and the previously surveyed departments is 71%. All the three departments met the average scores of satisfaction with the Department of Agriculture at 79%, the Department of Land Affairs at 73% and the Department of Water and Forestry at 71%. The main concerns which citizens had related to turn-around times for receiving services, and the number of officials available to attend to them.

Citizens' Forums Toolkit

The PSC has undertaken to develop tools and methodologies that will promote the incorporation of the views of the citizens in the process of service delivery. In order to promote 'active participation' in service delivery, the PSC developed a toolkit containing an Instructional Video and a graphic Step-by-Step Guide for the implementation of Citizens' Forums. The toolkit aims to give an overview of what Citizens' Forums are and how to organize and actually conduct them. Training workshops for Departments across the Public Service will be conducted on the use of the toolkit.

Public participation is very key to ensuring a capable Public Service that accurately determines and responds to the needs of the public. The Citizens' Forums Toolkit is thus a useful mechanism that departments can use as they engage with communities on public policies and programmes. It allows for significant participation by representative citizen groupings in service delivery improvement. People from diverse backgrounds are able to contribute to effective policy implementation and improved service delivery.

Protocol on Service Delivery Inspections by the Public Service Commission

In order to further entrench a citizen and service-

centric culture and accountability across the Public Service, the PSC developed a Protocol Document on Inspections. The objective of the inspections is to assess the quality of services provided to the public and to determine if departments are meeting the required service standards and the needs of the people using the service. The project generally aims to encourage compliance and looks at actual service provision in action. While the deliverable for this financial year was the development of a methodology, the PSC went beyond this and piloted the methodology at selected service delivery sites. Reports with recommendations will be compiled and made available to respective departments, in addition to feedback meetings with Senior Management at Head Offices of the respective departments.

Evaluation of the Implementation of the Batho Pele Principle of Access in the Public Service

The study targeted the Public Service in its entirety (131 National and Provincial departments). While not all Departments responded, the overall response rate was nonetheless adequate as a basis for analysis. The aim of the study was to determine whether or not departments comply with the requirements of the Batho Pele White Paper that Government departments should implement measures to ensure accessibility of services, particularly for marginalized groups. These measures should address issues of hours of operation, access for people with disabilities, and access for illiterate people.

Evaluation of the Implementation of the Batho Pele Principle of Redress in the Public Service

The scope of the study was the same as that of the Access Report (131 national and provincial departments) with a more than adequate response rate. Similar to the Access study, this is also a compliance audit given that the objective is to assess the degree to which departments have provided for redress mechanisms as part of their service processes in line with the Batho Pele White Paper. Overall, the findings are that provision of redress mechanisms is very uneven, and even where these mechanisms are in place, they lack credibility to the degree that complaints lodged are not attended to and thereby do not spark positive action as proposed by the White Paper. The client perspective is that there is a consistent lack of follow-through which makes the provision merely formalistic. It is worth noting also that departments in certain instances are constrained in resource terms, which accounts for some of these problems.

Evaluation of the Batho Pele Principle of Value for Money in the Public Service

This study was not as successful as the other two as the response rate from departments was significantly less than adequate. This low response rate in our view is both a finding and an indication of the little degree to which this principle has filtered down to the service processes of departments. This notwithstanding, the report will be finalised during the next financial year.

Publish Service Delivery Guides for Critical Government Services (Social Grants Administration, Department of Social Development)

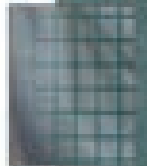
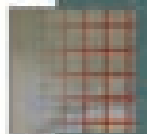
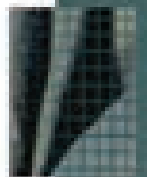
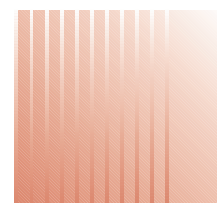
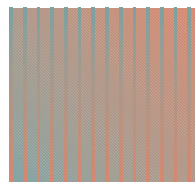
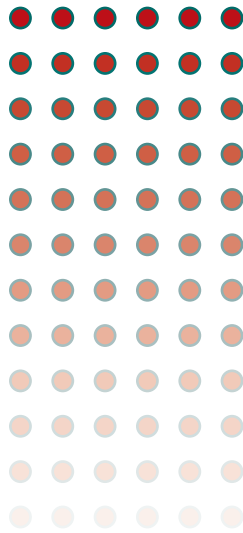
This Guide has already been produced and is currently in print for an additional 30 copies for the PSC only. The basic objective of the Guide is to empower clients through the simplification of Government procedures thereby making them accessible and clear regardless of the client's level of literacy. It also enables public servants to impart consistent and uniform information around the requirements for services to clients. The Department of Social Development will be responsible for the wider dissemination of the Guides to relevant stakeholders like citizens.

2.4.3.1 Service delivery achievements

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timeliness	
			Target	Actual
Service Delivery and Quality Assurance	Evaluation of service delivery and quality assurance.	Number of service delivery evaluation reports with recommendations produced.	3 reports by March 2006	Draft reports on Access and Redress were compiled by end March 2006. The complexity and technical nature of the Value for Money project prevented the completion of the data gathering and data analysis phases of the project. The report will however be completed in 2006.
		Number of citizen satisfaction surveys conducted.	1 survey conducted by March 2006	Citizen Satisfaction Survey focussing on Economic and Infrastructure services was conducted and a report produced.
		Citizens' Forums reports produced.	1 report by March 2006	Citizens' Forum Report on Pilots conducted in the Eastern Cape and Mpumalanga was produced. A Toolkit for conducting Citizen's Forums has also been completed and printed.

CHAPTER 3

HUMAN RESOURCE MANAGEMENT SUPPORT





MR DUMISANI MAPHUMULO
DEPUTY DIRECTOR-GENERAL

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.

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.

Table 1.1 - 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 Supporting Democracy Organised Labour Strategic Partners Public (citizens) National and Provincial Departments	Provide secretariat services to the National Anti-Corruption Forum. Manage the Financial Disclosure Framework. Manage the National Anti-Corruption Hotline.	Seven NACF meetings were successfully hosted. Obtained 75% compliance from Departments. As at 31 March 2006, 1 681 corruption cases were referred to Departments for investigation. The PSC developed guidelines on the verification of qualifications in the Public Service. A workshop for all national and provincial officials was held in June 2005.
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 Executives Legislatures Departments	Promote the Code of Conduct and anti-corruption measures through training workshops.	Six workshops were held.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Monitoring and evaluation of, research and advice on, the organisation and performance of the Public Service, service delivery and resource management practices.	Executives Departments Legislatures	Executives Legislatures Departments	<p>Clients are informed about their performance and the state of service delivery timeously.</p> <p>Recipients of advice are satisfied with the information and analysis provided to them.</p> <p>Recommendations are implemented within a reasonable period.</p> <p>Reports timeously produced on key compliance frameworks (Administrative Justice and Access to Information Acts).</p> <p>Reports are well received and contribute to effective public administration.</p>	<p>10 Departmental monitoring and evaluation reports were compiled. The reports focused on how the departments complied with the Constitutional Values and Principles of Public Administration.</p> <p>The State of the Public Service Report 2005 was produced and submitted to Cabinet.</p> <p>A Consolidated M&E Report on the 2004/2005 financial year was completed.</p> <p>An audit of reporting requirements and M&E systems in Government was completed.</p> <p>An audit of Government's poverty reduction programmes was completed.</p> <p>Two evaluations on the implementation of the Batho Pele principles of Access and Redress were completed.</p> <p>A Citizens Forum Toolkit was developed as a methodology to promote the incorporation of the views of clients in the process of service delivery. It contains an Instructional Video, a Step-by-Step implementation Guide and provides an overview of what Citizens Forums are and how to conduct them. Training workshops will be conducted on the use of the toolkit.</p> <p>A Protocol for service delivery inspections was developed in order to further entrench a citizen and service centric culture in the Public Service. The objective is to assess the quality of services provided to clients and if service standards are met.</p> <p>A Citizen Satisfaction Survey was conducted in selected departments of the Economic Services and Infrastructure Sector to measure the actual satisfaction level of citizens with the delivery of public services.</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Grievance resolution and complaints.	Executives Departments Legislatures Public servants Complainants	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	Recommendations accepted by all stakeholders.	Five out of seven recommendations were implemented by Departments.
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.	Database on PERSAL is in the process of being amended. Report on Grievance Resolution is being drafted. Database on grievances established.
Translation of Grievance Rules into all official languages.	Executives Departments Legislatures Public servants Complainants	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	Translated Grievance Rules on website.	Grievance Rules in all official languages posted onto the PSC website: (www.psc.gov.za).
Investigation of merits of grievances.	Departments Employees	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	The PSC strives towards finalizing a grievance within 30 days from receiving all relevant information.	The PSC investigated 486 grievances of which 406 were concluded.
Reports and advice based on investigations conducted.	Cabinet Legislatures Departments	Executing Authorities Whistleblowers Officials Media reports (Own Accord)	Reports with findings and recommendations finalized within set targets.	Eight desktop audits and ten investigation reports were finalized during the financial year.
Secretariat Services on Heads of Department Evaluation.	Cabinet Legislature Executives HoDs		Evaluations to be conducted according to the framework for evaluation of HoDs and guidelines set by the PSC.	14 National HoDs and 23 Provincial HoDs were evaluated during the 2005/2006 financial year. Lack of response by Executing Authorities is impacting negatively on the implementation process.

Table 1.2 - Consultation arrangements with customers

Type of arrangement	Actual customers	Potential customers	Actual achievements
Meetings with stakeholders to explain what the Public Service Commission is and discuss their (customers) expectations of PSC.	The Executive Departments Legislatures Public servants Complainants	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	Informed stakeholders. Assessed the report of the PSC. Facilitated the implementation 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	Executive engagement on terms of reference of projects and at conclusion of project on findings and recommendations.

Table 1.3- Service delivery access strategy

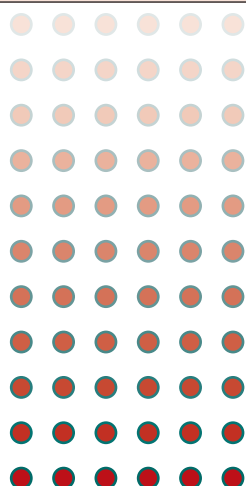
Access strategy	Actual achievements
Grievances of public servants are dealt with departmentally. When the grievance is not resolved to the officer's satisfaction the matter may be referred to the PSC for investigation. In addition, the PSC plans to increase access by ensuring that all employees, departments, provincial administrations, organised labour and other stakeholders have access to the PSC's Grievance Rules which were gazetted on 29 February 2000.	406 grievances referred to PSC were finalized during the 2005/2006 financial year.
Telephonic or written requests addressed to the PSC at its office in Pretoria (head office) and regional offices. Reports and other published material are accessible to all stakeholders through a variety of media, e.g. print and internet and distributed to relevant stakeholders.	PSC published reports were tabled in Parliament and Provincial Legislatures. They were also distributed to PSC stakeholders. Media briefings were held to brief members of the media about the content of some of the reports.
Depending on capacity of the Office, the PSC undertakes projects on request.	Adhoc requests for projects were undertaken and 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 behest.	Requests of portfolio committees for presentations were met.

Table 1.4 - Service information tool

Types 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 (www.psc.gov.za).

Table 1.5-Complaints mechanism

Complaints mechanism	Actual achievements
All complaints are recorded and responded to within the allocated time frames.	All complaints, including anonymous ones, are either referred to the relevant institutions, namely the Independent Complaints Directorate; the Auditor-General; the Human Rights Commission; etc. or investigated within set targets in accordance with the Procedure for conducting Public Administration Investigations by the PSC.
Complaints from the public are referred to the Public Protector.	A formal agreement has been entered into with the Public Protector and that his Office would provide feedback to the PSC.



2. Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

Table 2.1 – Personnel costs by programme, 2005/ 2006

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Total Expenditure (R'000)	Average personnel cost per employee (R'000)
1. Admin	26 551	377	370	27 298	134
2. I&HRR	15 997	0	2 021	18 018	81
3. M&E	14 460	7	1 312	15 779	73
Theft and losses	0	0	0	0	0
TOTAL	57 008	384	3 703	61 095	288

Table 2.2 – Personnel costs by salary bands, 2005/ 2006

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total Personnel Expenditure	Number of Employees
Lower skilled (Levels 1-2)	232	0,4	116	57 008	2
Skilled (Levels 3-5)	2 734	4,8	68	57 008	40
Highly skilled production (Levels 6-8)	6 103	10,7	124	57 008	49
Highly skilled supervision (Levels 9-12)	17 983	31,5	261	57 008	69
Senior management (Levels 13-16)	29 956	52,5	599	57 008	50
TOTAL	57 008	100	271	57 008	210

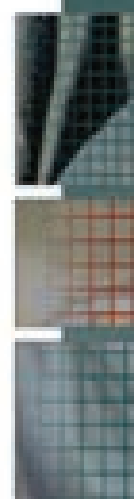
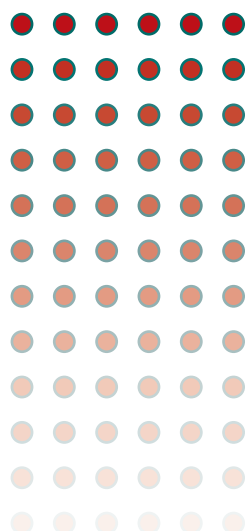
The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home-owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2005/ 2006

Programme	Salaries		Overtime		Home-owners Allowance		Medical Assistance		Total Personnel Cost (R'000)
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Over-time 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	16 706	62,9	308	1,2	191	0,7	861	3,2	26 551
Programme 2	10 345	64,7	117	0,7	59	0,4	578	3,6	15 997
Programme 3	9 368	64,8	0	0	182	1,3	537	3,7	14 460
TOTAL	36 419	63,9	425	0,7	432	0,8	1 976	3,5	57 008

Table 2.4 - Salaries, Overtime, Home-owners Allowance and Medical Assistance by salary bands, 2005/ 2006

Programme	Salaries		Overtime		Home-owners Allowance		Medical Assistance		Total Personnel Cost (R'000)
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Over-time 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)	112	48,1	0	0	0	0	6	2,6	233
Skilled (Levels 3-5)	2 026	73,7	24	0,9	17	0,6	195	7,1	2 749
Highly skilled production (Levels 6-8)	4 421	72,1	101	1,6	65	1,1	329	5,4	6 135
Highly skilled supervision (Levels 9-12)	12 745	69	300	1,6	160	0,9	586	3,2	18 465
Senior management (Levels 13-16)	17 115	58,2	0	0	190	0,6	860	2,9	29 426
TOTAL	36 419	63,9	425	0,7	432	0,8	1 976	3,5	57 008



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 that are additional to the establishment. This information is presented in terms of three key variables: programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Table 3.3 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 3.1 - Employment and vacancies by programme, 31 March 2006

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme 1	112	100	10,71	0
Programme 2	66	59	10,61	0
Programme 3	61	51	16,39	0
TOTAL	239	210	12,13	0

Table 3.2 - Employment and vacancies by salary bands, 31 March 2006

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	3	2	33,33	0
Skilled (Levels 3-5) Permanent	49	40	18,37	0
Skilled (Levels 3-5) Temporary	0	0	0	0
Highly skilled production (Levels 6-8)	58	49	15,52	0
Highly skilled supervision (Levels 9-12)	74	69	6,76	0
Senior management (Levels 13-16) Permanent	55	50	9,09	0
Senior management (Levels 13-16) Temporary	0	0	0	0
TOTAL	239	210	12,13	0

Table 3.3 - Employment and vacancies by critical occupation, 31 March 2006

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related, Permanent	2	2	0	0
Cleaner, Permanent	1	1	0	0
Switchboard Operator, Permanent	0	0	0	0
Communication and information related Permanent	2	1	50	0
Finance and economics related, Permanent	1	1	0	0
Financial and related professionals, Permanent	8	8	0	0
Financial Clerks, Permanent	5	4	20	0
Food Services Aid, Permanent	0	0	0	0
Head of Department	1	0	100	0
Housekeepers, laundry and related workers, Permanent	0	0	0	0
Human Resources & organisation dev related, Permanent	29	26	10,34	0
Human Resources clerks, Permanent	8	7	12,50	0
Human Resources related, Permanent	41	38	7,32	0
Information Technology, Permanent	1	1	0	0
Language practitioners interpreters & other	0	0	0	0
Other Communication related, Permanent	0	0	0	0
Library related personnel, Permanent	5	4	20	0
Driver, Permanent	0	0	0	0
Logistical support personnel, Permanent	6	6	0	0
Material recording and Transport clerks, Permanent	0	0	0	0
Messengers, Permanent	1	0	100	0
Other administrative and related clerks, Permanent	3	3	0	0
Other administrative policy and related officers, Permanent	2	2	0	0
Other information technology personnel, Permanent	5	5	0	0
Others occupations, Permanent	0	0	0	0
Chairperson: PSC	1	1	0	0
Deputy Chairperson: PSC	1	1	0	0
Member: PSC	12	12	0	0
Secretaries, Permanent	52	40	23,08	0
Secretaries, Temporary	0	0	0	0
Security officers, Permanent	12	11	8,33	0
Security officers, Temporary	0	0	0	0
Senior Managers, Permanent	40	36	10	0
TOTAL	239	210	12,13	0

For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this Chapter.

4. Job Evaluation

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

The following table (Table 4.1) summarises the number of jobs that were evaluated during the period under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 4.1 - Job Evaluation, 1 April 2005 to 31 March 2006

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	3	0	0	0	0	0	0
Skilled (Levels 3-5)	49	13	26,53	0	0	0	0
Highly skilled production (Levels 6-8)	58	2	3,45	0	0	0	0
Highly skilled supervision (Levels 9-12)	74	8	10,81	1	1,25	0	0
Senior Management Service Band A	30	1	3,33	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	14	0	0	0	0	0	0
Senior Management Service Band D	4	0	0	0	0	0	0
TOTAL	239	24	10,04	1	4,17	0	0

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 4.2 - Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	0	0	1
TOTAL	1	0	0	0	1

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 4.3

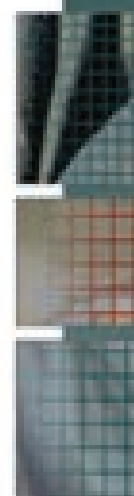
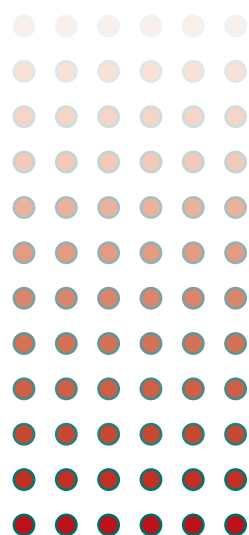
Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2005/ 2006	None
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Table 4.4 summarises the beneficiaries of the above in terms of race, gender and disability.

Table 4.4 - Profile of employees whose salary levels exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

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

Employees with a disability 0



5. Employment 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 by salary band (Table 5.1) and by critical occupations (Table 5.2).

Table 5.1 - Annual turnover rates by salary band for the period 1 April 2005 to 31 March 2006

Salary Band	Number of employees per band as at 1 April 2006	Appointments and transfers into the Office	Terminations and transfers out of the Office	Turnover rate
Lower skilled (Levels 1-2) Permanent	2	0	1	50
Lower skilled (Levels 1-2) Temporary	0	0	0	0
Skilled (Levels 3-5) Permanent	40	11	10	25
Highly skilled production (Levels 6-8) Permanent	49	14	9	18,37
Highly skilled supervision (Levels 9-12) Permanent	69	17	7	10,14
Senior Management Service Band A Permanent	28	1	2	7,14
Senior Management Service Band B Permanent	5	1	1	20
Senior Management Service Band C Permanent	14	0	0	0
Senior Management Service Band D	3	0	1	33,33
Senior Management Service Band D Temporary	0	0	0	0
TOTAL	210	44	31	14,76

Table 5.2 - Annual turnover rates by critical occupation for the period 1 April 2005 to 31 March 2006

Occupation	Number of employees per occupation as at 1 April 2006	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	2	2	1	50
Cleaner, Permanent	1	0	0	0
Switchboard Operator, Permanent	0	0	0	0
Communication and Information related Permanent	1	0	1	100
Finance and economics related, Permanent	1	0	0	0
Financial and related professionals, Permanent	8	4	0	0
Financial Clerks, Permanent	4	0	0	0
Human Resources & organisation dev related, Permanent	26	11	7	26,92
Human Resources clerks, Permanent	7	3	1	14,29
Human resources clerks, Temporary	0	0	0	0
Human Resources related, Permanent	38	7	2	28,57
Library related personnel, Permanent	4	1	0	0
Logistical support personnel, Permanent	6	2	1	16,67
Material recording and Transport clerks, Permanent	0	0	0	0
Messengers, Permanent	0	0	1	100
Other administrative and related clerks, Permanent	3	0	0	0
Other administrative policy and related officers, Permanent	2	0	0	0
Other information technology personnel, Permanent	6	4	0	0
Other occupations, Permanent	0	0	0	0
Rank: Unknown, Permanent	0	0	0	0
Secretaries, Permanent	40	9	13	32,5
Secretaries, Temporary	0	0	0	0
Security officers, Permanent	11	0	0	0
Security officers, Temporary	0	0	0	0
Senior Managers, Permanent	36	1	3	8,33
Head of Department	0	0	1	100
Chairperson: PSC	1	0	0	0
Deputy Chairperson: PSC	1	0	0	0
Member: PSC	12	0	0	0
TOTAL	210	44	31	14,76

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

Table 5.3 - Reasons why staff are leaving the Office

Termination Type	Number	% of total	% of total employment
Death	1	7,69	0,48
Resignation, Permanent	9	69,23	4,29
Expiry of contract, Permanent	1	7,69	0,48
Retirement	1	7,69	0,48
Ill-health Retirement	1	7,69	0,48
Other, Permanent	0	0	0
TOTAL	13	100	6,19

Table 5.4 - Promotions by critical occupation

Occupation	Employees as at 1 April 2006	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative related	2	0	0	2	100
Cleaner	1	0	0	1	100
Switchboard Operator	0	0	0	0	0
Communication and Information related	1	0	0	1	100
Finance and economics related	1	0	0	0	0
Financial and related professionals	8	1	12,50	0	0
Financial Clerks	4	1	25	3	75
Head of Department & DDG's	3	0	0	1	33,33
Human Resources & organisation dev related	26	0	0	0	0
Human Resources clerks	7	1	14,29	2	28,57
Human Resources related	38	3	7,89	20	52,63
Library related personnel	4	0	0	2	50
Logistical support personnel	6	1	16,67	4	66,67
Material recording and Transport clerks	0	0	0	0	0
Messengers	0	0	0	1	100
Other administrative and related clerks	3	0	0	1	33,33
Other administrative policy and related officers	2	0	0	0	0
Other information technology personnel	6	2	33,33	0	0
Others occupations	0	0	0	0	0
Rank, Unknown	0	0	0	0	0
Secretaries	40	1	2,50	25	62,50
Security officers	11	2	18,18	0	0
Senior Managers	33	2	6,06	17	51,52
Chairperson: PSC	1	0	0	0	0
Deputy Chairperson: PSC	1	0	0	0	0
Member: PSC	12	0	0	0	0
TOTAL	210	14	6,67	79	37,62

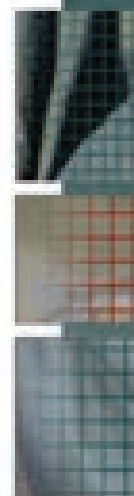


Table 5.5 - Promotions by salary band

Salary Band	Employees as at 1 April 2006	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	2	0	0	2	100
Lower skilled (Levels 1-2) Temporary	0	0	0	0	0
Skilled (Levels 3-5)	40	0	0	14	35
Highly skilled production (Levels 6-8)	49	5	10,20	31	63,27
Highly skilled supervision (Levels 9-12)	69	7	10,14	15	21,74
Senior Management (Levels 13-16)	50	2	4	17	34
TOTAL	210	14	6,67	79	37,62

6. Employment Equity

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

Table 6.1 - Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2006

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior managers	26	1	3	5	11	1	0	3	50
Middle Managers	29	5	0	6	21	1	1	6	69
Administrative/- Clerks	11	0	0	2	29	1	0	6	49
Service and Sales workers, Permanent	15	0	0	0	24	0	0	1	40
Elementary occupations	2	0	0	0	0	0	0	0	2
TOTAL	83	6	3	13	85	3	1	16	210

Employees with disabilities	0	0	0	1	0	0	0	0	1
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Table 6.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	11	1	0	1	3	1	0	0	17
Senior Management	15	0	3	4	8	0	0	3	33
Professionally qualified and experienced specialists and mid-management	29	5	0	6	21	1	1	6	69
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	0	0	1	17	0	0	5	32
Semi-skilled and discretionary decision making	9	0	0	1	36	1	0	2	49
Unskilled and defined decision making	10	0	0	0	0	0	0	0	10
TOTAL	83	6	3	13	85	3	1	16	210

Table 6.3 - Recruitment for the period 1 April 2005 to 31 March 2006

Occupational Bands	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	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	0	0	0	3	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	0	0	0	1	3
Semi-skilled and discretionary decision making	1	0	0	0	12	0	0	0	13
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	5	0	0	0	16	0	0	1	22

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 6.4 - Promotions for the period 1 April 2005 to 31 March 2006

Occupational Bands	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	0	0	0	1	2
Professionally qualified and experienced specialists and mid-management (9-12)	3	0	0	1	2	0	0	1	7
Skilled technical and academically qualified workers, junior management, supervisors (7-8)	2	0	0	0	2	0	0	1	5
Semi-skilled and discretionary decision making (4-6)	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (1-3)	0	0	0	0	0	0	0	0	0
TOTAL	6	0	0	1	4	0	0	3	14

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 6.5 - Terminations for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	1	0	0	2	0	0	0	1	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	1	1	0	2	4
Unskilled and defined decision making	0	1	0	0	0	0	0	0	1
TOTAL	4	1	0	2	2	1	0	3	13

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 6.6 - Disciplinary action for the period 1 April 2005 to 31 March 2006

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	3	0	0	2	2	0	0	0	7

Table 6.7 - Skills development for the period 1 April 2005 to 31 March 2006

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers (13-16)	2	0	0	0	3	0	0	1	6
Professionally qualified and experienced specialists and middle management (9-12)	9	1	0	0	5	1	0	1	17
Skilled technical, junior management and supervisors (7-8)	3	0	0	0	9	1	0	0	13
Semi-skilled workers (4-6)	5	0	0	1	9	0	0	1	16
Elementary occupations (1-3)	4	0	0	0	0	0	0	0	4
TOTAL	23	1	0	1	26	2	0	3	56

Employees with disabilities	0	0	0	1	0	0	0	0	1
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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 7.1), salary bands (Table 7.2) and critical occupations (Table 7.3).

Table 7.1 - Performance Rewards by race, gender, and disability, 1 April 2005 to 31 March 2006

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	25	83	32,5	540	21 600
Female	20	85	28	272	13 600
Asian					
Male	3	3	75	103	34 312
Female	1	1	100	35	35 000
Coloured					
Male	5	6	55,6	94	18 800
Female	6	3	150	127	21 166
White					
Male	10	12	83,3	242	24 208
Female	13	16	83,7	233	17 923
Employees with a disability	1	1	100	7	7 210
TOTAL	84	210	40	1 653	19 678

Table 7.2 - Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2005 to 31 March 2006

Salary Bands	Beneficiary Profile			Total Cost (R'000)	Average cost per employee
	Number of beneficiaries	Number of employees	% of total within salary bands		
Lower skilled (Levels 1-2)	1	2	50	4	4 000
Skilled (Levels 3-5)	7	40	17,5	42	5 200
Highly skilled production (Levels 6-8)	27	49	55,1	264	8 917
Highly skilled supervision (Levels 9-12)	28	69	40,6	616	17 182
TOTAL	63	160	39,4	926	35 299

Table 7.3 - Performance Rewards by critical occupations, 1 April 2005 to 31 March 2006

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	21	50	42	727	34 619
Professionally qualified and experienced specialists and middle management	28	69	40,6	616	22 000
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	27	32	84,4	264	9 777
Semi-skilled and discretionary decision making	7	49	14,3	42	6 000
Unskilled and defined decision making	1	10	10	4	4 000
TOTAL	84	210	40	1 653	19 678

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

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	17	28	60,7	548	32 235	0,06
Band B	2	5	40	54	27 000	0,05
Band C	1	13	7,7	53	53 000	0,09
Band D	1	4	25	72	72 000	0,13
TOTAL	21	50	42	727	34 619	1,27

8. Foreign Workers

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

Table 8.1 - Foreign Workers, 1 April 2005 to 31 March 2006, by salary band

Salary Bands	1 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Table 8.2 - Foreign Worker, 1 April 2005 to 31 March 2006, by major occupation

Major Occupation	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
Professionals and managers	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

9. Leave utilisation for the period 1 January 2005 to 31 December 2005

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

Table 9.1 - Sick leave, 1 January 2005 to 31 December 2005

Salary Bands	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)	15	60	3	2	5	2	9
Skilled (Levels 4-6)	135,5	70,3	27	17,8	5	28	96
Highly skilled production (Levels 7-8)	301	78,7	42	27,6	7	103	237
Highly skilled supervision (Levels 9-12)	292	78,4	46	30,3	6	204	229
Senior management (Levels 13-16)	206	83,5	34	22,4	6	390	172
TOTAL	950,5	78,2	152	100	6	727	743

Table 9.2 - Disability leave (temporary and permanent, 1 January 2005 to 31 December 2005)

Salary Bands	Total days taken	% 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
Skilled production (Levels 6-8)	23	100	2	50	12	6	23
Senior management (Levels 13-16)	25	100	2	50	13	17	25
TOTAL	48	100	4	100	12	23	48

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

Table 9.3 - Annual Leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days taken	Average per employee	Employment
Lower skilled (Levels 1-2)	101	34	3
Skilled Levels (3-5)	560,24	15	42
Highly skilled production (Levels 6-8)	1085	19	58
Highly skilled supervision (Levels 9-12)	1401	19	74
Senior management (Levels 13-16)	1153	35	33
TOTAL	4 390,24	20	210

Table 9.4 - Capped leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005	Total number of capped leave available at 31 December 2005	Number of employees as at 31 December 2005
Lower skilled (Levels 1-2)	35	35	16	32	2
Skilled Levels (3-5)	5	2	46	510	11
Highly skilled production (Levels 6-8)	32	6	29	861	30
Highly skilled supervision (Levels 9-12)	60	9	51	2 544	50
Senior management (Levels 13-16)	38	8	73	2 623	36
TOTAL	170	8	51	6 570	129

Table 9.5 - Leave payouts for the period 1 April 2005 to 31 March 2006

The following table summarises payments made to employees as a result of leave that was not taken.

Reason	Total amount (R'000)	Number of employees	Average payment per employee
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	42	1	42 000
Capped leave payouts on termination of service for 2005/06	134	10	13 400
Current leave payout on termination of service for 2005/06	0	2	0
TOTAL	176	13	13 538

10. HIV/AIDS & Health Promotion Programmes

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

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

Table 10.2 - Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Mr HA Maluleke Director: Human Resource Management and Development
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.	✓		27 Employment Equity Consultative Forum Members
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		The programme aims to: <ul style="list-style-type: none"> • Encourage and assist employees to overcome personal problems affecting their work performance negatively; • Provide an effective framework for wellness promotion and preventative services; • In so far as it is possible to provide a reasonable, confidential and professional counselling service to all employees and their immediate families within the context of issues affecting the employee in order to enhance and sustain the quality of life; • Enhance performance and maintain high productivity levels of all employees; • Establish a working relationship with other departments and stakeholders who are involved in employee wellness; • Prevent unnecessary absenteeism and low productivity caused by social, physical and psychological factors; and • Allow supervisors to manage their human resources in an objective and consistent manner.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		See attached name list (Annexure B)
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		<ul style="list-style-type: none"> • HIV/AIDS Policy and Programme • Recruitment and Selection Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		HIV/AIDS Policy and Programme
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	✓		None so far, however, the Office did implement its Employee Assistance Programme with effect from 1 July 2005.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<ul style="list-style-type: none"> • HIV/AIDS Programme • Employee Assistance Programme

11. Labour Relations

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

Table 11.1 - Collective agreements, 1 April 2005 to 31 March 2006

Subject Matter	Date
HR Policies	21 October 2005

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

Table 11.2 - Misconduct and disciplinary hearings finalised, 1 April 2005 to 31 March 2006

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	4	57,14
Verbal warning	0	0
Written warning	2	28,57
Final written warning	1	14,29
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
TOTAL	7	100

Table 11.3 - Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Poor Performance	1	100
Removal of state property	0	0
TOTAL	1	100

Table 11.4 - Grievances lodged for the period 1 April 2005 to 31 March 2006

	Number	% of total
Number of grievances resolved	2	66,67
Number of grievances not resolved	1	33,33
TOTAL	3	100

Table 11.5 - Disputes lodged with Councils for the period 1 April 2005 to 31 March 2006

	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	1	100
TOTAL	1	100

Table 11.6 - Strike actions for the period 1 April 2005 to 31 March 2006

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 11.7 - Precautionary suspensions for the period 1 April 2005 to 31 March 2006

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	174
Cost (R'000) of suspensions	

12. Skills development

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

Table 12.1 - Training needs identified for the period 1 April 2005 to 31 March 2006

Occupational Categories			Training needs identified at start of reporting period			
	Gender	Number of employees as at 1 April 2006	Leaverships Identified	Skills Programmes & other short courses	Other forms of training	Total
Chairperson	Female	0	0	0	0	0
	Male	1	0	0	0	0
Deputy Chairperson	Female	0	0	0	0	0
	Male	1	0	0	0	0
Commissioners	Female	3	0	0	0	0
	Male	9	0	0	0	0
Director-General	Female	0	0	0	0	0
	Male	0	0	0	0	0
Deputy Director-General	Female	1	0	0	0	0
	Male	2	0	0	0	0
Chief Directors	Female	2		0	0	0
	Male	3		Performance Management Executive Leadership Seminars. Monitoring and Evaluation Quality Analysis Participatory Evaluation Financial Management	0	3

Occupational Categories			Training needs identified at start of reporting period			
	Gender	Number of employees as at 1 April 2006	Leaverships Identified	Skills Programmes & other short courses	Other forms of training	Total
Directors	Female	9	0	Human Resource Management Forensic Investigation Presentation Skills. Minute Taking. HoD Evaluation. Project Management.		4
	Male	19		Knowledge Management Para-legal Knowledge Management. Monitoring and Evaluation Methodology Financial Management Competency. Introduction to statistics Project Management, Performance Management, Labour Relations. Administrative Justice Act Information Knowledge Management System. Performance Evaluation. Exchange Programme on Organizational Behaviour. Advance Management and Development Leadership Development Change Management		9

Occupational Categories			Training needs identified at start of reporting period			
	Gender	Number of employees as at 1 April 2006	Leaverships Identified	Skills Programmes & other short courses	Other forms of training	Total
Deputy Directors	Female	18	0	Management Development Programme. PERSAL. Negotiation Skills. Investigation Report Writing Initiating Budgeting Supervisory role. Professional knowledge, technical, oral and written communication, Diversity Management, Labour Relations, Performance Management, research monitoring and evaluation. Public Finance Management Act. MS Access, MS Excel and Programme Evaluation. Public Speaking. People Management. Human Resource Management.		10
	Male	23		Financial Management. Project Management. Supply Chain Management. Event Management. Procurement and Logistics Management. Transformation and Change Management. Report Writing. Evalnet, AJA training, evaluation capital projects, internal control and risk management. Power Point.		9

Occupational Categories			Training needs identified at start of reporting period			
	Gender	Number of employees as at 1 April 2006	Learnerships Identified	Skills Programmes & other short courses	Other forms of training	Total
Assistant Directors	Female	10	0	Financial Management. Employee Relations and Dispute Resolutions Skills. Project Management. Supply Chain Management. Human Resource Management. Asset Management. LOGIS.		8
	Male	17		Tender Administration. Performance management System. Financial Management. Leadership Development. Security Management. Management Development Programme. Diversity Management. Management and Governance. Computer Literacy. Skills Development Facilitator and Job Evaluation. Disaster Recovery Plan. Support and Maintain Server 2003. Visual Basic.Net and Database Administrator. SCOA. Assets Management. LOGIS. BAS. Communication skills.		17

Occupational Categories			Training needs identified at start of reporting period			
	Gender	Number of employees as at 1 April 2006	Learnerships Identified	Skills Programmes & other short courses	Other forms of training	Total
Principal/ Chief State Administration Officers	Female	1	0	Computer Literacy. Project Management. Monitoring and Evaluation. Forensic Investigation. Job Analytical Skills. Technical Proficiency. Management Auditing. Professional knowledge and technical proficiency		8
	Male	1		Project Management. Monitoring and Evaluation. Forensic Investigation. Job Analytical Skills. Stress Management. Mentoring and Coaching. Report Writing skills, innovative and communication skills.		7

Occupational Categories			Training needs identified at start of reporting period			
	Gender	Number of employees as at 1 April 2006	Leaverships Identified	Skills Programmes & other short courses	Other forms of training	Total
Senior/State Accountants	Female	4	0			0
	Male	0				0
Accounting Clerk	Female	1		Financial Management. Computer Literacy. BAS.		3
	Male	2				Financial Management. Creditor Payments. Cash Receipts. General Journals.
Chief Personnel Officer	Female	0				0
	Male	1				0
Principal Personnel Officer	Female	1		Computer Literacy. Office Administration. PERSAL. Communication skills.		4
	Male	1				0
Personnel Officer	Female	3		Performance Management System. Leadership Development. Computer Literacy. Skills Development Facilitator. Presentation skills. PERSAL. Communication Skills. Job Description.		8
	Male	1				Computer Literacy. PERSAL.

Occupational Categories			Training needs identified at start of reporting period			
	Gender	Number of employees as at 1 April 2006	Learnerships Identified	Skills Programmes & other short courses	Other forms of training	Total
Provisioning Administration Officer	Female	0	0			0
	Male	2		Transport Management. Asset Management. Communication Skills. Computer Literacy. Supply Chain Management. LOGIS.		6
Provisioning Administration Clerk	Female	1				0
	Male	2		Management Development Programme. Computer Literacy. Supply Chain Management. Communication Skills.		4
Document Clerk	Female	1		Financial Management. Computer Literacy. BAS.		4
	Male	0		Sundry Payments.		0

Occupational Categories			Training needs identified at start of reporting period			
	Gender	Number of employees as at 1 April 2006	Leaverships Identified	Skills Programmes & other short courses	Other forms of training	Total
Communication Officer	Female	0	0			0
	Male	1				0
Registry Clerk	Female	0				0
	Male	0				0
Administrative Secretary	Female	34		Office Administration. Communication Skills. Computer Literacy. Human Resource Management. Job Analytical Skills. Report Writing. Minute Taking. National Diploma: Public Administration. Initiative, MS Excel. Finance and budget, advanced computer skills, minute taking and project management. Customer service, communication, financial administration, organizing and planning. MS Word, Excel, oral and written communication and technical proficiency. Report Writing.		13
	Male	0				0

Occupational Categories		Training needs identified at start of reporting period				
	Gender	Number of employees as at 1 April 2006	Learnerships Identified	Skills Programmes & other short courses	Other forms of training	Total
Telecom Operator	Female	1	0	Computer Literacy. LOGIS. Customer Service.		3
	Male	0				0
Library Assistant	Female	1				0
	Male	0				0
Administration Clerk	Female	0				0
	Male	3		Diversity Management.		1
General Aid	Female	1		Communication Skills. Registry Course. Frontline and Secretarial Course. Management Auditing. Provisioning Administration Course. Computer Literacy. Office Administration.		7
	Male	2		Carpentry and Plumbing Course. Communication Skills. Computer Literacy.		3

Occupational Categories		Training needs identified at start of reporting period				
	Gender	Number of employees as at 1 April 2006	Learnerships Identified	Skills Programmes & other short courses	Other forms of training	Total
Typist	Female	1	0	Computer Literacy. Office Administration. Office Support.		3
	Male	0				0
Cleaner	Female	0				0
	Male	1		Office Administration. Human Resource Management. Report Writing.		3
State Administration Officer	Female	5		Financial Management Diploma. Diversity Management Course. Project Management. PowerPoint. Report Writing.		5
	Male	1		Labour Relations. Dispute Resolution Skills. Diversity Management. Strategic Management.		4
Administration Officer	Female	1		Project Management. People Management. Report Writing.		3
	Male	0				0

Occupational Categories			Training provided within the reporting period			
	Gender	Number of employees as at 1 April 2006	Learnerships Identified	Skills Programmes & other short courses	Other forms of training	Total
Assistant Administration Officer	Female	0	0			0
	Male	0				0
Messenger	Female	0		Office Administration.		0
	Male	0				3
Chief Accounting Clerk	Female	1		Financial Management.		5
Human Resource Practitioners	Female	3		Employment Relations. Computer Literacy. Project Management. Presentation Skills. PERSAL.		5
	Male	2				
PC Specialist	Female	1		A+ and N+ Course. Business Administration. Information Technology Systems.		4
	Male	1				
				Project Management.		0

Occupational Categories			Training provided within the reporting period			
	Gender	Number of employees as at 1 April 2006	Leaverships Identified	Skills Programmes & other short courses	Other forms of training	Total
Security Administration/ Security Officer	Female	1	0	Job Proficiency. Emergency Duties.		2
	Male	10		Job Proficiency. Emergency Duties.		2
Sub Total	Female Male	105 105				
TOTAL		210				158

Table 12.2 - Training provided for the period 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2006	Leaverships Identified	Training provided within the reporting period		
				Skills Programmes & other short courses	Other forms of training	Total
Senior officials and managers	Female	15	0	Annual Labour Law Annual Labour Law Conference Advanced Anti Corruption Training Advanced Project Management Performance Management		4
	Male	35		Departmental Representatives & Investigating Officers Advanced Project Management DPSA Aids, Health and Wellness Indaba		2

Occupational Categories		Training provided within the reporting period				
	Gender	Number of employees as at 1 April 2006	Leaverships Identified	Skills Programmes & other short courses	Other forms of training	Total
Technicians and associate professionals	Female	29	0	Knowledge Management Joint Population Conference EAP Conference Frontline Staff Training Microsoft XP Microsoft Word Microsoft Excel 2003 End User Training PFMA MS Outlook Introduction to Programming with VB.NET Introduction XML and the NET platform Programming with XML in the NET Framework Applied Project Management Querying SQL Server 2000 with Transact		12
	Male	40		Microsoft Excel MS Access MS Word 2003 Forensic Investigation and Evidence Handling DPSA AIDS, Health & Wellness Indaba Effective Writing Skills		8



Occupational Categories		Training provided within the reporting period				
	Gender	Number of employees as at 1 April 2006	Leaverships Identified	Skills Programmes & other short courses	Other forms of training	Total
Clerks	Female	61	0	Preparing Annual Financial Statements for National and Provincial Departments PFMA Secretarial Confident Workshop Confidence Communication Workshop Frontline Staff Training Records Management PERSAL Leave Course Microsoft Excel 2000 Computer Literacy Microsoft Excel 2000 Microsoft Excel 2000 Advanced Office Administration Confidence and Assertiveness Course Microsoft Excel 2003 Advanced		20
	Male	28		Frontline Staff Training Fleet Management Office Administration The Court Interpretation of Recent Job Evaluation Initial Training Job Evaluation follow-up		10

Occupational Categories		Training provided within the reporting period				
	Gender	Number of employees as at 1 April 2006	Leaverships Identified	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations	Female	0	0			0
	Male	2				0
Sub Total	Female	105				
	Male	105				
TOTAL		210				56

13. Injury on duty

The following tables provide basic information on injury on duty.

Table 13.1 - Injury on duty, 1 April 2005 to 31 March 2006

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

14. Utilisation of Consultants

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

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Citizen Satisfaction Survey (DRA)	4	565	1 690 699
HIV/Aids Research Report	6	110	393 300
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
2	10	657	2 083 999

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

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that worked on the project
Citizen Satisfaction Survey	85	80	4
HIV/Aids Research Report	66,7	70	6

Table 14.3 Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Evaluation of the Batho Pele Principles of Access and Redress	5	155	777 464
Event Organiser: Second National Anti-Corruption Summit	7	66	169 335
HIV/Aids Research Report	6	110	780 900
Gender Mainstreaming Initiatives in the Public Service	4	160	780 000
Total number of projects	Total individual consultants	Total duration:Work days	Total contract value in Rand
4	22	491	2 507 699

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

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that worked on the project
HIV/Aids Research Report	66,7	70	6
Gender Mainstreaming Initiatives in the Public Service	82	70	4

Annexure A

(This Annexure relates to Table 10.2)

Office of the Public Service Commission's Special Programmes Task Team Members

NAME	ROLE
Mr HA Maluleke	Chairperson
Mr JD Kgoedi	Deputy Chairperson
Mr SW Ngema	Member
Ms PT Khumalo	Member
Ms P Africa	Member
Mr MF Dolamo	Member - Mpumalanga Province
Mr JS Hartzenberg	Member
Ms M Rasebopye	Member
Ms PCZZ Nkosi	Member
Ms JH Human	Member - Secretary
Ms LC Qithi	Member - Free State Province
Ms ROM Mmutle	Member - North West Province
Ms DN Mdunge	Member
Ms MM Poto	Member
Ms CM Mokoena	Member
Ms LT Magagula	Member
Mr MV Rhawana	Member - KwaZulu-Natal Province
Mr AR Chauke	Member - Eastern Cape Province
Ms L Dlamini	Member - Limpopo Province
Ms C Gunn	Member - Northern Cape Province
Ms JM Sikhosana	Member
Ms DE Botma	Member
Ms GL Kunene	Member
Ms AM Dunga	Member - Western Cape Province
Mr AM Dandu	Member - Gauteng Province

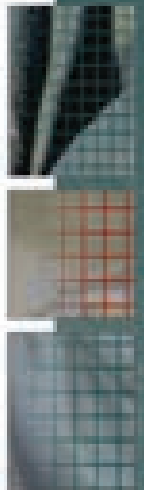
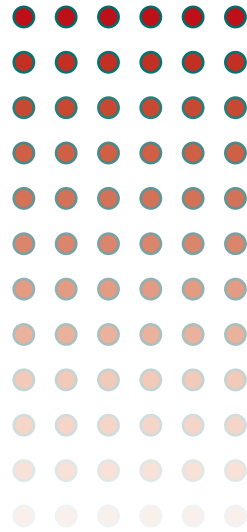
All members that are not identified by province are based at Head Office in Pretoria.

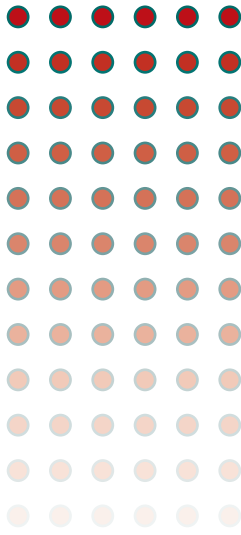


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CHAPTER 4

REPORT OF THE AUDIT COMMITTEE





CHAPTER 4: REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2006.

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

Name of member	Number of meetings attended
Prof H de Jager (Chair) (External)	5
Mr A K Soma (External)	1
Mr D Mbatha (External)	5
Mr S Nodu (Executive Assistant to DG)	4
Mr D N Maphumulo (CFO)	4

the year under review five meetings were held. The Auditor-General, National Treasury and Internal Audit were invited to the meetings and attended all the meetings.

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. The Audit Committee Charter was revised during the year to ensure relevance.

4.3 The Effectiveness of Internal Control

The OPSC system of internal control is designed to

provide reasonable assurance inter-alia that assets are safeguarded and that liabilities and working capital are efficiently managed. From the various reports submitted by the OPSC Internal Auditors, the Audit Report of the Auditor-General on the Annual Financial Statements and the management letter of the Auditor-General, the Committee concluded that no significant or material non-compliance with prescribed policies have been identified.

The Audit Committee is satisfied with the management responses to areas identified by Internal Audit and the Auditor-General for corrective actions and/or enhancements to controls and procedures.

In line with the PFMA requirements, and the OPSC Internal Audit Charter, Internal Audit continued during the review period to provide the Audit Committee and management with independent assurances that internal controls were appropriate and effective for those areas examined in terms of the Audit Committee-approved coverage plan, based on the risk assessment.

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:

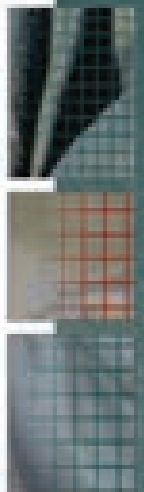
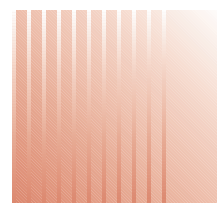
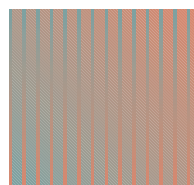
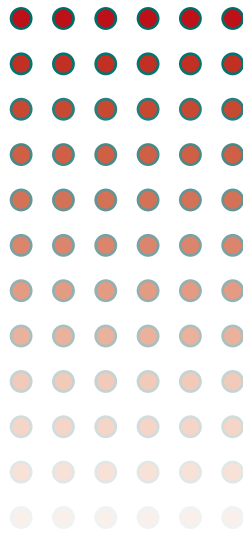
- Reviewed and discussed with the Auditor-General and the Accounting Officer, the audited Annual Financial Statements to be included in the annual report; and
- Reviewed the Auditor-General's management letter and management's responses.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements of the OPSC and is of the opinion that the audited Annual Financial Statements fairly present the position and performance of the OPSC, based on the audit done and report of the Auditor-General.

Chairperson of the Audit Committee
Date: 28 July 2006

CHAPTER 5

ANNUAL FINANCIAL STATEMENTS



CHAPTER 5: ANNUAL FINANCIAL STATEMENTS

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Recruitment and Selection Toolkit for national and provincial administrations

Monitoring and Evaluation

- State of the Public Service Report
- Consolidated Monitoring and Evaluation Report for the 2004/2005 research cycle
- Audit of Departmental Monitoring and Evaluation Reporting Requirements
- Report on the Implementation of the Promotion of Administrative Justice Act
- Citizen Satisfaction Survey Report focussing on Economic and Infrastructure Services
- Citizens' Forums Toolkit
- Social Development Procedure Manual
- Protocol for conducting inspections of service delivery sites
- Reports on Departments' Compliance with the Constitutional Values and Principles of Public Administration

Report of the Accounting Officer for the year ended 31 March 2006

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

5.1 GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

For the financial year 2005/2006, the Public Service Commission's (PSC) Vote 11 received R86 106 000 from National Treasury. No additional amount was allocated in the Adjustments Estimate. The surplus on the budget for the 2005/2006 financial year was R1 381 000. This represents 1.64% of the total budget allocation for 2005/2006. An amount of R675 000 has been requested for roll-over to the 2006/2007 financial year for the funding of projects which could not be completed during the 2005/2006 financial year as originally planned.

The following are some of the outputs achieved during the period under review and are explained in detail in chapter 2 of this annual report:

Investigations and Human Resource Reviews

- Report on the Audit of Affirmative Action in the Public Service
- Report on the Evaluation of the Policy Framework on Managing HIV and AIDS in the Public Service
- Report on Staff Turnover in The Presidency
- Report on the Management of Conflicts of Interests
- Report on the proceedings of the Second National Anti-Corruption Summit
- Overview of Financial Misconduct for 2004/2005 Financial Year
- Development of the NACF logo and website
- Management of the National Anti-Corruption Hotline for the Public Service
- Conducting of workshops on the

5.2 SERVICES RENDERED BY THE PSC

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

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

5.3 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:

- a. to promote the values and principles, as set out in Section 195, throughout the Public Service;
- b. to investigate, monitor and evaluate the organisation, administration and personnel practices of the Public Service, in particular adherence to the values and principles set out in Section 195 and the Public Service procedures;
- c. to propose measures to ensure effective and efficient performance within the Public Service;

- d. to give directions aimed at ensuring that personnel procedures relating to recruitment, transfers, promotions and dismissals comply with the values and principles set out in Section 195;
- e. to report on its activities and the performance of its functions, including any findings it may make and directions and advice it may give; and to provide an evaluation of the extent to which the values and principles set out in Section 195 are complied with; and
- f. either of its own accord, or on receipt of any complaint,
 - i. to investigate and evaluate the application of personnel and public administration practices and to report to the relevant executive authority and legislature;
 - ii. to investigate grievances of employees in the Public Service concerning official acts or omissions and to recommend appropriate remedies;
 - iii. to monitor and investigate adherence to applicable procedures in the Public Service; and
 - iv. to advise national and provincial organs of state regarding personnel practices in the Public Service, including those relating to the recruitment, appointment, transfer, discharge and other aspects of the careers of employees in the Public Service.

5.4 STRATEGIC FOCUS

The organisational structure of the PSC is designed around the following Key Performance Areas:

Labour Relations Improvement

Labour Relations Improvement is committed to improving the Public Service through sound labour relations and human resource management practices.

Public Administration Investigations

Public Administration Investigations aim to combat corruption in the Public Service by carrying out audits and investigations into public administration practices.

Professional Ethics and Human Resource Reviews

Professional Ethics and Human Resource Reviews is responsible for establishing and promoting a culture of professional and ethical behaviour, and reviewing the implementation of human resource policies.

Governance Monitoring

Governance Monitoring promotes good governance and improves governance practices in the Public Service.

Leadership and Performance Improvement

Leadership and Performance Improvement aims to promote a high standard of Public Service leadership and to encourage improvements in service delivery.

Service Delivery and Quality Assurance

Service Delivery and Quality Assurance promotes improved service delivery through public participation.

5.5 CAPACITY CONSTRAINTS AND IMPROVEMENTS

At the request of the Premier, PSC officials were seconded to participate in the intervention in KwaZulu-Natal Province, where a scoping exercise was conducted in all departments under the provincial administration. The PSC worked with dedication and commitment to ensure that the intervention is completed timeously. On completion of this intervention, seconded officials returned to the Office towards the end of the financial year 2005/2006.

5.6 DONOR FUNDS

During the previous financial year the PSC received an amount of R640 000 from the German Agency for Technical Cooperation (GTZ) and the Embassy of France collectively, to fund the hosting of the National Anti-Corruption Summit in Pretoria. This amount was deposited into the RDP Fund, which is under the control of National Treasury. An amount of R196 093,74 was utilised for hosting the Summit. A further amount of R245 087,72 was utilised during the year under review leaving a balance of R198 818,54

An advance of R41 160 was also received from the Common Wealth secretariat to pay for one PSC Commissioner to attend the International Institute of Administrative Sciences (IIAS) 3rd International Conference on Transparency of Better Governance in Mexico. An amount of R20 580 was utilised for this purpose leaving a balance of R20 580.

Although none of the donor funds was under the control of the PSC, their (funds) availability has significantly improved the ability of the PSC to deliver on its mandate taking into consideration the limited financial resources at its disposal.

5.7 TRADING ENTITIES/PUBLIC ENTITIES

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

5.8 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.

5.9 PUBLIC /PRIVATE PARTNERSHIPS (PPP)

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

5.10 CORPORATE GOVERNANCE ARRANGEMENTS

The PSC has 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 OPSC where policy issues are discussed and decisions in this regard taken. Furthermore, the strategic plan as well as the annual work plan of the PSC are also considered and approved at such meetings.

Executive Committee

The Executive Committee (EXCO) comprises Pretoria based Commissioners including the Commissioners from the Provinces on a rotational basis as well as Executive Managers from the OPSC. It meets biweekly 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 selected Senior Officials from the OPSC as well as selected Commissioners. These meet on quarterly basis to consider progress on projects and related issues. Currently, there are three (3) Specialist Teams, namely:

- Governance Monitoring and Leadership and Performance Improvement
- Labour Relations Improvement, Public

- Administration Investigations and Professional Ethics and Human Resource Reviews; and Service Delivery and Quality Assurance.

Executive Management Committee

This Committee consists of Executive Managers from the OPSC. It meets on a biweekly basis to consider policy and management issues affecting the OPSC.

Management Committee

This is a Forum comprising Executive and Senior Managers from the OPSC. It meets biannually 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.

5.11 DISCONTINUED ACTIVITIES

No activities were discontinued during the period under review.

5.12 NEW OR PROPOSED ACTIVITIES

The PSC will continue to manage the Financial Disclosure Framework for senior managers in the Public Service. During its management of the Disclosure Framework, the PSC has realised the need for the establishment of a comprehensive framework to manage conflicts of interest. It has therefore conducted extensive research on the management of conflicts of interest and a report with findings and recommendations will be published during the 2006/2007 financial year. A key recommendation of the report is the implementation of a policy on conflicts of interest. A consultative process will be followed with the implementation of the recommendations in the report. It is expected that the resulting implementation of the framework for managing conflicts of interest will have a significant impact on the PSC's resources as it will deepen its role of reviewing and advising on disclosures.

Furthermore, the PSC will on its own accord conduct an investigation into the handling of public servants who have been appointed as Councillors in the Limpopo and Western Cape Provinces, and report on this during the 2006/2007 financial year. The purpose of the investigation is to establish if any Public Servants are appointed as Councillors, and to establish if such employees are managed according to the prevailing prescripts in the Public Service.

The PSC will also continue with the roll out of its

transversal Monitoring and Evaluation (M and E) System to establish whether departments comply with the values and principles of public administration contained in the Constitution. Additional M and E information will also be generated through Citizens Satisfaction Surveys, the implementation of the Citizens' Forums Toolkit, and evaluation of the poverty reduction programme of government.

Given the importance of ensuring a culture of accounting for performance in the Public Service, the PSC will also continue to facilitate the evaluation of the performance of Heads of Department.

5.13 EVENTS AFTER ACCOUNTING DATE

There were no material events that occurred after 31 March 2006.

5.14 PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

The PSC revised and implemented the Gifts and Corporate Gifts policies. These policies helped to clear the ambiguity that existed regarding corporate gifts and other forms of gifts.

An invoicing / document management system was also developed in-house for utilisation as a tracing system of the lifecycle of invoices.

With regard to internal auditing, Gobodo Corporate Governance Services has continued to perform the internal audit function at the PSC in terms of their contract that runs until October 2007. In performing this internal audit function, Gobodo has adopted a disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

The Audit Committee is fully operational and had five meetings during the year under review.

5.15 PERFORMANCE INFORMATION

The PSC continued to timeously submit quarterly information required by National Treasury on the achievements on Estimates of National Expenditure (ENE) outputs. All other reports and documentation related to financial or human resource matters were prepared and submitted timeously to the relevant parties.

With the assistance of GTZ (donor), the PSC has completed Phase 2 of the Information Knowledge

Management (IKM), which is used to address the following areas:

- Workflow and project management;
- Management of the project related budgeting and financial reporting;
- Case Management System for grievances and complaints - it traces the lifecycle of case files; and
- HoD Evaluation System for the capturing of Performance Agreements and evaluation of HOD's.

APPROVAL

The annual financial statements set out on pages 94 to 117 have been approved by the Accounting Officer.



MS OR RAMSINGH
DIRECTOR-GENERAL
DATE: 31 May 2006

5.2 REPORT OF THE AUDITOR-GENERAL

TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF PUBLIC SERVICE COMMISSION VOTE 11 - FOR THE YEAR ENDED 31 MARCH 2006

5.2.1. AUDIT ASSIGNMENT

The financial statements as set out on pages 84 to 117 for the year ended 31 March 2006, 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 section 4 and 20 of the Public Audit Act, 2004 (Act 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements 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. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. 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
- evaluating the overall financial statement presentation.

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

5.2.3. BASIS OF ACCOUNTING

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in accounting policy note no 5.3.1 to the financial statements.

5.2.4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Public Service Commission at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in accounting policy note 5.3.1 to the financial statements.

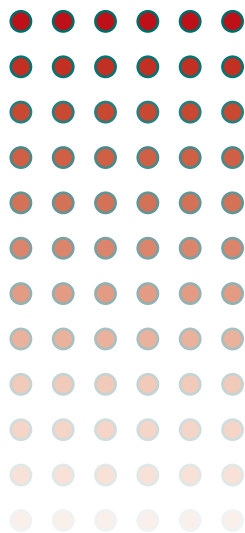
5.2.5. APPRECIATION

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



**BR Wheeler for Auditor-General
Pretoria
31 July 2006**





5.3 ACCOUNTING POLICIES for the year ended 31 March 2006

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

5.3.1. Presentation of the Financial Statements

Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Presentation currency

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

Rounding

Unless otherwise stated all financial figures have been

rounded to the nearest one thousand Rand (R'000).

Comparative figures

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

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

5.3.2 Revenue

Appropriated funds

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

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/Provincial Treasury to rollover the funds to the subsequent financial year. These rollover funds form part of retained funds in the annual financial statements. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

Departmental revenue

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

Tax revenue

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

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

Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

Fines, penalties & forfeits

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

Interest, dividends and rent on land

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

Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

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

Gifts, donations and sponsorships (transfers received)

All Cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements. All Gifts, donations and sponsorships received in kind are disclosed at fair value

in the annexures to the financial statements.

Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the National Treasury or when the department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

Local and foreign aid assistance received in kind are disclosed at fair value in the annexures to the annual financial statements

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

A payable is raised in the Statement of Financial Position where amounts have been inappropriately expensed using local and foreign aid assistance. Unutilised amounts are recognised in the Statement of Financial Position.

5.3.3 Expenditure

Compensation of employees

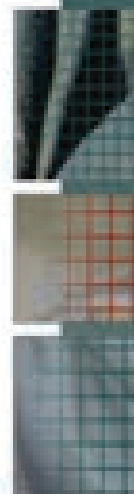
Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance.

All other payments are classified as current expense.

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

Short term employee benefits

Short term employee benefits comprise of leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term



employee benefits is expensed as salaries and wages in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the Annual Financial Statements. These amounts are not recognised in the Statement of Financial Performance.

Long-term employee benefits Termination benefits

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

Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

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

Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures.

Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

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

Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

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

Fruitless and wasteful expenditure

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

Irregular expenditure

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

Transfers and subsidies

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

Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

5.3.4 Assets

Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made.

Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

Investments

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

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

Loans

Loans are recognised in the Statement of Financial Position at the nominal amount. Amounts that are potentially irrecoverable are included in the disclosure notes.

Inventory

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes.

Asset Registers

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where

determinable, or RI, in instances where the original cost of acquisition or fair value cannot be established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognized in the financial statements under the modified cash basis of accounting. The opening balance as reflected on Annexure 4 and 5 will include items procured in prior accounting periods and the closing balance will represent the total cost of capital assets on hand.

5.3.5 Liabilities

Payables

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

Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

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

Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

Contingent liabilities

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

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - The amount of the obligation cannot be measured with sufficient reliability.
- Contingent liabilities are included in the disclosure notes.

Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

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

5.3.6 Net Assets

Capitalisation reserve

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

Recoverable revenue

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

5.3.7 Related party transactions

Related parties are departments that control or significantly influence the department in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

5.3.8 Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing

and controlling the activities of the department.

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

5.3.9 Public private partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

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

APPROPRIATION STATEMENT
for the year ended 31 March 2006

Appropriation per programme

	2005/06							2004/05	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
I. Administration									
Current payment	38,371	-	990	39,361	39,224	137	99.7%	30,704	30,470
Transfers and subsidies	101	-	-	101	100	1	99.0%	86	84
Payment for capital assets	1,712	-	862	2,574	2,568	6	99.8%	1,134	884
2. Investigations and Human Resource Reviews									
Current payment	23,434	-	-208	23,226	23,098	128	99.4%	19,845	19,170
Transfers and subsidies	53	-	-	53	48	5	90.6%	46	43
Payment for capital assets	-	-	-	-	-	-	-	21	21
3. Monitoring and Evaluation									
Current payment	22,370	-	-1,627	20,743	19,643	1,100	94.7%	21,172	20,386
Transfers and subsidies	48	-	-	48	44	4	91.7%	46	44
Payment for capital assets	17	-	-17	-	-	-	-	27	26
Subtotal	86,106	-	-	86,106	84,725	1,381	98.4%	73,081	71,128
Total	86,106	-	-	86,106	84,725	1,381	98.4%	73,081	71,128
Reconciliation with Statement of Financial Performance									
Add:									
Prior year unauthorised expenditure approved with funding									
Departmental receipts				243				189	
Local and foreign aid assistance received				482				135	
Actual amounts per Statement of Financial Performance (Total Revenue)				86,831				73,405	
Add:									
Local and foreign aid assistance					461				135
Actual amounts per Statement of Financial Performance					85,186				71,263

APPROPRIATION STATEMENT
for the year ended 31 March 2006
Appropriation per economic classification

	2005/06						2004/05		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	58,323	-	-1,094	57,229	57,008	221	99.6%	50,670	50,442
Goods and services	25,852	-	249	26,101	24,903	1,198	95.4%	21,051	19,574
Financial transactions in assets and liabilities	-	-	-	-	54	-54	-	-	10
Transfers and subsidies									
Provinces and municipalities	181	-	-	181	171	10	94.5%	155	149
Foreign governments and international organisations	21	-	-	21	21	-	100.0%	23	22
Payment for capital assets									
Machinery and equipment	729	-	845	1,574	2,553	-979	162.2%	922	868
Software and other intangible assets	1,000	-	-	1,000	15	985	1.5%	260	63
Total	86,106	-	-	86,106	84,725	1,381	98.4%	73,081	71,128

DETAIL PER PROGRAMME 1 - ADMINISTRATION
for the year ended 31 March 2006

2005/06							2004/05		
Programme per subprogramme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1.1 Public Service Commission									
Current payment	11,784	-	33	11,817	11,798	19	99.8%	10,408	10,329
Transfers and subsidies	29	-	-	29	29	-	100.0%	27	25
1.2 Management									
Current payment	5,403	-	-107	5,296	5,262	34	99.4%	3,769	3,721
Transfers and subsidies	31	-	-	31	31	-	100.0%	29	28
1.3 Corporate Services									
Current payment	21,184	-	1,064	22,248	22,164	84	99.6%	16,527	16,420
Transfers and subsidies	41	-	-	41	40	1	97.6%	30	31
Payment for capital assets	1,712	-	862	2,574	2,568	6	99.8%	1,134	884
Total	40,184	-	1,852	42,036	41,892	144	99.7%	31,924	31,438

2005/06							2004/05		
Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	26,054	-	558	26,612	26,551	61	99.8%	21,134	21,072
Goods and services	12,317	-	432	12,749	12,664	85	99.3%	9,570	9,393
Financial transactions in assets and liabilities	-	-	-	-	9	-9	-	-	5
Transfers and subsidies									
Provinces and municipalities	80	-	-	80	79	1	98.8%	63	62
Foreign governments and international organisations	21	-	-	21	21	-	100.0%	23	22
Payments for capital assets									
Machinery and equipment	712	-	-	1,574	2,553	-979	162.2%	874	821
Software and other intangible assets	1,000	-	862	1,000	15	985	1.5%	260	63
Total	40,184	-	1,852	42,036	41,892	144	99.7%	31,924	31,438

DETAIL PER PROGRAMME 2-INVESTIGATIONS & HUMAN RESOURCE REVIEWS
for the year ended 31 March 2006

Programme per subprogramme	2005/06						2004/05		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
2.1 Labour Relations Improvements									
Current payment	6,209	-	182	6,391	6,342	49	99.2%	4,972	4,945
Transfers and subsidies	15	-	-	15	15	-	100.0%	12	11
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.2 Public Administration Investigations									
Current payment	9,425	-	151	9,576	9,532	44	99.5%	8,706	8,525
Transfers and subsidies	23	-	-	23	21	2	91.3%	21	20
Payment for capital assets	-	-	-	-	-	-	-	21	21
2.3 Professional Ethics and Human Resource Reviews									
Current payment	7,800	-	-541	7,259	7,224	35	99.5%	6,167	5,700
Transfers and subsidies	15	-	-	15	12	3	80.0%	13	12
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	23,487	-	-208	23,279	23,146	133	99.4%	19,912	19,234

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Economic classification	2005/06						2004/05		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	16,281	-	-226	16,055	15,997	58	99.6%	14,813	14,679
Goods and services	7,153	-	18	7,171	7,095	76	98.9%	5,032	4,490
Financial transactions in assets and liabilities	-	-	-	-	6	-6	-	-	1
Transfers and subsidies									
Provinces and municipalities	53	-	-	53	48	5	90.6%	46	43
Payments for capital assets									
Machinery and equipment	-	-	-	-	-	-	-	21	21
Total	23,487	-	-208	23,279	23,146	133	99.4%	19,912	19,234

DETAIL PER PROGRAMME 3 - MONITORING AND EVALUATION
for the year ended 31 March 2006

Programme per subprogramme	2005/06					2004/05			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
3.1 Governance Monitoring									
Current payment	8,649	-	-835	7,814	7,138	676	91.3%	7,064	7,027
Transfers and subsidies	18	-	-	18	16	2	88.9%	17	17
Payment for capital assets	-	-	-	-	-	-	-	27	26
3.2 Leadership and Performance Improvement									
Current payment	5,642	-	-545	5,097	4,967	130	97.4%	4,899	4,866
Transfers and subsidies	13	-	-	13	12	1	92.3%	12	12
Payment for capital assets	17	-	-17	-	-	-	-	-	-
3.3 Service Delivery and Quality Assurance									
Current payment	8,079	-	-247	7,832	7,538	294	96.2%	9,209	8,493
Transfers and subsidies	17	-	-	17	16	1	94.1%	17	15
Total	22,435	-	-1,644	20,791	19,687	1,104	94.7%	21,245	20,456

Economic Classification	2005/06					2004/05			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payment									
Compensation of employees	15,988	-	-1,426	14,562	14,460	102	99.3%	14,723	14,691
Goods and services	6,382	-	-201	6,181	5,144	1,037	83.2%	6,449	5,691
Financial transactions in assets and liabilities	-	-	-	-	39	-39	-	-	4
Transfers and subsidies to:									
Provinces and municipalities	48	-	-	48	44	4	91.7%	46	44
Payments for capital assets									
Machinery and equipment	17	-	-17	-	-	-	-	27	26
Total	22,435	-	-1,644	20,791	19,687	1,104	94.7%	21,245	20,456

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2006

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

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

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

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

3. Detail on financial transactions in assets and liabilities

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

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

4.1 Per Programme

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Programme 1 - Administration	42,036	41,892	144	0.3
			Underspending due to vacant posts that existed and are in the process of being filled.	
Programme 2 - Investigations and Human Resource Reviews	23,279	23,146	133	0.6
			Underspending due to vacant posts that existed and are in the process of being filled.	
Programme 3 - Monitoring and Evaluation	20,791	19,687	1,104	5.3
			Saving due to the project of Audit of Monitoring and Evaluation Systems (R503 000) in the Public Service and printing of the Guide on School District Management and Learner Support Material (R172 000) provided for that will only be finalised in the next financial year. Roll-over of funds will be requested for the amount of R675 000.00.	

Per Economic classification

R'000

Current expenditure:

Compensation of employees	221
Goods and services	1 198
Financial transactions in assets and liabilities	-54

Transfers and subsidies:

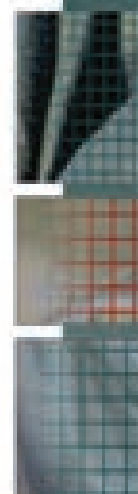
Provinces and municipalities	10
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Payments for capital assets:

Machinery and equipment	-979
Software and other intangible assets	985

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	86,106	73,081
Departmental revenue	2	243	189
Local and foreign aid assistance	3	482	135
TOTAL REVENUE		86,831	73,405
EXPENDITURE			
Current expenditure			
Compensation of employees	4	57,008	50,442
Goods and services	5	24,903	19,574
Financial transactions in assets and liabilities	6	54	10
Local and foreign aid assistance	3	461	135
Total current expenditure		82,426	70,161
Transfers and subsidies			
	7	192	171
Expenditure for capital assets			
Machinery and equipment	8	2,553	868
Software and other intangible assets	8	15	63
Total expenditure for capital assets		2,568	931
TOTAL EXPENDITURE		85,186	71,263
SURPLUS FOR THE YEAR		1,645	2,142
Reconciliation of Surplus for the year			
Voted Funds			
Departmental Revenue	12	1,381	1,953
Local and foreign aid assistance	13	243	189
	3	21	-
SURPLUS FOR THE YEAR		1,645	2,142



STATEMENT OF FINANCIAL POSITION
at 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		1,255	1,658
Cash and cash equivalents	9	9	953
Prepayments and advances	10	8	130
Receivables	11	1,238	575
TOTAL ASSETS		1,255	1,658
LIABILITIES			
Current liabilities		1,108	1,448
Voted funds to be surrendered to the Revenue Fund	12	483	1,410
Departmental revenue to be surrendered to the Revenue Fund	13	34	28
Bank overdraft	14	534	-
Payables	15	36	10
Local and foreign aid assistance unutilised	3	21	-
TOTAL LIABILITIES		1,108	1,448
NET ASSETS		147	210
Represented by:			
Recoverable revenue		147	210
Total		147	210

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
Recoverable revenue			
Opening balance		210	127
Transfers		-63	83
Debts recovered (included in departmental receipts)		-99	-126
Debts raised	15	36	209
Closing balance		147	210
Total		147	210

CASH FLOW STATEMENT
for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		85,933	73,405
Annual appropriated funds received	1.1	85,208	73,081
Departmental revenue received		243	189
Local and foreign aid assistance received	3	482	135
Net increase in working capital		-515	85
Surrendered to Revenue Fund		-1,647	-246
Current payments		-82,426	-70,161
Transfers and subsidies paid		-192	-171
Net cash flow available from operating activities	16	1,153	2,912
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		-2,568	-931
Decrease in loans		-	83
Net cash flows from investing activities		-2,568	-848
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in net assets		-63	-
Net cash flows from financing activities		-63	-
Net decrease in cash and cash equivalents		-1,478	2,064
Cash and cash equivalents at the beginning of the period		953	-1,111
Cash and cash equivalents at end of period	17	-525	953

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

1. Annual Appropriation

1.1 Annual Appropriation

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

Per Programme	Final Appropriation	Actual Funds Received	Funds not Requested	Appropriation received 2004/05
	R'000	R'000	R'000	R'000
Programmes				
Administration	42,036	42,035	1	31,924
Investigations & Human Resource Reviews	23,279	23,146	133	19,912
Monitoring and Evaluation	20,791	20,027	764	21,245
Total	86,106	85,208	898	73,081

The saving of R1 380 000 is reported which includes the provision made for the roll-over of funds amounting to R675 000. The roll-over is as a result of an incomplete project on Audit of Monitoring and Evaluation Systems in the Public Service (R503 000) and two reports namely, Guide on School District Management (R140 000) and Learner Support Material (R32 000). The project could not be completed during 2005/2006 as originally planned and the reports were not finalized due to a delay in printing

2. Departmental revenue to be surrendered to revenue fund

	Note	2005/06 R'000	2004/05 R'000
Sales of goods and services other than capital assets	2.1	36	34
Interest, dividends and rent on land	2.2	14	29
Financial transactions in assets and liabilities	2.3	193	126
Total revenue collected		243	189
Departmental revenue collected		243	189

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department		36	34
Administrative fees		36	-
Other sales		-	34
Total		36	34

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

	Note	2005/06 R'000	2005/06 R'000
2.2 Interest, dividends and rent on land			
Interest		14	29
Total		14	29
2.3 Financial transaction in assets and liabilities Nature of loss covered			
Loans		-	74
Receivables		144	68
Other Receipts including Recoverable Revenue		49	-16
Total		193	126
3. Local and foreign aid assistance			
3.1 Assistance received in cash: Other Foreign			
Opening Balance		-	-
Revenue		482	135
Expenditure		461	135
Current		461	135
Closing Balance		-	-
Total		21	-
Opening Balance		-	-
Revenue		482	135
Expenditure		461	135
Current		461	135
Closing Balance		21	-
Included in the 2005/06 financial year is an amount of R196 000 which relates to the prior year.			
4. Compensation of employees			
4.1 Salaries and Wages			
Basic salary		36,419	32,669
Performance award		1,558	1,574
Service Based		264	46
Compensative/circumstantial		963	227
Periodic payments		1	-
Other non-pensionable allowances		11,090	9,235
		50,295	43,751

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
4.2 Social contributions			
4.2.1 Employer contributions			
Pension		4,731	4,864
Medical		1,976	1,821
Bargaining council		6	6
		6,713	6,691
Total compensation of employees		57,008	50,442
Average number of employees		210	200

5. Goods and services

Advertising		207	301
Attendance fees (including registration fees)		294	525
Bank charges and card fees		19	20
Bursaries (employees)		79	131
Communication		2,375	1,897
Computer services		2,610	2,235
Consultants, contractors and special services		3,721	3,669
Courier and delivery services		179	179
Drivers' licences and permits		21	9
Entertainment		258	303
External audit fees	5.1	1,112	776
Equipment less than R5 000		954	469
Inventory	5.2	2,108	1,924
Legal fees		1	-
Maintenance, repairs and running costs		172	112
Operating leases		401	261
Personnel agency fees		510	371
Photographic services		2	-
Plant flowers and other decorations		2	1
Resettlement costs		366	155
Subscriptions		273	94
Owned and leasehold property expenditure		442	345
Travel and subsistence	5.3	7,976	5,540
Venues and facilities		821	257
Total Goods and Services		24,903	19,574

5.1 External audit fees

Regulatory audits		703	441
Other audits		409	335
Total external audit fees		1,112	776

5.2 Inventory

Domestic consumables		47	25
Parts and other maintenance material		8	8
Stationery and printing		2,053	1,891
Total Inventory		2,108	1,924

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

	Note	2005/06 R'000	2004/05 R'000
5.3 Travel and subsistence			
Local		6,908	4,617
Foreign		1,068	923
Total travel and subsistence		7,976	5,540
6. Financial transactions in assets and liabilities			
Other material losses written off	6.1	25	6
Debts written off	6.2	-	4
Theft	6.3	29	-
		54	10
6.1 Other material losses			
Nature of losses			
Non arrival charges		1	1
Car accidents		6	4
Cancellation fees		5	1
Insurance cover		6	-
24 Hour emergency service		2	-
Other		5	-
Total		25	6
6.2 Debts written off			
Nature of debts written off			
Staff debtors		-	4
Total		-	4
6.3 Details of theft			
Data Projector		29	-
		29	-
7. Transfers and subsidies			
Provinces and municipalities	<i>Annexure 1A, & 1B</i>	171	149
Foreign governments and international organisations	<i>Annexure 1C</i>	21	22
		192	171
8. Expenditure on capital assets			
Machinery and equipment	<i>Annexure 3</i>	2,553	868
Software and other intangible assets	<i>Annexure 4</i>	15	63
Total		2,568	931
9. Cash and cash equivalents			
Consolidated Paymaster General Account		-	941
Disbursements		-	3
Cash on hand		9	9
		9	953

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

	Note	2005/06 R'000	2004/05 R'000
10. Prepayments and advances			
Travel and subsistence		8	14
Prepayments		-	116
		<u>8</u>	<u>130</u>

		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
11. Receivables						
Staff debtors	11.1	56	55	15	126	169
Other debtors	11.2	94	24	261	379	383
Claims recoverable	Annexure 5	718	13	2	733	23
Total		<u>868</u>	<u>92</u>	<u>278</u>	<u>1,238</u>	<u>575</u>

11.1 Staff Debtors

Salary		9	6
Bursary		83	129
Other		6	34
Travel and subsistence		28	-
Total		<u>126</u>	<u>169</u>

11.2 Other debtors

Salary deductions		9	9
Other		370	374
Total		<u>379</u>	<u>383</u>

12. Voted funds to be surrendered to the Revenue Fund

Opening balance		1,410	70
Transfer from Statement of Financial Performance		1,381	1,953
Voted funds not requested	12.1	-898	-543
Paid during the year		-1,410	-70
Closing balance		<u>483</u>	<u>1,410</u>

12.1 Voted funds not requested

Funds to be rolled over		675	-
Funds not to be requested		223	543
Total		<u>898</u>	<u>543</u>

An amount of R675 000 has been requested to be rolled-over from 2005/06 to 2006/07. The roll-over is as a result of an incomplete project on Audit of Monitoring and Evaluation Systems in the Public Service (R503 000) and two reports namely, Guide on School District Management (R140 000) and Learner Support Material (R32 000). The project could not be completed during 2005/06 as originally planned and the reports were not finalized due to a delay in printing.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

	Note	2005/06 R'000	2004/05 R'000		
13. Departmental revenue to be surrendered to the Revenue Fund					
Opening balance		28	15		
Transfer from Statement of Financial Performance		243	189		
Paid during the year		-237	-176		
Closing balance		34	28		
14. Bank overdraft					
Consolidated Paymaster General Account		534	-		
Total		534	-		
15. Payables - current Description					
	30 Days R'000	30+ Days R'000	2005/06 Total R'000	2004/05 Total R'000	
Other payables	15.1	36	-	36	10
Total		36	-	36	10
15.1 Other payables					
Income Tax deductions			35	10	
Pension Fund			1	-	
Total			36	10	
16. Net cash flow available from operating activities					
Net surplus as per Statement of Financial Performance		1,645	2,142		
Increase in receivables - current		-663	807		
Increase in payments and advances		122	81		
Increase in payables - current		26	-64		
Surrenders to Revenue Fund		-1,647	-246		
Expenditure on capital assets		2,568	931		
Voted funds not requested		898	543		
Other non-cash items		-1,796	-1,282		
Net cash flow generated by operating activities		1,153	2,912		
17. Reconciliation of cash and cash equivalents for cash flow purposes					
Consolidated Paymaster General account		-534	941		
Disbursements		-	3		
Cash on hand		9	9		
Total		-525	953		

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

	Note	2005/06 R'000	2004/05 R'000
18. Contingent liabilities			
Liable to	Nature		
Motor vehicle guarantees	Employees Annexure 2A	289	656
Housing loan guarantees	Employees Annexure 2A	341	407
Total		630	1,063

**19. Commitments
Current expenditure**

Approved and contracted	1,883	4,489
Approved but not yet contracted	4	54
Total	1,887	4,543

Capital expenditure

Approved and contracted	31	128
Approved but not yet contracted	-	5
Total	31	133

Total Commitments

	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
--	------------------	-------------------	----------------	----------------

Listed by economic classification

Goods and services	125	1	126	845
Total			126	845

Listed by programme level

Programme 1: Administration	67	295
Programme 2: Investigations & Human Resource Reviews	29	487
Programme 3: Monitoring and Evaluation	30	63
Total	126	845

21. Employee benefit provisions

Leave entitlement	630	625
Thirteenth cheque	1,605	1,455
Performance awards	1,500	1,574
Capped leave commitments	6,018	6,196
Total	9,753	9,850

22. Lease Commitments

22.1 Operating leases

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000	Total R'000
Not later than 1 year	-	-	85	85	334
Later than 1 year and not later than 5 years	-	-	224	224	310
Total present value of lease liabilities	-	-	309	309	644

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

		2005/06 R'000	2004/05 R'000
23. Key management personnel	No. of Individuals	Total R'000	Total R'000
Political Office Bearers			
Officials	14	9,764	10,552
Level 15 to 16	3	2,804	1,953
Level 14	6	3,099	3,235
Total		15,667	15,740

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

24. Provisions

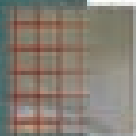
Potential irrecoverable debts

Other debtors

Total

	221	-
Total	221	-

An amount of R221 413 owed by Cambio Travel (Pty) Ltd in respect of outstanding flight tickets returned for refund.



ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

Name of Municipality	GRANT ALLOCATION				TRANSFER		SPENT		2004/05	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by Municipality	% of available funds spent by Municipality	Division of Revenue Act
RSCL: CACADU DISTRICT	-	-	4	4	4	100.0%	4	-	-	3
RSCL: MOTHEO DISTRICT	-	-	5	5	5	100.0%	5	-	-	4
RSCL: EHLANZENI DISTRICT	-	-	4	4	4	100.0%	4	-	-	4
RSCL: FRANCES BAARD DISTRICT	-	-	3	3	3	100.0%	3	-	-	3
RSCL: CAPRICORN DISTRICT	-	-	3	3	3	100.0%	3	-	-	3
RSCL: TSHWANE METROPOLITAN MUNICIPALITY	-	-	137	137	137	100.0%	137	-	-	117
RSCL: GREATER JHB METROPOLITAN COUNCIL	-	-	4	4	4	100.0%	4	-	-	4
RSCL: CAPE METROPOLITAN COUNCIL	-	-	4	4	4	100.0%	4	-	-	3
RSCL: ZULULAND DISTRICT	-	-	3	3	3	100.0%	3	-	-	4
RSCL: CENTRAL DISTRICT	-	-	4	4	4	100.0%	4	-	-	4
Total	-	-	171	171	171	-	171	-	-	149

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

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

	2005/06					2004/05		
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	% of Available funds Transferred %	Final Appropriation Act R'000
Transfers								
CAPAM	-	-	18	18	18	100%	100%	19
IPMA	-	-	3	3	3	100%	100%	3
Total	-	-	21	21	21	100%	100%	22

ANNEXURE 1C

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2006

Name of Donor	Purpose	Opening Balance R'000	Revenue R'000	Expenditure R'000	Closing Balance R'000
Received in cash					
The Commonwealth	ILAS 3rd International Conference on Transparency for Better Governance	-	41	20	21
Embassy of France	2nd National Anti-Corruption Summit	-	272	272	-
German Technical Cooperation (GTZ)	2nd National Anti-Corruption Summit	-	169	169	-
Subtotal		-	482	461	21
Received in kind					
German Technical Cooperation (GTZ)	Evaluation of the implementation of the policy framework on managing HIV/AIDS in the workplace	-	814	814	-
	Development of a corporate video	-	179	179	-
	Evaluation of the implementation of the Batho Pele principle of Access and Redress	-	1,131	1,131	-
	Evaluation of gender mainstreaming initiatives in the public service	-	1,280	1,280	-
	Enhancement of the Information Management System for the OPSC	-	228	228	-
	Study Tour on Conflict of Interest Management, staff costs and overheads	-	327	327	-
	Miscellaneous	-	750	750	-
		-	296	296	-
Subtotal		-	5,005	5,005	-
Total		-	5,487	5,466	21

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2005 R'000	Guarantees issued during the year R'000	Guarantees released/paid/cancelled/reduced during the year R'000	Guaranteed interest Outstanding as at 31 March 2006 R'000	Closing balance 31 March 2006 R'000	Realised losses not recoverable R'000
STANNIC	Motor vehicles	-	656	-	367	-	289	-
		-	656	-	367	-	289	-
ABSA FNB NEDCOR OLD MUTUAL STANDARD	Housing	-	86	-	24	-	62	-
		-	118	-	22	-	96	-
		-	42	-	-	-	42	-
		-	78	-	-	-	78	-
		-	83	-	20	-	63	-
		-	407	-	66	-	341	-
Total		-	1,063	-	433	-	630	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

ANNEXURE 3
CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	3,699	2,572	35	6,236
Transport Assets	676			676
Computer equipment	1,939	1,826	29	3,736
Furniture and office equipment	499	746	6	1,239
Other machinery and equipment	585	-	-	585
Total Capital Assets	3,699	2,572	35	6,236

ANNEXURE 3.1
ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	In-Kind R'000	Total R'000
MACHINERY AND EQUIPMENT	2,553	19	2,572
Computer equipment	1,826	-	1,826
Furniture and office equipment	727	19	746
Total Capital Assets	2,553	19	2,572

ANNEXURE 3.2
DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cost Amount R'000	Cash R'000	Loss on Disposal R'000
MACHINERY AND EQUIPMENT	35	-	-35
Computer equipment	29	-	-29
Furniture and office equipment	6	-	-6
Other machinery and equipment	-	-	-
Total Capital Assets	35	-	-35

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

**ANNEXURE 3.3
CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Additions R'000	Disposals R'000	Total Movement R'000
MACHINERY AND EQUIPMENT	868	-	868
Furniture and office equipment	-	-	-
Other machinery and equipment	868	-	868
Total Capital Assets	868	-	868

**ANNEXURE 4
SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2006**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Computer Software	63	15	-	78
Total	63	15	-	78

**ANNEXURE 4.1
ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cash R'000	In-Kind R'000	Total R'000
Computer Software	15	-	15
Total	15	-	15

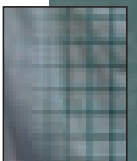
**ANNEXURE 4.2
CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

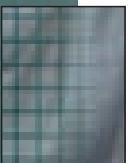
	Additions R'000	Disposals R'000	Total Movement R'000
BUILDING AND OTHER FIXED STRUCTURES			
Computer Software	63	-	63
Total	63	-	63

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

ANNEXURE 5
INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding			Total	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000	
Department							
Provincial Administration: Western Cape	-	-	3	3	3	3	
Department of Traditional and Local Government	-	-	2	2	2	2	
Department of Education: Eastern Cape	-	-	10	10	10	10	
Department of Education: KwaZulu-Natal	699	-	-	-	699	-	
Department of Public Transport, Roads and Works	-	-	19	-	19	-	
Provincial Administration: Eastern Cape	-	-	-	8	-	8	
Total	699	-	34	23	733	23	





Custodian of Good Governance ● ● ● ● ● ●