



Custodian of Good Governance

Public Service Commission

Annual Report

2009/2010

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.



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31 August 2010

Dr RR Mgijima
Chairperson of the Public Service Commission
Private Bag X121
PRETORIA
0001

Dear Dr Mgijima

I have the honour of submitting to you the Public Service Commission's Annual Report for the period 1 April 2009 to 31 March 2010.

The Report reflects the mandate of the Public Service Commission and the strides made in fulfilling this mandate. It also highlights the achievements and challenges faced by the organisation in executing its mandate during the period under review.

Kind regards

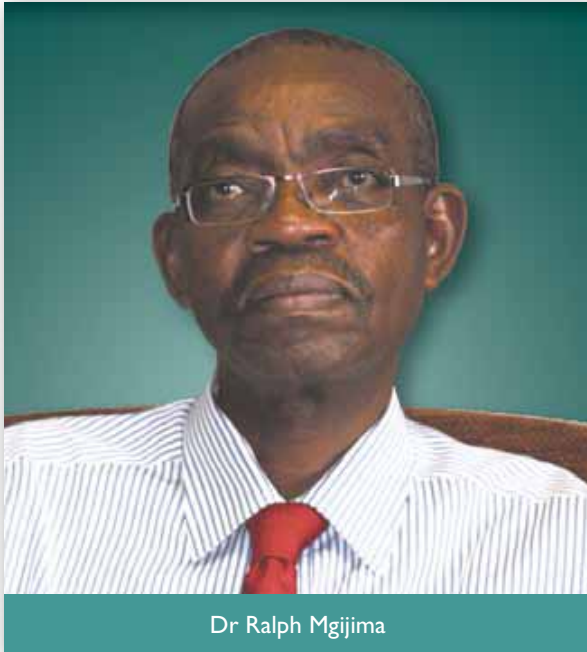
A handwritten signature in black ink, appearing to read 'Mashwahle Diphoza', with a stylized, cursive script.

MASHWAHLE DIPHOFA
DIRECTOR-GENERAL

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Foreword by the Chairperson



Dr Ralph Mgijima

Allow me to present the Public Service Commission's (PSC) Annual Report for the 2009/2010 Financial Year. I am particularly pleased to present this Report, my maiden one, as the Chairperson of the PSC. The period under review witnessed the appointment of my Deputy Chairperson, Ms Phelele Tengeneni as well as the following members of the Commission:

- Ms Jane Matsomela (Head Office)
- Mr Ben Mthembu (Head Office)
- Mr Matome Mawasha (Limpopo)
- Ms Moira Marais-Martin (Northern Cape)

From an organisational perspective, the Office of the Public Service Commission (OPSC) which is entrusted with the responsibility of supporting the PSC with the execution of its Constitutional mandate, also witnessed the appointment of the new Director-General, Mr Mashwahle Diphofa. Mr Diphofa comes with a track record of excellence and with his astuteness and extensive experience in public administration, he will elevate the PSC to greater heights. I am confident that as a collective, we will contribute to our quest of positioning the PSC as a knowledge-based organisation and continue to provide oversight support to Parliament and advice to the Executive.

During the period under review, the PSC experienced

capacity challenges as a result of vacancies left by Commissioners whose terms of office expired as well as vacancies within the top echelon of the OPSC. Regardless, we managed to achieve our strategic goals as outlined in the workplan for the 2009/2010 financial period.

The PSC plays a leading role in the area of Public Service Leadership by deepening the implementation of performance management through the facilitation of the evaluation of Heads of Department (HoDs). Although the HoD evaluation framework continues to mature, the PSC remains concerned about the number of HoDs that get evaluated in the relevant financial year. For instance, during the reporting period, the PSC evaluated one out of the 102 HoDs that qualified to be evaluated for the 2008/2009 evaluation cycle. Likewise, the PSC continues to influence policy on matters relating to Public Service leadership as evidenced by Cabinet's decision to extend the term of office of HoDs from three years to up to five years. Such a decision emanates from the PSC's recommendation on the Report on the Turnover Rate of HoDs in the Public Service as well as a Consultative Report on the Appointment and Management of Heads of Departments in the Public Service.

Having an appreciation of human resource management and that it is key towards effective service delivery, the PSC provides advice on best practices through its research work. In this respect, the PSC assessed the State of Human Resource Management in the Public Service. Apart from its own work in this area, the PSC has drawn on a wide body of evaluations that have been conducted on various aspects relating to human resource management.

In the area of labour relations, the PSC continues to promote sound labour relations in the Public Service, through amongst others, its involvement in grievance resolution and advocacy work through guidelines and presentations to departments. Its effort is evidenced by the decrease in the number of grievances handled during the reporting period following caution to departments against referring grievances prematurely to the PSC before exhausting the internal departmental procedures. On a continental level, the PSC leads the

Presidency of the Association of African Public Services Commissions (AAPSComs), with the OPSC providing secretariat services to AAPSComs. In an endeavour to ensure that AAPSComs is recognised within the African Union, a Memorandum of Understanding between AAPSComs and the African Union was adopted by the Executive Committee of AAPSComs. Furthermore, the Association continued with its concerted efforts to attract more members, particularly from the Northern and Central African regions as they are not represented in AAPSComs.

In pursuit of its Monitoring and Evaluation (M&E) mandate, the PSC has made significant strides with its Transversal Monitoring and Evaluation System, which is indicator-based and assesses departments against the 9 Constitutional values and principles for public administration. Accordingly, during the reporting period, the PSC produced its first consolidated M&E report on a province and a sector, i.e. the North West and Housing, respectively. These reports provide context specific assessments and make recommendations that must be addressed by the specific province and housing departments. Equally important is the State of the Public Service (SOPS) Report, which continues to be the flagship output of the PSC and provides important and an impartial overview of trends in the Public Service. Accordingly, the eighth edition of the SOPS Report which provides an overview of the performance of the Public Service in relation to the theme: *Integration and Effective Public Service Delivery* was compiled.

Similarly, the PSC continues to lead with its ground breaking innovation as evidenced by the development of South African-specific key drivers of citizen satisfaction which were piloted in selected departments. The service delivery experts and service users found the drivers to be relevant to the South African context and appropriate to determine South Africa's level of satisfaction with the delivery of the Public Service.

In response to its constitutional mandate in the area of professional ethics, the PSC continues to manage the Financial Disclosure Framework for senior managers in the Public Service and scrutinises such disclosures to identify potential conflicts of interests. To enhance the scrutiny process, the PSC reported to the National

Assembly's Portfolio Committee on Public Service and Administration in March 2010 that it will produce a concept document on how to conduct lifestyle audits during the 2010/11 financial year. The PSC provides a secretarial role to the National Anti-Corruption Forum, an anti-corruption coalition that promotes dialogue and collective action against corruption amongst different sectors of the South African society. Likewise, it manages the National Anti-Corruption Hotline (NACH) for the Public Service (0800 701 701). The NACH remains an excellent facility that affords members of the public with an opportunity to report allegations of corruption in the Public Service. The PSC nevertheless remains concerned about the investigative capacity within departments to investigate cases of alleged corruption referred to them through the NACH. For example, of the 1 340 cases referred during the reporting period, only 64 have been closed on the Case Management System of the NACH following investigation.

In relation to its oversight function, there was greater appreciation of the work of the PSC as evidenced by presentations on a variety of research reports to various Portfolio Committees in Parliament and Provincial Legislatures.

In spite of capacity challenges, the PSC managed to deliver on its outputs. On behalf of the PSC, I would like to express our sincere gratitude and appreciation to the OPSC under the astute leadership of the Director-General, Mr Mashwahle Diphofa. I would also like to thank my fellow Commissioners, past and present, for serving the PSC with pride during the period under review.

I would like to single out the former Chairperson of the Public Service Commission, Professor Stan Sangweni, for being the guiding light for the PSC. Having worked with Professor Sangweni whilst I was a Commissioner in Gauteng, I can confidently say that indeed he has shaped the PSC into the exceptional organisation it is today, and that he has retired fully satisfied that he contributed immensely in guiding the transformation of the Public Service.

In conclusion, I would like to thank the Minister for Public Service and Administration, Mr Richard Baloyi,

his Deputy Minister, Mr Roy Padayachie and the Chairperson of the Portfolio Committee on Public Service and Administration, Ms Joyce Moloi-Moropa for their support during the period under review.

A handwritten signature in black ink, appearing to read 'RR MGIJIMA', with a large circular flourish on the left and a horizontal line extending to the right.

DR RR MGIJIMA

CHAIRPERSON: PUBLIC SERVICE COMMISSION

Chapter One

Introduction

1.1 OVERVIEW BY THE DIRECTOR-GENERAL



Mr Mashwahle Diphofa

During the 2009/10 financial year, the PSC experienced a change in leadership following the departure of Ms Odette Ramsingh as Director-General and that of Professor Sangweni as Chairperson. This is thus the first Annual Report produced under the leadership of our Chairperson, Dr Ralph Mgijima. However, the former leadership ensured that a solid foundation was laid over the years and this has enabled the organisation to grow further in order to deepen its effectiveness as the *custodian of good governance*. During the reporting period, the PSC also had to further tighten its belt given the global economic crisis and therefore had to operate within limited resources, which impacted on its ability to further deepen its oversight role.

As the chief arbiter on grievances in the Public Service, the PSC has played a central role in promoting good labour relations. During the reporting period, the PSC witnessed a slight decrease in the number of grievances referred to the PSC as compared to the previous financial year. This is largely due to the continuous support and guidance it provides departments in the management of grievances. In furthering its investigative research into the critical areas impacting on labour relations in the Public Service, the PSC assessed the impact of the Public Sector Education and Training Authority (PSETA) in providing skills for public servants

and thus improving their mobility and career prospects.

The PSC continues to support processes aimed at strengthening the quality of Public Service leadership through its involvement in the evaluation of HoDs and the advice it gives to the Executive Authorities and HoDs on the quality of performance agreements. The importance of performance management has also been underscored by the President entering into Performance Agreements (PAs) with Ministers. This demonstrates governments' commitment to enhancing performance management and building a performance-oriented state. During the year under review, the PSC evaluated only one out of 102 HoDs that qualified to be evaluated for the 2008/09 evaluation cycle, and there was only a 56% compliance rate with the filing of PAs. This is despite the implementation of a short message service (SMS) technology by the PSC that reminds HoDs to file their PAs with the PSC. The PSC has on a number of occasions raised its concerns on the poor adherence to key aspects of the framework for the evaluation of HoDs as this impacts negatively on the overall evaluation process. To highlight its concerns, the PSC once again produced a Fact Sheet on the Submission of PAs and submitted it to the Presidency and the Portfolio Committee on Public Service and Administration.

The PSC also produced a Consultative Report on the Appointment and Management of Heads of Department in the Public Service. The PSC hopes that the findings and recommendations in the report will assist the Executive towards ensuring stability at the highest echelon of the Public Service. In addition, over the years, the PSC has conducted a series of evaluations on the implementation of the Performance Management and Development System for senior managers. These evaluations look at a whole spectrum of issues that are critical to the effective performance management and development of senior managers. This year's evaluation focused on the Limpopo Province.

Monitoring and evaluation continues to be a priority in guiding the transformation of the Public Service into an effective institution that delivers on the objectives of Government. This is evidenced by the appointment of a Minister in the Presidency who is responsible for performance monitoring and evaluation. The appointment will thus ensure that the Executive will monitor and evaluate its own performance, and

the PSC will also be able to contribute to this work through its oversight products and services which are generated independently of the Executive. Through its Transversal M&E system, the PSC has produced the sixth Consolidated M&E Report, which provides an overview of the overall performance of the individual departments and trends in adherence to the performance standards for constitutional values and principles for the period 2000 to 2009. The system shows that overall there is a slight improvement in the performance of departments and this shows that departments are now beginning to adhere to the basic administrative practices required. All the evaluation work conducted by the PSC feed into its flagship report, the annual SOPS Report. During the period under review, the SOPS Report focused on *Integration, Coordination and Effective Public Service Delivery*. This theme is in line with government's outcomes approach that emphasises the achievement of priority outcomes and the alignment of all administrative and service delivery processes to the outcomes to be achieved. In line with this theme, the PSC also evaluated the effectiveness of Thusong Service Centres in integrated service delivery. The Centres are an important part of government's strategy of taking services closer to the people.

Since the inception of the Complaints Rules in 2002, the number of complaints dealt with by the PSC has increased. The NACH has also added further pressure on the PSC to investigate complaints as it has generated additional work in view of the non-corruption related complaints that are lodged. However, the review of the Protocol Document on Conducting of Public Administration Investigations has led to an increase in the number of cases finalised as compared to the previous financial years. As part of its investigation research into public administration practices, the PSC conducted an Evaluation of Supply Chain Management Practices in Selected Departments Focusing on General Payments within the R200 000 Threshold. The PSC also conducted an Overview of Financial Misconduct for the 2008/09 Financial Year which provides information on finalised financial misconduct cases in departments.

To improve ethical conduct in the Public Service and enhance the fight against corruption, the PSC continued to manage the National Anti-Corruption Hotline. Since its inception, 7 439 cases of alleged corruption have been reported. The NACH has also achieved tangible results which have resulted in disciplinary action being

taken against officials and the recovery of large sums of money involved in the acts of corruption. The PSC also continued to monitor and raise awareness on conflicts of interest among managers by managing the Financial Disclosure Framework (FDF). As a result of non-compliance with the Framework, the PSC has recommended to the responsible Executive Authorities that action be taken where applicable. Key to its work in the management of potential conflicts between the private interest of senior managers and their official responsibilities, the PSC produced a Report on the Assessment of the Disclosures of Heads of Provincial Departments. The results of the scrutiny have been forwarded to all Premiers so that they can take appropriate action where necessary. The PSC's recommendation of the development of a comprehensive policy on the management of conflicts of interest is being pursued by the Department of Public Service and Administration (DPSA) for inclusion in a conflicts of interest policy framework, which is being reviewed following Cabinet's input.

The PSC has been encouraged by the increase in demand for the organisation to engage with the Portfolio Committee on Public Service and Administration and Provincial Legislatures on the reports produced. Our published reports are accessible from our national and regional offices and can be downloaded from the PSC website: www.psc.gov.za.

I wish to express my appreciation to the national and provincial departments for their continued support and cooperation during our engagements. I am also grateful to the Chairperson of the PSC, Dr Ralph Mgijima and his Deputy, Ms Phelele Tengeneni as well as the Commissioners for their leadership and guidance.

Finally, thank you to all the staff members of the OPSC for ensuring that we advance the PSC's strategic objectives and execute its mandate successfully. All these achievements would not have been possible without your support and hard work.



MR MJ DIPHOFA
DIRECTOR-GENERAL: OFFICE OF THE PUBLIC SERVICE COMMISSION

1.2 INFORMATION ABOUT THE PUBLIC SERVICE COMMISSION

1.2.1 Background

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

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

1.2.2 Members

The following are members of the PSC:

Nominated by the National Assembly:

Prof SS Sangweni, Chairperson until June 2009
Ms MRV Mashigo, until June 2009
Dr NJ Mxakato-Diseko, until December 2009
Ms J Matsomela, from October 2009
Mr B Mthembu, from October 2009
Adv MJ Malahlela
Ms SS Nkosi

Nominated by the Provincial Legislatures:

Dr RR Mgijima (Gauteng), and appointed as Chairperson in July 2009
Ms PM Tengen (KwaZulu-Natal), and appointed as Deputy Chairperson in October 2009
Mr S Mafanya (Eastern Cape)
Mr P Helepi (Free State)
Mr KE Mahoi (Limpopo until June 2009)
Mr M Mawasha (Limpopo from October 2009)
Mr DS Mkhwanazi (Mpumalanga)
Mr KL Mathews (Northern Cape until November 2009)
Ms M Marais-Martin (Northern Cape from March 2010)
Dr NV Maharaj (Western Cape until April 2009)

Members of the Public Service Commission



Dr Ralph Mgijima
Chairperson - from July
2009 & Gauteng



Ms PM Tengi
Deputy Chairperson - from
Oct 2009 & KwaZulu-Natal



Ms SS Nkosi
Pretoria



Ms J Matsomela
Pretoria - from Oct 2009



Adv MJ Malahlela
Pretoria



Mr B Mthembu
Pretoria - from Oct 2009



Mr S Mafanya
Eastern Cape



Mr P Helepi
Free State



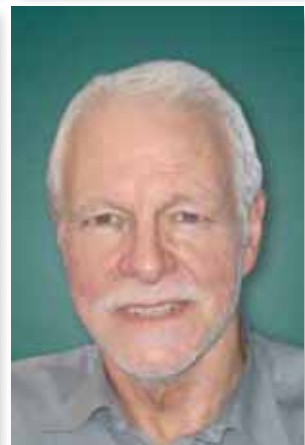
Mr M Mawasha
Limpopo - from Oct 2009



Mr DS Mkhwanazi
Mpumalanga



Ms M Marais-Martin
Northern Cape
- from March 2010



Dr G Woods
Western Cape - from July
2010

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

During the period under review, there were no such institutions.

1.2.4 Bills submitted during the period under review

There were no bills submitted during the period under review.

1.2.5 Official visits aboard

During the period under review, members of the PSC undertook official visits abroad (see **Table 1** below).

NB: The Chairperson of the PSC was elected the President of AAPSComs for a 3 year term at the launch of AAPSComs in February 2009. The Director-General of the Office of the Public Service Commission serves as the Secretary of AAPSComs.

1.3 MISSION STATEMENT

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

Vision

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

Mission

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

1.4 LEGISLATIVE MANDATE

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

- a high standard of professional ethics;
- efficient, economic and effective use of resources;
- a development-orientated public administration;
- provision of services in an impartial, fair and equitable way, without bias;
- responding to people's needs and encouraging the public to participate in policy-making;
- accountable public administration;
- fostering transparency;
- the cultivation of good human resource management and career-development practices; and
- 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.

Table 1: Official visits abroad

Destination	Period	Name of Commissioner	Purpose of visit
Livingstone, Zambia	1 to 4 June 2009	Prof SS Sangweni Dr NJ Mxakato-Diseko Adv MJ Malahlela	To attend the meeting of the Executive Committee of AAPSComs
Kampala, Uganda	15 to 18 March 2010	Dr RR Mggijima Ms PM Tengeri	To attend the meeting of the Executive Committee of AAPSComs

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

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

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

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

1.5 MANAGEMENT SYSTEMS

The PSC is supported by the OPSC, with its Head Office in Pretoria and regional offices in each province. The Director-General, who is the Accounting Officer, heads the OPSC. The work of the PSC is structured around the following six key performance areas:

- Labour relations improvement
- Leadership and human resource reviews
- Governance monitoring
- Service delivery and compliance evaluations
- Public administration investigations
- Professional ethics.

These areas are grouped within the following line function branches*.

(i) Branch: Leadership and Management Practices

This branch enables the PSC to promote sound Public Service leadership, human resource management, labour relations and labour practices.



(ii) Branch: Monitoring and Evaluation

This branch enables the PSC to establish a high standard of service delivery, monitoring and good governance in the Public Service.

(iii) Branch: Integrity and Anti-Corruption

This branch enables the PSC to undertake public administration investigations, promote a high standard of ethical conduct among public servants and contribute to preventing and combating corruption.

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

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

Chapter Two

Programme Performance

Table 2: Voted funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Under Expenditure
	R121 251 000	R131 841 000	R131 789 000	R52 000
Responsible Minister	Minister for 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 PSC during the period under review are discussed per programme and sub-programme in this chapter. In order to put the activities of the sub-programmes in context, a brief explanation of the aims and key objectives of Vote 10 (the Public Service Commission) is provided.

2.1.1 Aim of the vote

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

2.1.2 Key measurable objectives

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

2.1.3 Summary of programmes

The activities of the PSC are categorised into four programmes: Administration; Leadership and Management Practices; Monitoring and Evaluation and Integrity and Anti-Corruption.

- **Administration** conducts the overall management of the PSC and provides centralised support services.
- **Leadership and Management Practices**

enables the PSC to promote sound Public Service leadership, human resource management, labour relations and labour practices.

- **Monitoring and Evaluation** enables the PSC to establish a high standard of service delivery, monitoring and good governance in the Public Service.
- **Integrity and Anti-Corruption** enables the PSC to undertake public administration investigations, promote a high standard of professional ethical conduct among public servants and contribute to the prevention and combating of corruption.

2.1.4 Achievements

During the reporting period, the PSC compiled its eighth edition of the SOPS Report which provides an overview of the performance of the Public Service in relation to the theme: *Integration and Effective Public Service Delivery*. The SOPS Report continues to be a valuable source of information which is cited by various stakeholders and influences policy and practice. The PSC also assessed the State of Human Resource Management in the Public Service. Apart from its own work in this area, the PSC has drawn on a wide body of evaluations that have been conducted on various aspects relating to human resource management. In addition, the PSC developed an SMS technology to remind Heads of Department to submit their performance agreements with the PSC.

**The achievements of the PSC are discussed in detail in each programme and sub-programme in this chapter.*

2.1.4.1 Overview of the service delivery environment for the 2009/2010 financial year

This section provides an overview of the service delivery environment in which the PSC operated during the period under review. It covers amongst others, a description of significant developments external to the PSC, that may have impacted either on the demand for its services or on its ability to deliver those services. It also provides commentary on the PSC's overall performance as well as its budget.

As the arbiter of grievances in the Public Service, the PSC has over the years witnessed an initial increase in the number of grievances referred to it. The underlying reason for an increase in grievances is the poor interpretation of the Grievance Rules by departments. This has resulted in grievances being referred back to departments before the PSC can consider them. To improve the situation, the PSC has continued to support departments by holding regular bilateral meetings. As a result of these meetings, the PSC did not have to summons any Heads of Department, and there was an increase in the number of grievances resolved internally.

In supporting the performance management of HoDs, the PSC continues to implement the performance framework for the evaluation of HoDs. During the year under review, the PSC evaluated 53 out of 103 HoDs that qualified to be evaluated for the 2007/08 evaluation cycle. However, the PSC evaluated one out of the 102 HoDs that qualified to be evaluated for the 2008/09 evaluation cycle. The PSC thus remains concerned about the high number of HoDs who qualify to be evaluated but are not evaluated in the relevant financial year. Due to the general elections in April 2009, the PSC also had to extend the date for filing performance agreements of HoDs to August 2009 as a result of a directive issued by the Minister for Public Service and Administration, which indicated that the date of signing PAs was July 2009. As at 31 March 2010, 23 national and 48 provincial HoDs filed their PAs for the 2009/10 financial year.

The PSC responds to complaints lodged in terms of the Complaints Rules and the NACH, by conducting

either full scale or desktop investigations. Since the inception of the Complaints Rules in 2002, the number of complaints dealt with by the PSC has increased. The NACH has added further pressure on the PSC to investigate complaints as it has generated additional work in view of the non-corruption related complaints that are lodged. As a result, the PSC had to rely more on desktop investigations instead of full scale investigations.

Since 1999, the PSC has been responsible for the management of the Financial Disclosure Framework (FDF) for senior managers and has placed major focus on ensuring compliance with the submission of financial disclosures, which is a regulatory requirement in terms of Chapter 3 of the Public Service Regulations. Over the last three financial years, there has been a steady decline in compliance from 87% in 2006/07, to 85% in 2007/08 and to 81% in the 2008/09. As a result of non-compliance with the Framework, the PSC recommended to the responsible Executive Authorities that action be taken where applicable. The PSC remains of the firm view that only a 100% compliance rate is acceptable. To enhance the scrutiny of the financial disclosure forms in order to identify potential conflicts of interest, the PSC conducted an Assessment of the Disclosures of Heads of Provincial Departments and produced a report in this regard. The results of the scrutiny have been forwarded to all Premiers so that they can take appropriate action where necessary.

In its efforts to contribute towards the renewal of Africa, the PSC was instrumental in the establishment of AAPSComs and continues to support the Association through the role that it plays. The Chairperson of the PSC is the President of AAPSComs and the OPSC is the secretariat of AAPSComs. Through its secretariat role, the OPSC is responsible for overseeing the day-to-day operations of the Association. Since the launch of AAPSComs, a Constitution was adopted and 18 Commissions from 12 African countries are registered members of AAPSComs. The role of the PSC in AAPSComs places an additional workload on the limited capacity of the organisation.

In relation to its baseline, the average growth of the PSC's budget over the past Medium Term Expenditure

Framework periods was 7.7%, and the reduction of 5% in goods and services for the 2009/10 financial year impacted negatively on the PSC. The original budget of R123.409 million was reduced by R2.158 million (R593 000 on compensation and R1.565 million on goods and services) to R121.251 million. No additional funding was approved to increase the human resource capacity.

The PSC's budget also had to be reprioritised to absorb the cost for the salary increase with effect from 1 July 2009. Accordingly, the PSC had to fund the additional expenditure from its savings.

2.1.4.2 Overview of the organisational environment for the 2009/2010 financial year

This section provides an overview of the organisational challenges that had the potential to impact on the PSC's ability to deliver on its strategic plan.

During the period under review, the PSC experienced turnover at its senior management level. The Director-General's contract expired in July 2009 and the Deputy Director-General: Leadership and Management Practices, Mr Mashwahle Diphofa was appointed Acting Director-General from August until December 2009 and subsequently Director-General with effect from January 2010. Following the appointment of Mr Mashwahle Diphofa as Director-General, the Chief Director: Labour Relations Improvement was appointed as the Acting Deputy Director-General: Leadership and Management Practices. The Deputy Director-General: Integrity and Anti-Corruption resigned in February 2010.

The PSC also bid farewell to its members whose term of office expired in June 2009, namely Professor Stan Sangweni (former Chairperson), Commissioners Koko Mashigo and Kgabo Mahoai. Furthermore, Commissioner Kenneth Mathews' term of office expired in November 2009 and Commissioner Nozipho Mxakato-Diseko resigned in December 2009. To address the capacity challenges posed by these vacancies and to ensure that service delivery was not compromised, the following members of the Commission were appointed:

- Dr Ralph Mgijima (Commissioner for Gauteng Province and appointed as Chairperson of the PSC in July 2009)
- Ms Phelele Tengen (Commissioner for KwaZulu-Natal Province and appointed as Deputy Chairperson of the PSC in October 2009)
- Ms Jane Matsomela (appointed in October 2009 as Commissioner based at Head Office)
- Mr Ben Mthembu (appointed in October 2009 as Commissioner based at Head Office)
- Mr Matome Mawasha (appointed in October 2009 as Commissioner and based in Limpopo Province)
- Ms Moira Marais-Martin (appointed in March 2010 as Commissioner based in the Northern Cape Province)

The posts for the Commissioners based in the North West and Western Cape provinces remained vacant as at 31 March 2010.

2.1.4.3 Strategic overview and key policy developments for the 2009/2010 financial year

This section provides an overview of the major changes to relevant policies and legislation that had an effect on the PSC's operations or will affect the PSC's operations in future.

Amendments to the Grievance Rules

The PSC proposed amendments to the Grievance Rules and awaits their tabling at the Public Service Coordinating Bargaining Council (PSCBC). Upon tabling and consideration, the PSC will amend the existing guidelines to be in line with the amended Grievance Rules. The PSC will consequently also conduct workshops on the revised guidelines throughout the Public Service.

Proposed Rules for Dealing with Grievances of Heads of Department

The Public Service Act provides for HoDs to lodge grievances directly with the PSC. This section of the Public Service Act has not yet come into effect pending promulgation of the Rules for dealing with such grievances. In order to give effect to the amendments to the Public Service Act, the PSC has drafted Rules

for dealing with grievances of HoDs. The Rules were submitted to the DPSA in August 2009 for inclusion in the Senior Management Service (SMS) Handbook. The PSC will await feedback on the date of inclusion of the Grievance Rules for SMS members. Once the Grievance Rules have been included, the PSC will provide assistance where there are challenges in implementing the Rules.

Evaluation of Heads of Department

The implementation of the Framework for the Evaluation of Heads of Department remains critical to the PSC, especially when considering the pronouncements contained in the policy document from the Presidency, *Improving Government Performance: Our Approach*. This document points out that the President intends to enter into PAs with Ministers and into Service Delivery Agreements (SDAs) with Premiers. These developments demonstrate a clear intention by government, to enhance performance management and monitoring in the Public Service in order to improve service delivery and entrench a culture of accountability.

The PSC is acutely aware of how these developments will impact on its work, especially with regards to the signing and filing of PAs of HoDs which should be to a greater extent informed by the Ministers' PAs as well as the Premiers' SDAs. The PSC has taken cognisance that when signed, the content and timeframes of these agreements will impact on the PAs of HoDs. In this regard, engagements with internal as well as external stakeholders have been ongoing. To accommodate this development as well as deal with the challenges it has experienced when implementing the HoD evaluation process, the PSC took a decision in September 2009 to conduct a review of the Framework.

Monitoring and Evaluation

Following the elections in April 2009, the President announced the appointment of a Minister in the Presidency responsible for performance monitoring and evaluation. The appointment will thus ensure that the Executive will be monitoring and evaluating its own performance. In 2009, government also published a policy framework on its new outcomes based approach to performance monitoring, titled:

Improving Government Performance: Our Approach. This new approach involves the development of key outcomes and the setting of measures and targets for each outcome. Based on government's Medium Term Strategic Framework for the period 2009 – 2014, twelve key outcomes have been determined. For each outcome, delivery agreements will be approved by Cabinet (the measures and targets for 9 out of 12 outcomes have already been approved) and Ministers as well as HoDs will be held accountable for achieving the set targets. Role players in all spheres of government will thus be bound by sector delivery agreements.

The view of the PSC is that such a strong emphasis on monitoring and evaluation from the Executive will strengthen the work of independent monitoring and evaluation bodies such as the PSC, as it will create a demand for monitoring and evaluating information. The monitoring and evaluation capacity that the PSC has established will compliment the performance improvement processes of government. Furthermore, the monitoring and evaluation information that the PSC already provides, in many instances correlates with or complements the measures and targets that have been set. Likewise, the work of the PSC with regard to the performance evaluation of HoDs also directly supports this new approach. The PSC also has a direct role to play in Outcome 12 which is to achieve "An Efficient, Effective and Development Oriented Public Service" as all the work of the PSC is directed towards this outcome.

Service Delivery Assessments

Since the advent of democracy in 1994, the South African government has made concerted efforts in transforming the Public Service to respond to the needs of its citizens. Improved service delivery has become the cornerstone of all government programmes. Government has also embraced a citizen-centred development approach which requires active involvement and participation of citizens not only in service delivery, but also in policy and strategy formulation. Citizens' engagement is critical in ensuring that the citizens' views and perspectives are considered in informing government's planning and policy making processes.

Over the years, the PSC has developed various tools and methodologies to engage citizens. One such methodology has been the undertaking of Citizen Satisfaction Surveys. The PSC's surveys have provided a wealth of information on the levels of citizen satisfaction with services provided by various government departments. However, during the year under review, the PSC realised the need to improve the basis upon which its Citizen Satisfaction Surveys are conducted, thereby developing South African-specific drivers of citizen satisfaction. These drivers were used in a pilot study to determine citizens' level of satisfaction with the services rendered by the provincial departments of Transport and Health, and the national departments of Home Affairs, Police, Labour and Justice and Constitutional Development. The findings showed amongst others, that both the service delivery experts and the service users found the drivers to be relevant to the South African context and appropriate to determine South Africans' level of satisfaction with the delivery of Public Services.

Protocol Document on the Issuing of Directions

The investigation mandate of the PSC has been reinforced by the Public Service Amendment Act, 2007 which provides for it to conduct investigations into compliance with the Public Service Act and to issue directions in this regard. During the 2009/10 financial year, the PSC finalised the development of a protocol document on the issuing of directions.

Management of Conflicts of Interest

The management of potential conflicts of interest forms an integral part in the Public Service's desire

to become integrity driven. The PSC has therefore introduced measures to inculcate a culture of integrity in the Public Service. Through its Overview of the Implementation of the Financial Disclosure Framework: Financial Year 2007/2008, the PSC has made various recommendations to manage the potential conflicts between the private interests of senior managers and their official responsibilities. These recommendations have facilitated the development of a comprehensive policy on the management of conflicts of interest. The recommendations are also being pursued by the DPSA for inclusion in a conflicts of interest policy framework which is being reviewed following Cabinet's input. The PSC will in future, also consider conducting lifestyle audits.

2.1.5 Collection of departmental revenue

The PSC's receipts are made up of commissions from financial institutions on insurance premium deductions from employees' salaries. Other revenue derives from the capital repayment of study loans and conditional bursaries, parking fees and payments for private telephone use.

During the reporting period, an amount of R519 524 was collected.

2.1.6 Departmental expenditure

An additional R10.59 million was allocated for unforeseeable and unavoidable expenditure, of which R2.207 million was for salary increases and R8.383 million was allocated for an out of court settlement for the remuneration of Commissioners and former Commissioners of the PSC under Programme 1.

Table 3: Departmental expenditure

Programmes	Voted for 2009/10 R'000	Unforeseeable/ unavoidable R'000	Virement R'000	Total voted R'000	Actual expenditure R'000	Variance
Programme 1	60 913	9 326	992	71 231	72 419	50 000
Programme 2	16 434	373	77	16 884	16 359	0
Programme 3	19 831	405	(433)	19 803	19 685	1 000
Programme 4	24 073	486	(636)	23 923	23 326	1 000
TOTAL	121 251	10 590	-	131 841	131 789	52 000

Virement was applied in respect of the reduction in the budget allocation due to vacant posts. The savings were utilised for the printing of reports, resettlement costs, audit costs, severance package and agency fees.

2.1.7 Transfer payments

An amount of R33 239 was paid for membership fees to international organisations.

2.1.8 Conditional grants and earmarked funds

There were no conditional grants. An amount of R1.122 million was earmarked for information technology infrastructure.

2.1.9 Capital investment, maintenance and asset management plan

The PSC has captured all official assets in the asset register and the asset register complies with the minimum requirements as set by National Treasury. The following asset management functions were performed by the Directorate: Financial and Procurement Management:

- Ensure the adherence to asset management reporting requirements; and
- Ensure that officials are sufficiently trained on asset management processes and systems.

Capital assets to the value of R967 571 and current assets to the value of R172 709 were procured in line with the OPSC's asset acquisition plan. Assets amounting to R365 345 were disposed and no loss of assets due to theft occurred.

2.1.10 Notes on programmes

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

2.2 PROGRAMME 1: ADMINISTRATION



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

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

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

2.2.1 Sub-programme: Public Service Commission

Purpose

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

Measurable objectives

The objectives and activities of the PSC are based on its Constitutional mandate and are presented in its

business plan for each financial year.

The objectives and activities for the 2009/10 financial year are discussed in detail under Programme 1: Administration, Programme 2: Leadership and Management Practices, Programme 3: Monitoring and Evaluation and Programme 4: Investigations and Anti-Corruption.

2.2.2 Sub-programme: Management

Purpose

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

Measurable objectives

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

2.2.3 Sub-programme: Corporate Services

Purpose

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

Measurable objectives

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

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

2.2.3.1 Service delivery objectives and indicators

The recent global economic crisis affected the PSC as it

had to apply stricter measures to monitor expenditure. This was enforced through the implementation of the project costing model that ensures that all the project proposals that are submitted to the PSC are accompanied by a detailed costing of the relevant project. The PSC also continued to implement strong control measures regarding the acquisition of goods and services.

During the period under review, the PSC continued to use communication tools such as the media to communicate its research work. The PSC also held its first Information Session with the Chairperson in an attempt to enhance its internal information sharing approach. It also provided the Chairperson with a platform to address staff on pertinent issues relating to the PSC.

As a knowledge-based organisation, the PSC has recognised that Infrastructure Communication Technology plays a critical role in improving business processes for optimal efficiency and accountability. To further refine its management of the FDF, the PSC developed an electronic database system. The PSC also launched the myDG.gov blog which serves as a platform for staff to make suggestions to the Director-

General and is aimed at helping the OPSC improve on its services. Similarly, an SMS Technology to remind HoDs to file their PAs with the PSC was implemented.

The PSC has continued to ensure that vacant posts are filled timeously despite placing on hold the filling of some vacant posts during the third quarter of the 2009/10 financial year due to budgetary constraints. The resignation of two female members at SMS level resulted in a 2% decline of females at this level. Regardless, the PSC still focused its attention on gender representivity at all levels within the organisation. In March 2009, females represented 41% of the total staff complement of SMS members. The number of female employees rose from 118 in March 2009 to 127 in March 2010. The PSC currently employs five people with disabilities following the transfer of one employee with a disability to another department. This translates to 2.2% of the total staff compliment, thus exceeding the national target of 2% by 0.2%. Furthermore, the PSC compiled a Human Resource Plan Implementation Report for the 2009/10 financial year which emanated from the Human Resource Plan covering the period 2008-2012 and it was submitted to the DPSA.

2.2.3.2 Service delivery achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Performance as per workplan for 2009/10				
Internal Audit	Implementation and monitoring of Fraud Prevention Plan and Risk Management Strategy	Internal controls in place	March 2010	Fraud Prevention Plan was reviewed and submitted to the Departmental Bargaining Council in February 2010
				Risk Management Strategy was reviewed by the Fraud Prevention and Risk Management Committee
				Risk Registers were reviewed on a regular basis
				Trend analysis of risks was conducted

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Internal Audit (continued)	Development and implementation of Internal Audit Coverage Plan	Internal controls in place	March 2010	Internal Audit Coverage Plan was approved by the Audit Committee in July 2009 7 audits were conducted in line with the Internal Audit Coverage Plan
	Management of Gift Register	Updated Gift Register	March 2010	Gift register was updated on an ongoing basis
Financial Management and Administration	Proper monitoring of expenditure against budget	Funds surrendered to the National Treasury do not exceed 2%	March 2010	Funds surrendered to the National Treasury amounted to R52 000 which translate to 0.01% of the total budget allocation
	Project budgeting and costing	Funds surrendered to the National Treasury do not exceed 2%	March 2010	15 projects were costed
	Financial reports that fairly and accurately present the financial position of the PSC	Financial transactions accurately recorded Clean audit report	March 2010	Unqualified audit report with a paragraph on "other matters" was received for the 2008/ 09 financial year
Supply Chain Management	Maintain and update Asset Register	Updated Asset Register	March 2010	Asset Register was updated on a regular basis Full asset verifications were done twice during the reporting period
	Implementation and monitoring of Supply Chain Management (SCM)	SCM policy adhered to Service Level Agreements in place	March 2010	SCM policy adhered to and no changes were made on the policy 5 Service Level Agreements were signed
	Implementation and monitoring of Logistics Policies	Logistics Policies complied with	March 2010	Logistics Policies were complied with and the implementation and monitoring of the Policies were done on an ongoing basis
Property Management	Management of properties/physical properties	Office accommodation leases procured on time	March 2010	6 lease agreements for Regional Offices were renewed
		Rental and municipal levies paid		Payments were made on time

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Property Management (continued)	Improved accessibility to OPSC buildings by PWDs	Problems identified and addressed	March 2010	Awaiting implementation of the recommendations contained in the Report on the accessibility of the OPSC buildings by PWDs, by the Department of Public Works Reminders were sent to the Department of Public Works
Security Services	Proper screening of visitors and documents	Access control measures implemented	March 2010	Proper screening of visitors and documents is ongoing
	Installation of security systems in selected regional offices	Upgraded security systems	March 2010	Security was upgraded at the Eastern Cape Regional Office in June 2009 Security assessments were conducted at Limpopo Regional Office in August 2009 To date, 5 Regional Offices have been upgraded Access control system was upgraded at Commission House in October 2009
	Implementation and monitoring of the Contingency Plan	Risks and threats minimised through handling of emergencies	March 2010	Implementation of the Contingency Plan is monitored on an ongoing basis
Communication and Information Services	Produce internal PSC newsletter	Bi-monthly newsletters produced	March 2010	5 internal newsletters were compiled and distributed by March 2010 In addition, a welcome message from the Director-General was issued in January 2010
	Host Information Sessions	Information Sessions successfully held	March 2010	2 Information Sessions were held in November 2009 and February 2010, respectively
	Serve as secretariat to MANCO and OPSC's Strategic Planning Sessions	Minutes drafted and approved	March 2010	MANCO meetings were held in June, October and December 2009 and minutes of the meetings were approved The Strategic Planning Session was held in December 2009

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Communication and Information Services (continued)	Enhance corporate image of the PSC: <ul style="list-style-type: none"> • Manage printing requirement • Produce promotional material • Manage media relations • Provide advocacy support 	Corporate image enhanced and increased appreciation of PSC work	March 2010	<p>All reports were standardised to enhance the corporate image and were printed timeously</p> <p>1 media briefing was held and 6 media statements were issued</p> <p>The PSC received substantial media coverage following presentation of its reports in Parliament</p>
	Produce PSC Annual Report	Annual Report compiled and published in line with Treasury Guidelines	August 2009	The Annual Report for the 2008/09 financial year was compiled in line with Treasury Guidelines and published in August 2009. It was tabled in Parliament in September 2009
	Produce Annual Report to Citizens	Annual Report to Citizens compiled	August 2009	<p>The Annual Report to Citizens was approved in August 2009</p> <p>It was also translated into all the 11 official languages</p>
	Produce PSC Journal	PSC Journal published and distributed	March 2010	<p>PSC Journal was compiled and submitted to the Editorial Committee for approval in March 2010</p> <p>The delay resulted from the late submission of articles by contributors</p>
	Provision of advocacy support to the PSC	Increased understanding and appreciation of the work of the PSC	March 2010	Participated in exhibitions and provided support during PSC events
	Annual Review of Section 15 Notice and Promotion of Access to Information Manual	Manual produced which adheres to PAIA	March 2010	<p>Section 15 Notice and the Promotion of Access to Information Manual were reviewed in accordance to the PAIA and submitted to the Department of Justice and Constitutional Development as well as the Human Rights Commission in August 2009</p> <p>The Promotion of Access to Information Manual was translated into Afrikaans and Xhosa</p>

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Communication and Information Services (continued)	Purchase relevant Information Resource Centre material	Information Resource Centre equipped with relevant material	March 2010	The Information Resource Centre is equipped with relevant material. Purchasing of library material and research support was done as and when necessary
	Provision of online re-search support to line function			
Information Technology	Provide IT support to the Office	Network connectivity at 90% uptime Logged faults resolved within 4 hours	March 2010	The network connectivity uptime was 90% and the logged faults were resolved within 4 hours
	ICT enablement of business processes in OPSC:	IT systems developed Increased productivity	March 2010	Development of the electronic database on the financial disclosure framework was completed in March 2010
	<ul style="list-style-type: none"> Automate Financial Disclosure Framework (Phase 2) 			Development of a web-based database was completed in March 2010
	<ul style="list-style-type: none"> Develop a web-based database for tracking of PSC's recommendations 			Implementation of SMS technology in relation to PAs was completed in July 2009
	<ul style="list-style-type: none"> Implement SMS Technology for submission of financial disclosure forms by SMS members and performance agreements by HoDs 			Configuration of scanners was completed in February 2010 Training of users is ongoing
	<ul style="list-style-type: none"> Automation of the OPSC filing system 			

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Information Technology (continued)	<ul style="list-style-type: none"> Development and implementation of Electronic Document Management System (EDMS) with built-in version control log 			<p>The development of EDMS for Branch: Monitoring and Evaluation and Branch: Corporate Services was completed in March 2010</p> <p>Training of users is ongoing</p>
	<ul style="list-style-type: none"> Implementation and installation of e-mail archiving 			<p>Approval of the need to procure a Storage Access Network (SAN) was obtained in February 2010</p> <p>Due to budgetary constraints, the SAN will be procured in the 2010/11 financial year</p>
	Implementation of Team Workspace	Team Workspace operational	March 2010	<p>The development of team workspace for Branch: Monitoring and Evaluation and Branch: Corporate Services was completed in March 2010 and is operational</p> <p>Training of users is ongoing</p>
Human Resource Management	Implement, monitor and evaluate the effectiveness of the HR Plan	Vacancies filled within 3 months after becoming vacant	March 2010	<p>Due to budgetary constraints, not all vacancies were filled within 3 months</p> <p>Compilation of the HR Plan was put on hold due to a directive issued by the DPSA which states that departments are required to submit HR Plans by 30 June 2010</p> <p>The 2008-2012 HR Plan is implemented through the recruitment and selection process</p>
	Employment of People with Disabilities (PWDs)	PWDs to comprise at least 2% of staff	March 2010	PWDs comprise 2.2% of the staff complement
	Employment of women in all management levels	Women to comprise at least 50% of staff employed at management level	March 2010	<p>Women at management level comprise 41% of the staff complement</p> <p>The resignation of two female SMS members resulted in a 2% decline of females at management level</p>

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Human Resource Management (continued)	Revision and implementation of HR Policies	HR Policies approved	March 2010	4 policies were approved
Human Resource Development	Effective implementation of mentorship programme in the OPSC	Mentorship programme in place	March 2010	The draft Mentorship Policy was tabled before the Departmental Bargaining Chamber (DBC) in February 2010 Delay is attributed to the prolonged consultation process with organised labour
	Promote, monitor and evaluate Employees Wellness Programme (EWP)	EWP utilisation improved	March 2010	The monitoring of utilisation of the EWP was conducted on a quarterly basis and referrals are done as and when the need arises. In comparison with the previous financial year, the utilisation of the EWP has improved A new service provider (ICAS) was appointed in October 2009 The launch of the EWP by ICAS was done in November 2009
	Commemoration of National and International Special events and programmes	Events hosted	March 2010	4 events were commemorated
	Effective implementation of EPMIS and PMDS	EPMIS and PMDS implemented	March 2010	The bi-annual assessments for the 2009/10 financial year were submitted 174 workplans and 37 PAs were submitted for the 2010/11 financial year
	Implementation and monitoring of service delivery standards	Approved service standards adhered to	March 2010	The Service Delivery Improvement Plan for the 2009/10 financial year was implemented with effect from April 2009 and adherence to service standards was monitored
	Compile the Service Delivery Improvement Plan (SDIP) for 2010/2011	Approved Service Delivery Improvement Plan	March 2010	The SDIP was reviewed and submitted for approval in March 2010 Delay as a result of the review of the implementation of the 2009/10 financial year service standards

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Human Resource Development (continued)	Management of discipline and grievances in the OPSC	Adherence to prescribed time frames	March 2010	4 disputes, which were declared with the General Public Service Sectoral Bargaining Chamber (GPSSBC) were finalised 3 disciplinary cases were finalised 2 grievances were finalised
	Management of the efficient functioning of the OPSC Departmental Bargaining Chamber	Consultations conducted with organised labour on matters of mutual interest	March 2010	6 DBC meetings were held 1 DBC Annual General Meeting was held

2.3 PROGRAMME 2: LEADERSHIP AND MANAGEMENT PRACTICES



Mr Mashwashle Diphofa
Deputy Director-General until December 2009

The **purpose** of this programme is to promote sound Public Service leadership, human resources management, labour relations and labour practices.

The **measurable objective** of this programme is to improve Public Service labour relations, practices and policies, monitor the standard of Public Service leadership and evaluate human resource policies.

The programme is divided into two sub-programmes, namely: Labour Relations Improvement and Leadership and Human Resource Reviews.

2.3.1 Sub-programme: Labour Relations Improvement



Ms Mmathari Mashao
Chief Director

From the past three reports that the PSC has produced on the management of the resolution of grievances in the Public Service, it became evident that there are still misunderstandings and inappropriate implementation of the Grievance Rules. This is still a cause for concern to the PSC as departments' failure to comply with the Grievance Rules results in the grievances being referred back to departments before the PSC can consider them. Despite the referral of cases for compliance, the departments are still unable to finalise grievances in terms of the Grievance Rules. The PSC remains dedicated to providing guidance to departments in grievance resolution management and as such, bilateral meetings between officials from the PSC and teams from departments that handle grievance management have been held regularly. These meetings have been held especially where a sizable number of grievances were referred back for compliance with the Grievance Rules and have been outstanding over extended periods. This was done with due consideration to the importance accorded to sound human resource management, which the PSC regards as a fundamental element of public administration and effective service delivery.

As a result of the continuous engagement with officials from departments, the PSC did not have to summons any HoD during the period under review. However, a few were cautioned, and they subsequently complied with all the requests made on grievance management. An increase in the total number of internally resolved grievances was realised subsequent to these grievances being referred back to departments for compliance with the Grievance Rules. This was also due to constant and regular interactions on internal grievance processing.

In terms of the Grievance Rules, departments have to report to the PSC on the resolution of grievances on a six-monthly basis. These reports are used for identifying trends in the nature of grievances, the management thereof and helps to identify other shortcomings in human resource practices in departments. In addition, the PSC also maintains a database of grievances referred to it, which is used for research purposes. A Fact Sheet on Grievance Trends was produced using these grievance resolutions reports and the PSC's database on grievances referred to it for consideration.

As part of its role to identify and address challenges as well as build knowledge in the area of Public Service labour relations, the PSC undertook a research project on the assessment of the Public Sector Education and Training Authority (PSETA). The research sought to evaluate the contribution of PSETA towards skills development and the career progression prospects of public servants in the Public Service. The PSC has also commenced with the preparations for the Labour Relations Conference that it is co-hosting with the PSCBC, scheduled to be held in August 2010.

Purpose

The main aim of the sub-programme is to improve Public Service labour relations and management practices.

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 EAs

- Conduct investigative research into labour relations practices in the Public Service, and making recommendations.

2.3.1.1 Service delivery objectives and indicators

The consideration of grievances which are properly referred to the PSC contributes towards the improvement of sound labour relations in the Public Service and remains an essential function given to the PSC through the Constitution, 1996. In executing its authority in respect of the resolution of grievances of Public Service employees, during the period under review as reflected in **Chart I** on the next page, the PSC received a total 614 grievances, which is a decrease from the 654 grievances received during the 2008/09 financial year. In terms of the Grievance Rules, 2003, the PSC will not handle grievances which are not properly dealt with by the department up to the level of the Executive Authority. In this regard, 298 cases were referred back to departments to ensure compliance with the grievance procedure before the PSC could consider them. Of the 165 finalised cases, 69 of the grievances of employees were resolved internally by departments largely as a result of constant follow-ups by the PSC for grievances to be finalised. In some instances, the internal resolution of cases occurred only after the HoDs were cautioned that summons will be issued by the PSC for submission of necessary documents and explanation on the delays in the handling of grievances. The PSC finalised 96 cases in terms of which the internal grievance procedure were exhausted and the matters were referred properly by the Executive Authority. Of the 96 cases finalised by the PSC, seven (7) grievances were found to be substantiated and 89 unsubstantiated. As at 31 March 2010, 84 cases were pending of which 54 had to be referred to departments for attention as the internal grievance procedure was not exhausted. The remaining 30 cases were pending due to incomplete information, which the PSC had requested from departments.

Chart 1: Status and number of grievances handled for the 2009/2010 financial year

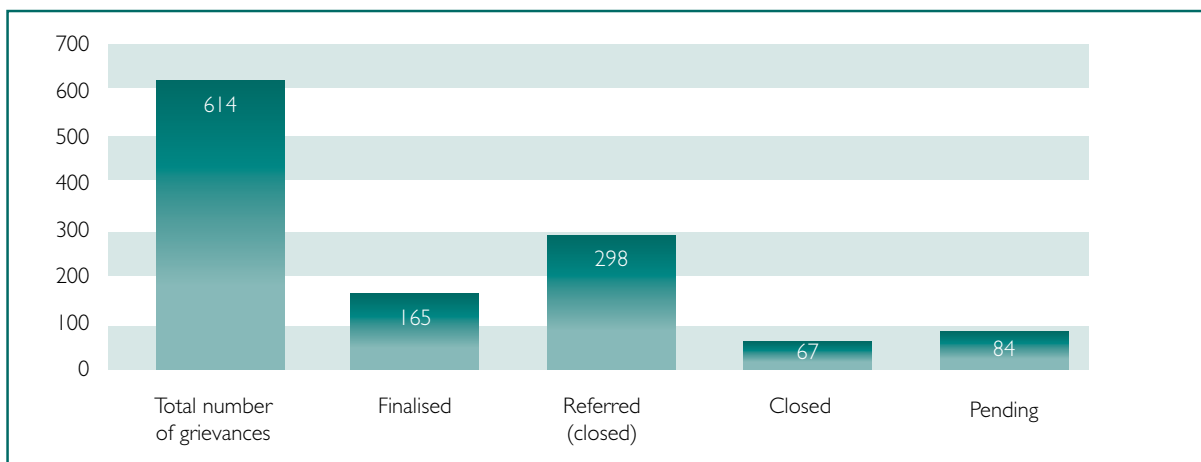


Chart 2 below provides an overview of the nature of grievances referred to the PSC during the 2009/10 financial year. Of the total number of 614 grievances:

- 227 cases relate to salary problems, which, for example, includes grievances relating to the implementation of the Occupational Specific Dispensation (OSD)
- 150 cases relate to performance assessments
- 136 cases relate to unfair treatment, including unfair labour practices
- 69 cases relate to the filling of posts
- 18 cases were about non-approval of applications, such as leave application
- 8 cases relate to disciplinary matters
- 5 cases could not be classified under the specified categories
- 1 case relate to the undermining of authority.

As can be seen from the statistical overview, issues relating to salary matters and performance assessment are the most prevalent.

Chart 2: Nature of grievances for the 2009/2010 financial year

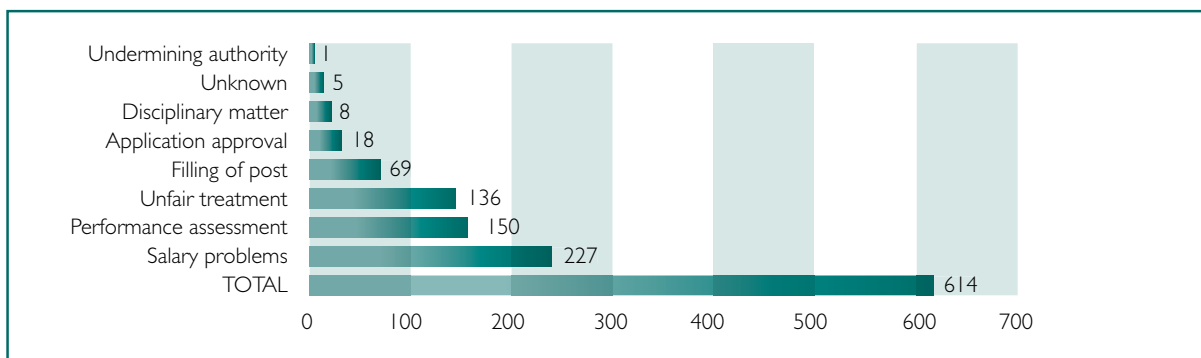
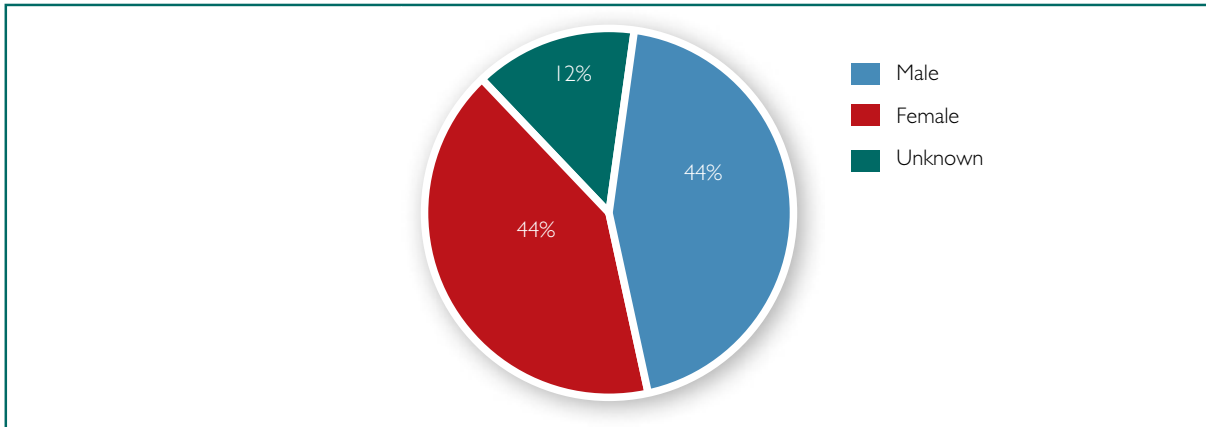


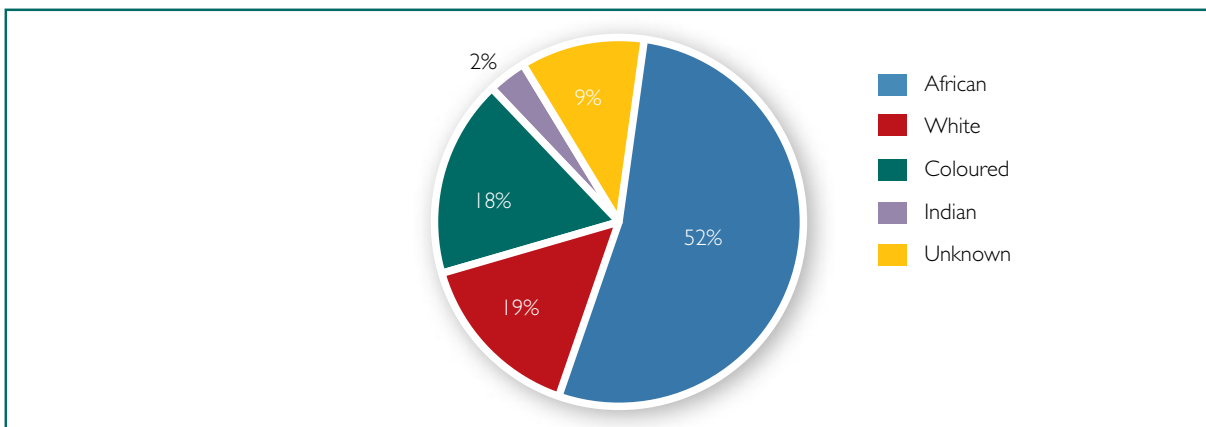
Chart 3 below depicts the gender of aggrieved employees. The proportion of aggrieved employees in respect of males and females were both 44%. The gender of the remaining 12% could not be classified as this information was not provided to the PSC by aggrieved employees and departments.

Chart 3: Grievances lodged in terms of gender for the 2009/2010 financial year



In **Chart 4** below, a breakdown in respect of the racial grouping of aggrieved employees is provided. From the total grievances received, 52% were lodged by Africans, while 19% came from Whites, 18% from Coloureds and 2% from Indians. The race category of the remaining 9% could not be verified due to incomplete information provided by aggrieved employees and departments.

Chart 4: Grievances lodged in terms of race for the 2009/2010 financial year

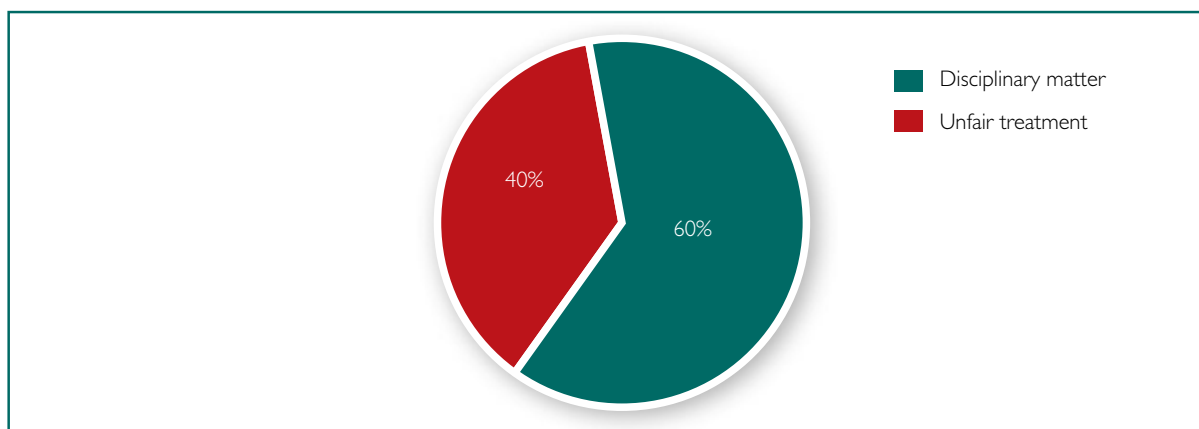


In terms of the PSC's Rules for the Lodging of Complaints regarding the Public Service (Complaints Rules), grievances of employees which fall within the ambit of the formal grievance procedure, and misconduct appeals of public servants, are excluded from the complaints procedure. Despite this restriction, complainants still lodge complaints about unfair dismissals and disciplinary matters with the PSC.

The PSC has experienced a steady decline in the number of labour relations related complaints lodged during the past financial year. The number of complaints received, decreased from 40 in the 2007/08 financial year, to 27 in the 2008/09 financial year. For the 2009/10 financial year, the PSC only received five (5) complaints, of which three (3) were finalised. In respect of one (1) case, the procedure for lodging a complaint was not followed and also, the remaining one (1) case was referred for internal investigation.

Chart 5 below provides a breakdown of the nature of complaints received. The highest number of complaints (60%) received dealt with issues relating to disciplinary matters. The remaining 40% complaints dealt with issues relating to unfair treatment.

Chart 5: Nature of complaints received for the 2009/2010 financial year



All five (5) complaints were lodged by African employees, of which one was lodged by a female employee.

2.3.1.2 Service delivery achievements

Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance target	
			Target	Actual
Performance as per workplan for 2009/2010				
Labour Relations Improvement	Grievance management in the Public Service: • Grievances and complaints investigation	Grievances finalised within 3 months from date of receipt	March 2010	The PSC received 614 grievances: • 165 grievances were finalised of which 60% were finalised within the 3 months from date of receipt. The remaining 40% of grievances could not be finalised within the 3 months due to consultations within the PSC on the proposals made on the grievances. 298 were referred back to departments due to non-compliance with the Grievance Rules • 67 grievances were closed because the aggrieved withdrew them or the PSC does not have jurisdiction • 84 cases were pending due to incomplete information of which 54 were not properly referred to the PSC

Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance target	
			Target	Actual
Labour Relations Improvement (continued)				5 complaints were received: <ul style="list-style-type: none"> • 3 complaints have been finalised • 2 were sent for internal investigation to departments
	• Management of database on the grievances and complaints	Monthly reports produced	March 2010	Reports on the management of grievances are submitted on a monthly basis
	• Analysis of six monthly reports of the departmental grievances resolution (2 reports)	Six monthly reports produced	October 2009 March 2010	Two six monthly reports were finalised in May 2009 and November 2009, respectively
	Monitoring implementation of PSC recommendations on grievances and labour relations complaints	Report with recommendations	March 2010	Report was approved by the PSC in May 2009
	Trends analysis on grievance resolution in the Public Service	Fact sheet produced	October 2009	Fact Sheet was approved by the PSC in September 2009
	Hosting of the 2 nd Biennial Labour Relations Conference	Conference hosted	September 2009	The hosting of the Labour Relations Conference has been postponed to August 2010 The PSCBC requested that the conference be held in 2010
	Compile a report on the 2 nd Biennial Labour Relations Conference	Report with recommendations	March 2010	Report will be drafted after the Conference has been held in August 2010
	Provide legal support to the PSC and the Office	Legal advice provided	March 2010	Advice and legal support provided
	An assessment of the contribution of PSETA towards the development of skills of public servants in their career progression prospects	Report with recommendations	June 2009	Report was finalised by the OPSC in June 2009 and approved by the PSC in August 2009

Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance target	
			Target	Actual
Labour Relations Improvement (continued)	Meetings and workshops of Association of African Public Services Commissions (AAPSComs) held	Reports on workshops and minutes of meetings	March 2010	<p>The Executive Committee of AAPSComs was held in June 2009 in Livingstone, Zambia and in March 2010 in Kampala, Uganda</p> <p>Minutes of the meetings were drafted and circulated to the Executive Committee in June 2009 and in March 2010, respectively</p>
	Effective and operational AAPSComs Website	Website updated	March 2010	Website was regularly updated with the latest developments
	Liaison with the stakeholders to ensure that AAPSComs obtain international organisation status	Continuous liaison maintained	March 2010	<p>The draft Memorandum of Understanding (MoU) between AAPSComs and the African Union was adopted by the Executive Committee at its meeting held in March 2010</p> <p>The AAPSComs Communiqué was updated to reflect the most recent events of AAPSComs and was translated into Arabic and French</p>

2.3.2 Sub-programme: Leadership and Human Resource Reviews



Recognising the significance of a strong administrative leadership, the PSC has continued to focus on the area of Leadership and Performance Improvement to contribute towards the strengthening of Public Service Leadership through amongst others, the implementation of the Framework for the Evaluation of HoDs. Following pronouncements by the Presidency that the President of the Republic of South Africa intends to enter into Performance Agreements with Ministers and into Service Delivery Agreements with Premiers, the implementation of the HoD Evaluation Framework as one of the mechanisms aimed at enhancing performance management and monitoring as well as building a culture of accountability in the Public Service, remains even more critical to the PSC.

In order to accelerate service delivery, government must consistently monitor the performance of HoDs and their departments and be able to improve on whatever gaps that have been identified. If performance management is implemented and properly monitored, it provides opportunities to track progress against pre-determined objectives. In keeping with the monitoring of performance, the PSC has continued in its quest of

managing the filing of PAs of HoDs and in facilitating the HoD evaluation process. Similarly, having recognised that the quality of human resources is a critical factor in the capacity of government to deliver on its mandate, the PSC assessed the State of Human Resource Management in the Public Service. Apart from its own work in this area, the PSC has drawn on a wide body of evaluations that have been conducted on various aspects relating to human resources.

Purpose

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

Measurable objectives

The main objectives of this sub-programme are to:

- Provide guidelines on the performance management of HoDs
- Facilitate the evaluation of national and provincial HoDs
- Advise EAs and HoDs on the quality of PAs
- Engage in research to promote and improve Public Service leadership
- Engage in research on strategic human resource issues.

2.3.2.1 Service delivery objectives and indicators

During the period under review, 103 HoDs qualified to be evaluated out of 146 from national and provincial departments for the 2007/08 financial year. Of these, 53 were evaluated, which represents a 51% compliance rate. Similarly, preparations were made to conduct evaluations of all qualifying HoDs for the 2008/09 financial year in terms of the HoD Evaluation Framework. During August 2009, Guidelines for the 2008/09 Evaluation Cycle were published to guide the evaluation process, which commenced in September 2009. One (1) out of 102 (1%) of all qualifying HoDs from both national and provincial departments were evaluated for the 2008/09 evaluation cycle by the end of March 2010. The PSC has on previous occasion expressed to the Executive its concern about the high number of HoDs who qualified to be evaluated but were not evaluated in the relevant financial year.

In relation to the management and monitoring of PAs of HoDs, a total of 23 HoDs in national departments filed their PAs by the end of the 2009/10 financial year. Twenty one (21) of these PAs of national HoDs were received as required by the prescripts. Furthermore, a total of 49 HoDs in provincial departments had filed their PAs at the end of the financial year, with only 41 (56%) of the PAs being received by the end of October 2009. Compliance with the date for filing still remains a concern for the PSC as this impacts negatively on the overall evaluation process as evidenced in a Fact Sheet on the Submission of PAs produced by the PSC during the period under review. The Fact Sheet was subsequently presented to the Presidency and the Portfolio Committee on Public Service and Administration.

As part of a series of evaluations on the implementation of the Performance Management and Development System (PMDS), the PSC finalised a Report on the Implementation of the Performance Management and Development System for Senior Managers in the Limpopo Province. The findings of the study are similar to those conducted in other provinces where the lack of commitment from the highest level of Public Administration on implementing the PMDS was indicated as one of the reasons why the PMDS is not properly implemented. The implementation challenges and complications in the Limpopo Provincial Government come about because of the use of the Balanced Score Card (BSC) which SMS members found to be cumbersome and unwieldy.

During the period under review, the PSC conducted another research project in the area of Public Service Leadership which culminated in the development of a Consultative Report on the Appointment and Management of Heads of Department in the Public Service. The findings of the report indicated that the current recruitment processes of HoDs did not always lead to the appointment of the best candidate who meets all the necessary requirements. The findings also revealed that once employed, HoDs were concerned about their security of tenure due to the three year contract and that tensions at the Executive interface still remained a challenge. The report revealed that the development of a standardised protocol document to manage relationships was necessary. It is hoped that this

consultative report will contribute immensely towards government's quest to improve the management of career incidents of its upper most cadre of Public Service Leadership.

In line with the human resource reviews, a Report on the Assessment on the State of Human Resource Management in the Public Service was conducted. The findings of the study were that even though improvements had been made by departments in this area, many challenges still persisted. A major challenge observed was that departments still experienced problems in ensuring that their human resource components are strategically situated in order to support their departments with service delivery goals.

In 2006, the DPSA rolled out the implementation of the Policy on Incapacity Leave and Ill-Health Retirement (PILIR) to assist departments in managing incapacity leave and ill-health retirement. It is in this context that the PSC conducted an assessment to evaluate the impact of PILIR on sick leave trends in the Public Service. The findings reveal that although there has been a decrease in the rate of absenteeism and a greater sense of responsibility of sick leave by employees, many challenges still remain.

2.3.2.2 Service delivery achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance target	
			Target	Actual
Performance as per workplan for 2009/2010				
Leadership and Human Resource Reviews	Evaluate the effectiveness of the implementation of the Policy on Incapacity Leave and Ill-Health Retirement (PILIR) on sick leave trends in the Public Service	Report with recommendations	February 2010	<p>Plenary approved that the finalisation of the Report be extended to February 2010 as a result of outstanding information from departments</p> <p>Report was approved by the PSC in March 2010, subject to the incorporation of their comments</p> <p>Delay in the timely finalisation of the Report was due to additional research undertaken to strengthen the report</p>
	Respond to requests for <i>ad hoc</i> investigations into human resource practices in the Public Service	Report with recommendations	March 2010	No <i>ad hoc</i> requests were received
	An assessment of the state of Human Resource Management in the Public Service	Report with recommendations	July 2009	<p>Draft Report was compiled in November 2009 and approved by the PSC in December 2009</p> <p>Delay in the timely finalisation of the Report was as a result of the additional research undertaken to strengthen the findings of the Report</p>
	Assess the implementation of Performance Management Development System for Senior Managers in the Limpopo Province	Report with recommendations	February 2010	<p>Plenary approved that the finalisation of the report be extended to February 2010 as a result of outstanding information from departments</p> <p>Draft Report was compiled in February 2010 and submitted to the PSC for approval in March 2010</p>
	An assessment of the extent of (organisational structure and human resource) delegations by EAs to HoDs in terms of the Public Service Act, 1994 and	Report with recommendations	March 2010	Plenary took a decision in June 2009 to remove the project from the Workplan as the DPSA had produced a comprehensive report on a similar topic in 2008

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance target	
			Target	Actual
Leadership and Human Resource Reviews (continued)	their impact on the effective functioning of departments			
	Comparative study of the management of career incidents of Heads of Department in the Public Service	Report with recommendations	June 2009	Draft Report was compiled in August 2009 and approved by the PSC in September 2009 Delay in the timely finalisation of the Report was as a result of the need by the PSC to conduct consultative meetings to refine the findings and recommendations contained in the Report
	An assessment of the effectiveness of Public Service leadership in Intergovernmental Relations	Report with recommendations	July 2009	Report was approved by the PSC in November 2009 Delay in the timely finalisation of the Report was as a result of the need to conduct further research to consolidate the findings and recommendations of the Report
	HoDs Performance Agreements (PAs) monitored and evaluated: • Quality assurance and filing of PAs of HoDs	Advice provided to EAs on the quality of PAs in accordance with the SMS Handbook	March 2010	23 national and 48 provincial HoDs filed their performance agreements for the 2009/10 financial year Advice was provided to EAs on the quality of PAs
	• Monitor the rate of compliance by HoDs	Fact sheet produced	July 2009	Fact Sheet was approved by the PSC in February 2010 The PSC extended the date of filing PAs to August 2009 as a result of a directive issued by the Minister for Public Service and Administration that indicated that the date of signing of PAs was July 2009. This resulted in the delay in finalising the Fact Sheet

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance target	
			Target	Actual
Leadership and Human Resource Reviews (continued)	HoD evaluation process managed and strengthened:	Guidelines published	September 2009	Guidelines were approved and published in September 2009
	<ul style="list-style-type: none"> Compile guidelines for 2008/2009 evaluation cycle 			
	<ul style="list-style-type: none"> All qualifying national and provincial HoDs evaluated 	<p>All qualifying HoDs evaluated</p> <p>Fact sheet produced</p>	March 2010	<p>20 national and 33 provincial HoDs were evaluated for the 2007/08 cycle. One (1) HoD was evaluated for the 2008/09 cycle</p> <p>Not all qualifying HoDs were evaluated due to the reluctance of the Executive to initiate the process</p> <p>Draft Fact Sheet for the evaluation of HoDs for the 2007/08 cycle was compiled in March 2010</p> <p>Delay in the finalisation of the Fact Sheet was as a result of the verification process undertaken on the information provided for the Fact Sheet</p>
	<ul style="list-style-type: none"> Application of Organisational Performance Assessment (OPA) Framework 	Advice provided to EAs on the performance of their departments	February 2010	<p>A submission containing the OPA implementation strategy, the employee satisfaction survey and client satisfaction survey was compiled in October 2009</p> <p>Delay in the timely finalisation was due to internal consultation on the approach for implementing the OPA</p>
	<ul style="list-style-type: none"> Key leadership issues identified during evaluations and analysed 	Report with recommendations	February 2010	Plenary approved that the project be deferred to the 2010/11 financial year and it was replaced with a review of the HoD Evaluation process

2.4 PROGRAMME 3: MONITORING AND EVALUATION



Mr Indran Naidoo
Deputy Director-General

The **purpose** of this programme is to enable the PSC to establish a high standard of service delivery, monitoring and good governance in the Public Service.

The **measurable objective** of this programme is to improve governance and conduct service delivery assessments.

The programme is divided into two sub-programmes, namely: Governance Monitoring and Service Delivery and Compliance Evaluations.

2.4.1 Sub-programme: Governance Monitoring



Mr Kobus van der Merwe
Chief Director

The PSC continues to improve governance and service delivery by monitoring and evaluating the implementation of the principles governing public administration. Consequently, the PSC does two types of evaluations namely, institutional evaluations and programme evaluations. The institutional evaluations focus on departments as institutions and test their compliance with the nine values governing administration, using a pre-designed monitoring and evaluation system with fixed indicators and standards known as the PSC's Monitoring and Evaluation (M&E) system. Under programme evaluations, the PSC evaluates the success of government delivery programmes, using accepted research and evaluation methodologies. All these evaluations produce insights on the quality of public administration and the PSC makes recommendations for improvement. The PSC, therefore, constantly considers administrative weaknesses and problems in the Public Service and recommends solutions to these.

The PSC further synthesises all its evaluation work into assessments of the state of the Public Service. Its flagship

product in this regard is annual State of the Public Service Reports. These reports are complemented by consolidated monitoring and evaluation reports, which consolidate the findings from several reports on specific departments.

Purpose

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

Measurable objective

The main objective of the sub-programme is to monitor and evaluate compliance with the principles governing public administration in selected government departments and selected government delivery programmes.

2.4.1.1 Service delivery objectives and indicators

During the period under review, the PSC produced its sixth consolidated M&E report, which covers the period 2000 to 2009 and a total of 101 departments. The PSC's M&E system is the only system that covers such a significant sample of the Public Service and applies a consistent measure of the quality of public administration over time. The system shows that through levels of compliance with a range of prescribed or good administrative practices, as well as service levels, there is a slow but steady improvement in the quality of administration, showing that good institutional systems are being built. The system showed that from 2005/2006 onwards, real improvement in the performance of departments was achieved, from 48% in the 2006/07 financial year to 56% in the 2008/09 financial year. Though this is a small improvement, it is viewed as significant because of the steady upwards trend. This finding is perhaps contrary to general perceptions of poor service delivery and performance of the Public Service.

The PSC also produced a further 30 evaluation reports, comprising 2 national and 28 provincial departments. Based on these 30 reports, the PSC produced its first consolidated M&E report on a province and a sector, i.e. the North West and Housing, respectively. These reports provide context specific assessments and make

recommendations that must be addressed by the province and housing departments. Critically important in taking this work forward and ensuring its utilisation is a set of concrete and actionable recommendations. These should focus the attention of the political and administrative leadership on where on the performance band they are, and on what must be done to improve upon their performance. The PSC has engaged departmental managements intensively throughout the process. This is a step towards entrenching a reflective management culture and promoting evidence-based decision making.

The eighth edition of the SOPS Report, which provides an overview of the performance of the Public Service in relation to the theme: *Integration, Coordination and Effective Public Service Delivery* was produced. This theme is very relevant at the moment because the success of government's new outcomes approach depends on the coordination of the functions of many departments and institutions across all spheres of government towards the achievement of the agreed outcomes. The report gives a critical analysis of the state of coordination and integration in the South African Public Service.

The PSC continued to engage with stakeholders on its products as a roundtable on the 2009 edition of the SOPS Report was held in July 2009. Furthermore, the PSC also continued with a series of dialogues on poverty reduction strategies. The third dialogue, built on the programme evaluation work that the PSC has undertaken in the past was held on the theme: *Measurement of Poverty and the Evaluation of Poverty Reduction Programmes*. The PSC once again co-hosted the 2nd Biennial M&E Conference with the South African Monitoring and Evaluation Association (SAMEA) in August 2009.

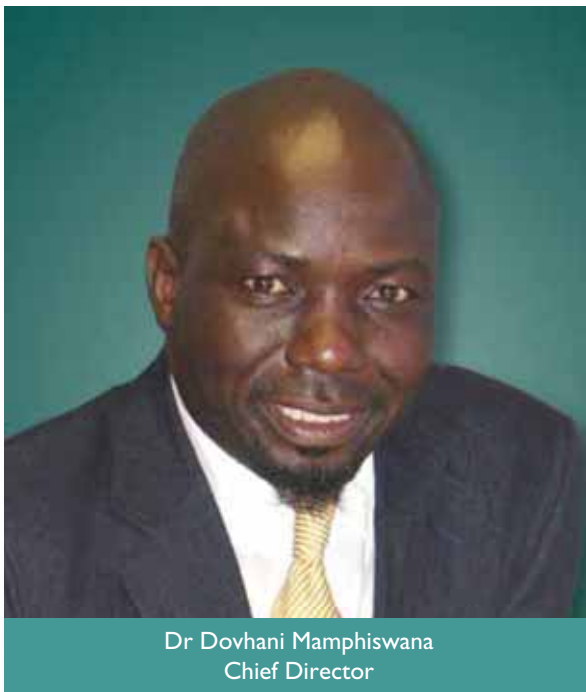
As part of sharing its experience and learning from international experience, the PSC participated in various international bodies and training events. These include representing the African Evaluation Association on the Network of Networks on Impact Evaluation (NONIE), participating in the AfrEA Cairo Conference, the Latin American and Caribbean Conference and lecturing at the International Programme for Development Evaluation Training in Canada.

2.4.1.2 Service delivery achievements

Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance target	
			Target	Actual
Performance as per workplan for 2009/2010				
Governance Monitoring	Overview of the State of the Public Service: <ul style="list-style-type: none">Conduct a critical review of SOPS 2009 (1x roundtable)	Legislatures and departments receive an independent assessment of the state of governance Reports on roundtables on SOPS 2009	September 2009	The roundtable was held in July 2009 A Report on the roundtable was approved by the PSC in September 2009
	<ul style="list-style-type: none">2010 State of the Public Service Report: Integration, Coordination and Effective Public Service Delivery	Report with recommendations	February 2010	Draft Report was compiled in February 2010 Delay in the timely finalisation of the Report was as a result of capacity constraints in key management positions in the OPSC
	<ul style="list-style-type: none">Theme for the 2011 State of the Public Service Report	Theme approved	June 2009	Theme was approved in May 2009
	Evaluation of department's adherence to the Constitutional Principles of Public Administration (30 Departments)	Reports with recommendations Compliance with accepted research and M&E standards	January 2010	7 reports were approved in January, 13 in February and 10 in March 2010 Delay in the timely finalisation of the 23 out of 30 M&E Reports was due to a variety of reasons, including the late submission of information requested from departments, difficulties in securing appointments with the Management Committee meetings of departments to present and discuss reports and the introduction of a new reporting format
	Consolidated M&E Report for the 2008/09 research cycle	Report with recommendations	August 2009	Report was approved by the PSC in December 2009 Delay in the timely finalisation of the Report was due to the amount of data that had to be processed

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance target	
			Target	Actual
Governance Monitoring (continued)	Consolidated M&E Report for Departments of Housing	Report with recommendations	January 2010	Draft Report was compiled in March 2010 Delay in the timely finalisation of the Report was due to the late approval of the individual M&E reports, as content of the Report is sourced from them
	Consolidated M&E Report for the North West Province	Report with recommendations	January 2010	Draft Report was compiled in March 2010 Delay in the timely finalisation of the Report was due to the late approval of the individual M&E reports, as content of the Report is sourced from them
	SAMEA Conference: <ul style="list-style-type: none">• Conference hosted• Conference report completed	Report on SAMEA Conference	August 2009 October 2009	The conference was held in August 2009 Report on the conference was approved by the PSC in October 2009
	Monitoring the implementation of the PSC's recommendations to departments	Report with recommendations	July 2009	Report was approved by the PSC in October 2009 Delay in the timely finalisation of the Report was due to the slow feedback received from departments
	An assessment of selected management and administration practices at Local Government level	Report with recommendations	February 2010	Draft Report was compiled in March 2010 Delay in the timely finalisation of the Report was due to outstanding information from departments
	Dialogue on Poverty Reduction Strategies and Interventions: <ul style="list-style-type: none">• Dialogue hosted• Report produced	Report with recommendations	July 2009	A dialogue was held in August 2009 and the Report was approved by the PSC in October 2009
			August 2009	The dialogue was delayed due to difficulties in securing a suitable date in the diaries of high level participants in the dialogue. The Report was subsequently delayed as the dialogue only took place in August 2009

2.4.2 Sub-programme: Service Delivery and Compliance Evaluations



Dr Dovhani Mamphiswana
Chief Director

The PSC tailored its service delivery assessments to be in line with the 2010 State of the Public Service Report theme: *Integration, Coordination and Effective Public Service Delivery*, which it recognised as important for the successful hosting of the 2010 FIFA World Cup that the country will host. The PSC is of the view that effective service delivery can take place where there is integration and coordination, and government alone can never have adequate resources to successfully meet all the needs of its citizens. It is therefore important that resource mobilisation be conducted through integrated and coordinated manner to ensure sustainable service delivery.

In line with the 2010 SOPS theme, the PSC assessed the effectiveness of Thusong Service Centres (TSCs) in integrated service delivery. The findings showed amongst others that the TSCs have since their establishment contributed significantly towards availability and accessibility of services for various communities across the country. However, there are still challenges with regard to the integration of service delivery in the respective TSCs with many still operating in silos without clear guidelines that spell out

how they should work together in an integrated and coordinated manner.

Purpose

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

Measurable objectives

The main objectives of the sub-programme are to:

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

2.4.2.1 Service delivery objectives and indicators

The PSC realised a need to ensure that the model on which its citizen satisfaction surveys are based is improved and that such improvement is guided by what South African citizens regard as important when they make judgments about the quality of Public Services. Accordingly, the PSC developed South African-specific key drivers of citizen satisfaction and piloted them with selected departments. The findings showed that both the service delivery experts and the service users found the drivers to be relevant to the South African context and appropriate to determine South Africans' level of satisfaction with the delivery of Public Services. Timeliness in the delivery of services was ranked as the most important driver of citizen satisfaction, whereas value for money was in service delivery the least important. The overall average level of satisfaction across all six departments that participated in the survey was 69.8%.

An important part of the PSC's work also involves conducting on-site inspections of service delivery sites. Such inspections have become one of the PSC's key mechanisms of reinforcing accountability across the Public Service. During the year under review, the PSC continued to intensify its programme on service delivery

inspections in the departments of health focusing on clinics as service delivery points of the primary health care. These inspections provided the PSC with first hand information about the state of the clinics as health care facilities. Recommendations were made to assist the departments to improve the functioning and conditions of the facilities and the nature of services provided by clinics.

In addition, the PSC has over the years conducted studies to assess the state of public participation in the Public Service. Most of the studies found, amongst others, that although departments have a common understanding of public participation and the benefits of implementing such a process, it is not institutionalised in

departments and that clear guidelines or policies have not been developed to direct departments' efforts to improve upon how they conduct public participation. Such guidelines would inform departments' strategies to engage with citizens in policy-making and service delivery initiatives. Guidelines on public participation would also ensure focused implementation of participation initiatives in the Public Service. The PSC's studies on public participation, identified a lack of departmental guidelines on public participation. Based on this assessment, the PSC developed a good practice template on public participation. The PSC hopes that the template will be used by departments to develop their own guidelines.

2.4.2.2 Service delivery achievements

Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance target	
			Target	Actual
Performance as per workplan for 2009/2010				
Service Delivery and Compliance Evaluations	Develop a set of key drivers of citizen satisfaction and pilot with selected departments	Report with recommendations	March 2010	Draft Report was compiled in March 2010 Delay in the timely finalisation of the Report was as a result of the nature of the findings of the study that needed triangulation with those of the previous studies conducted by the PSC
	Consolidated Report on Inspections in the South African Police Service	Report with recommendations	June 2009	Report was approved by the PSC in August 2009 Delay in the timely finalisation of the Report was due to the need to have the information contained in Report verified with senior officials from the Department of Police to ensure there is no security breach
	Service delivery inspections conducted in the departments of health (focusing on clinics)	Report with recommendations	November 2009	10 individual inspection reports were approved by the PSC in December 2009 Delay in the timely finalisation of the Report was due to the need to triangulate information contained in the Reports with the documents from the Department of Health

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance target	
			Target	Actual
Service Delivery and Compliance Evaluations (continued)	Promote Public Participation:	Template produced	February 2010	The template guide was compiled in February 2010 and approved by the PSC in March 2010
	• Template on Public Participation			
	• Support implementation of the Citizens' Forums toolkit	Support provided	March 2010	No request for support was received
	• Assess the effectiveness of Thusong Centres in integrated service delivery	Report with recommendations	December 2009	Report was approved by the PSC in March 2010 Delays were experienced in obtaining reports on Thusong Service Centres from other departments, which led to the delay in finalising the Report
	Evaluate the impact of the implementation of the <i>Batho Pele</i> principles on Public Service Delivery (depending on donor funding)	Report with recommendations	March 2010	Plenary approved that the project be deferred to the 2010/11 financial year due to the lack of funding
	Coordinate the PSC's support to the Southern Sudan Civil Service Commission	Report on the nature and extent of support provided	December 2009	No activity took place during the 2009/10 financial year

2.5 PROGRAMME 4: INTEGRITY AND ANTI-CORRUPTION



Mr Admill Simpson
Deputy Director-General until February 2010

The **purpose** of this programme is to enable the PSC to undertake public administration investigations, promote a high standard of professional ethical conduct amongst public servants and contribute to the prevention and combating of corruption.

The **measurable objective** of this programme is to combat corruption and maladministration, and promote professional ethics in the Public Service.

The programme is divided into two sub-programmes, namely: Public Administration Investigations and Professional Ethics.

2.5.1 Sub-programme: Public Administration Investigations



Ms Faith Mashikinya
Acting Chief Director

The PSC conducts public administration investigations of own accord, or on receipt of complaints lodged by public servants and the public through various access mechanisms, and following requests by the Executive, Parliament and the Provincial Legislatures. The demands on the PSC to conduct investigations have increased over the past few years. These investigations relate to maladministration, allegations of corruption and poor service delivery. Through investigations, the PSC reports on compliance with national norms and standards, provide advice on best practice and recommend corrective actions that must be undertaken by departments. Such reports do not only provide valuable information to Parliament and the Provincial Legislatures in performing their oversight responsibilities, but also serve as vehicles through which best practice is promoted in the Public Service.

To facilitate the reporting of complaints regarding irregularities in public administration practices, the PSC has Gazetted the Complaints Rules through which public servants and members of the public can lodge their complaints. Complaints are also lodged through the NACH. Although the NACH was intended for the

reporting of corruption related cases, callers also make use of the toll-free number to complain about issues relating to human resource practices, unethical behaviour, poor service delivery and labour relations. The PSC has a responsibility to investigate such complaints and to provide feedback to callers. In order to maintain the credibility of the access mechanisms created, investigative capacity within the PSC will have to be bolstered.

Purpose

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

Measurable objectives

The main objectives of the sub-programme are to:

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

2.5.1.1 Service delivery objectives and indicators

The PSC has witnessed an increase in the number of complaints lodged through the Complaints Rules and the NACH. Since the inception of the Complaints Rules, the number of complaints dealt with by the PSC has risen by 313%, from 45 in 2004/2005 to 186 in 2008/2009. Unfortunately, the increase in the number of complaints has not been matched with an increase in resources, especially investigative capacity. In this regard, the PSC has to rely more on desktop investigations based on documentary evidence submitted by departments instead of full scale investigations, as a coping mechanism. In an endeavour to continuously strive to expedite the finalisation of investigations, the PSC has undertaken a review of its Protocol Document on Conducting of Public Administration Investigations. The review proved fruitful as the PSC finalised more cases during the period under review as compared to the previous financial years.

Complaints lodged with the PSC in terms of the Complaints Rules

In **Chart 6**, a distinction is drawn between the total number of complaints lodged with the PSC during the 2009/10 financial year and those that were carried over from the previous financial years.

Chart 6: Status of complaints lodged with the PSC in terms of the Complaints Rules

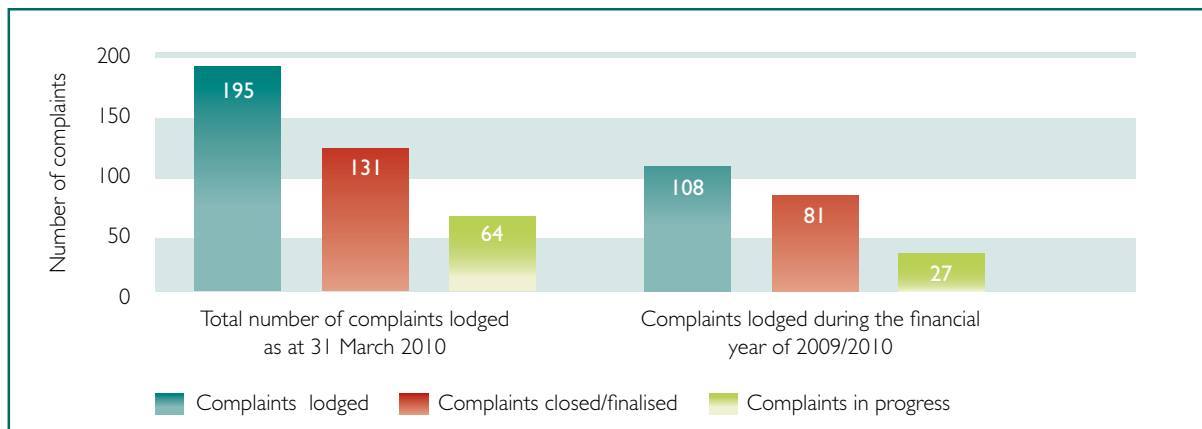
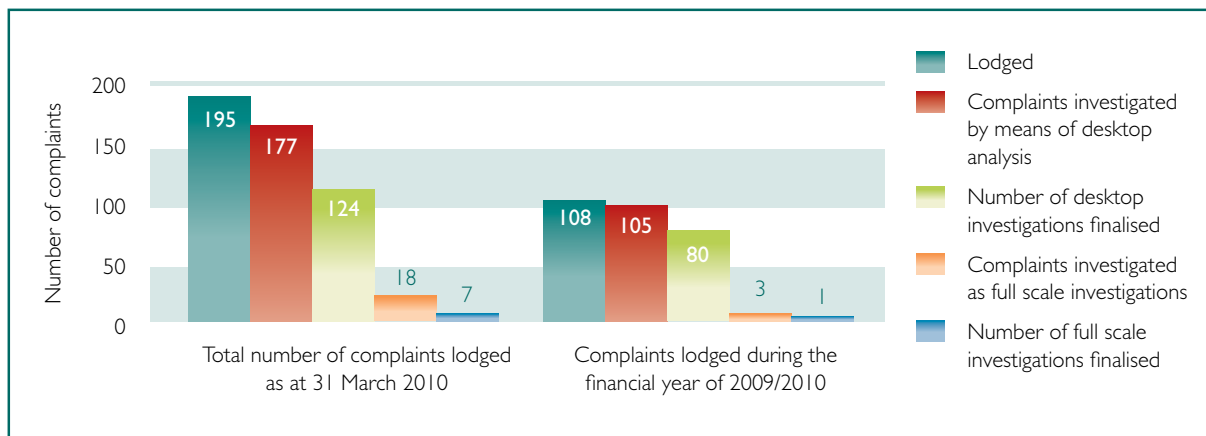


Chart 6 indicates that as at 31 March 2010, a total of 195 complaints/requests for investigations were lodged with the PSC in terms of the Complaints Rules, of which 108 were lodged during the 2009/2010 financial year. Eighty seven of these cases were carried over from the previous financial years. Of the 195 complaints lodged as at 31 March 2010, 131 (67,2%) have been closed/finalised, and where applicable, findings and recommendations were provided to departments. Sixty four (32,8%) cases were still in progress as a result of outstanding documents requested from departments. Of the 108 cases lodged during the 2009/10 financial year, 81 (75%) were closed/finalised and 27 (25%) cases were still pending due to outstanding documentation from departments.

Certain cases require more in-depth investigations (full scale investigations) where terms of reference for such investigations are compiled whilst others are investigated by means of a desktop analysis of the documentation available. The decision to conduct a full scale investigation depends on criteria such as the seriousness of the allegation, financial implications, nature of the allegations and allegations pertaining to senior positions. **Chart 7** below provides an overview of the number of cases investigated as full scale investigations or desktop analysis.

Chart 7: Status of desktop analysis vs full scale investigations



Of the 195 complaints lodged with the PSC, 177 (90,8%) are being investigated by means of a desktop analysis whilst 18 (9,2%) cases are handled as full scale investigations. Of the 177 cases involving desktop analyses, 124 (70,1%) have been closed/finalised, whilst 7 (38,9%) of the 18 full scale investigations have been finalised.

Tables 4 and 5 reflect the names of the departments and the nature of the 18 full scale investigations that were handled during the year under review.

Table 4: Details of full scale investigations in progress during the 2009/2010 financial year

Sector	Institution	Summary of complaint
National	Home Affairs	Alleged irregular appointment and corruption at Government Printing Works
National	Public Works	Allegations regarding irregular filling of posts, awarding of contracts, disposing of land and overseas travels
Eastern Cape	Health	Alleged maladministration in the Eastern Cape Public Hospitals
	Transport	Alleged irregular appointment and management practices
Gauteng	Health	Alleged irregular appointment and labour relations practices
	Health	Alleged irregular practices at the Fostateng Wards of the Johannesburg Hospital

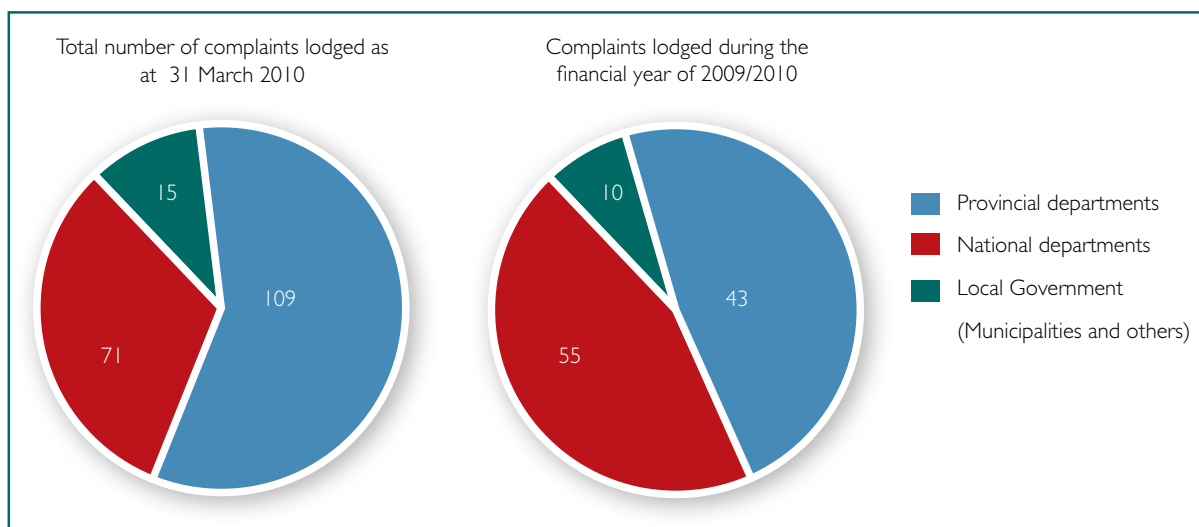
Sector	Institution	Summary of complaint
KwaZulu-Natal	Finance and Economic Development	Alleged corruption and appointment irregularities
	Agriculture	Alleged victimisation
	Arts, Culture, Sport and Recreation	Alleged unethical behaviour
	Social Development	Alleged misuse of departmental assets and a conflict of interest involving Supply Chain Management staff and contractors
Limpopo	Sport, Arts & Culture	Allegations of maladministration

Table 5: Details of full scale investigations finalised during the 2009/2010 financial year

Sector	Institution	Summary of complaint
National	Communications	Alleged irregular promotion of a Deputy Director-General and a Director
Eastern Cape	Health	Complaint lodged against the Chief Executive Officer of the East London Hospital
	Economic Affairs, Environment and Tourism	Complaint lodged against the Member of the Executive Council, Chief Financial Officer and certain staff
	Safety & Liaison	Allegations of irregular appointment and management practices
	Education	Alleged unethical behaviour
Gauteng	Public Transport, Roads and Works	Alleged irregular appointments and misuse of state property and funds
KwaZulu-Natal	Arts, Culture, Sport and Recreation	Allegations of corruption and irregularities

Complaints lodged with the PSC in terms of the Complaints Rules primarily involve three sectors, namely, departments at national level, provincial level and local government (municipalities). The involvement of these sectors is indicated in **Chart 8** below.

Chart 8: The sectors involved in the complaints lodged with the PSC in terms of the Complaints Rules



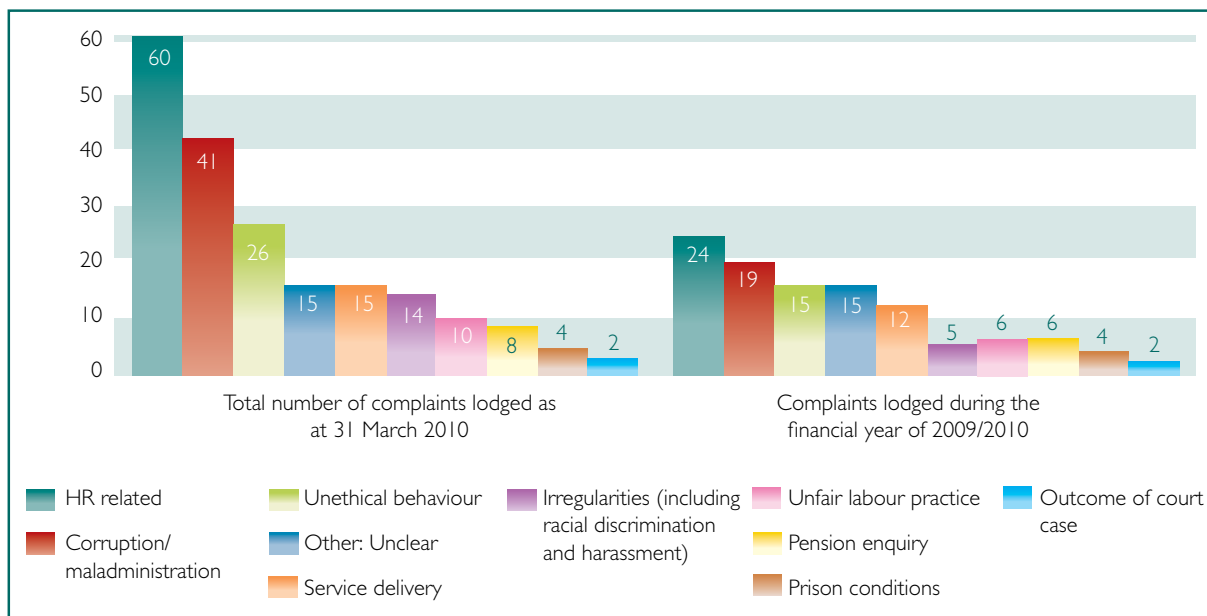
Of the 195 complaints lodged with the PSC as at 31 March 2010, 71 (36,4%) were in respect of national departments, 109 (55,9%) of provincial departments whilst 15 (7,7%) were in respect of local government (municipalities) and others.

With regard to the cases lodged with the PSC during the 2009/2010 financial year, 55 (50,9%) complaints related to the national departments 43 (39,8%) to provincial departments and 10 (9,3%) related to local government (municipalities) and others, respectively as portrayed in Chart 8 on the previous page.

As far as the nature of complaints lodged with the PSC, human resource related complaints (e.g. irregular filling of posts), corruption/maladministration and unethical behaviour (e.g. unacceptable conduct of staff) represented the bulk of the complaints (see **Chart 9**).

Of the 195 complaints lodged with the PSC, 60 (30,8%) were human resource related, 41 (21%) represented corruption/maladministration and 26 (13,3%) were related to unethical behaviour of departmental staff. Together these complaints represent 65,1% of the complaints lodged with the PSC. The complaints lodged during the 2009/10 financial year exhibited a similar pattern as indicated in Chart 9 below.

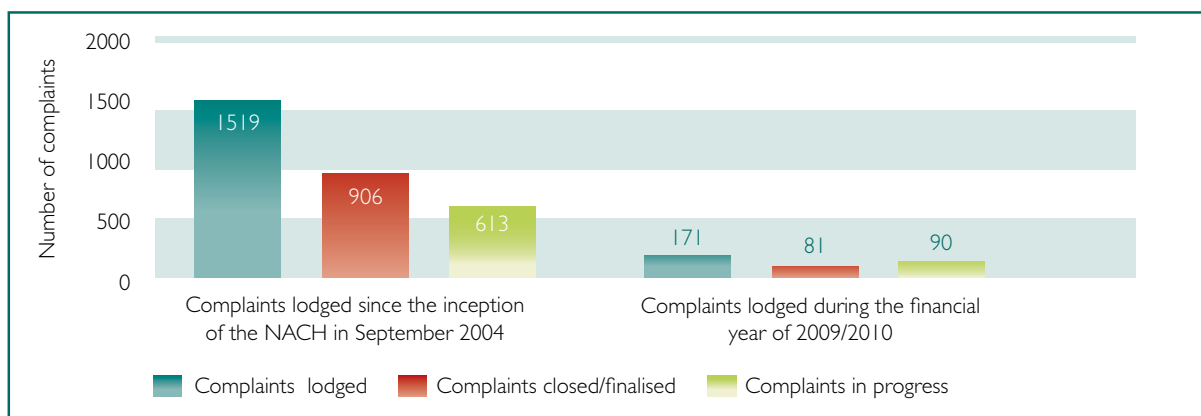
Chart 9: The nature of complaints lodged with the PSC in terms of the Complaints Rules



Complaints lodged with the PSC in terms of the NACH

Since the inception of the NACH in September 2004, 1 519 service delivery cases were lodged, of which 171 were received during the period under review. **Chart 10** on the next page provides an overview of the status of these cases lodged with the NACH.

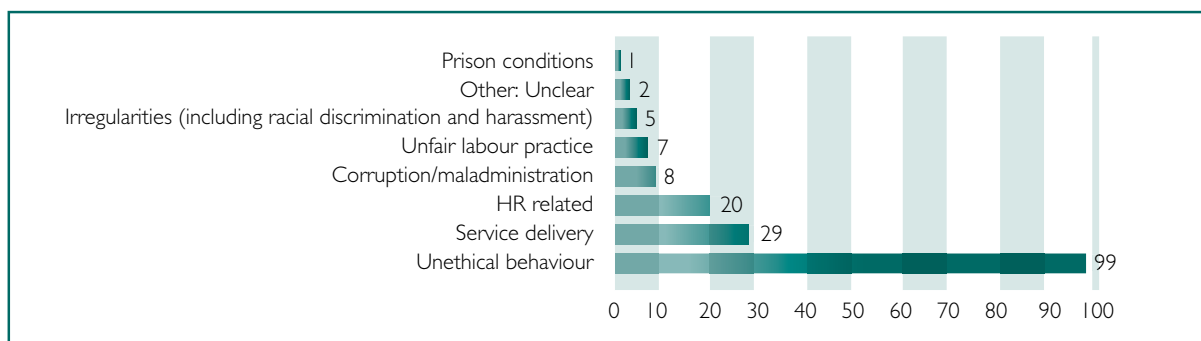
Chart 10: Number of complaints lodged with the PSC in terms of the NACH



The above chart indicates that of the 1 519 complaints lodged with the NACH since its inception, 906 (59,6%) cases have been closed/finalised, and where applicable, findings and recommendations were provided to departments. As a result of outstanding documents requested from departments in order to finalise investigations, 613 (40,4%) cases are still pending. Departments are required to provide feedback on the progress and outcome of the cases referred to them to enable the PSC to conduct an analysis and pronounce on its findings and make recommendations.

The nature of complaints lodged with the NACH during the 2009/10 financial year is dominated by complaints related to the unethical behaviour of staff. As indicated in **Chart 11** below, 99 (57,9%) of complaints related to unethical behaviour whilst 29 (17%) were poor service delivery related and 20 (11,7%) were in respect of human resource matters. These three represented 86,5% of the complaints lodged with the NACH.

Chart 11: The nature of complaints lodged with the PSC in terms of the NACH



In addition to investigations into public administration practices, two research projects were conducted. A Trends Analysis Report on Complaints Lodged with the PSC during the 2008/09 Financial Year was compiled. The aim of the Report was to provide a synopsis of the number of complaints lodged during the 2008/09 financial year, their origin, nature and status.

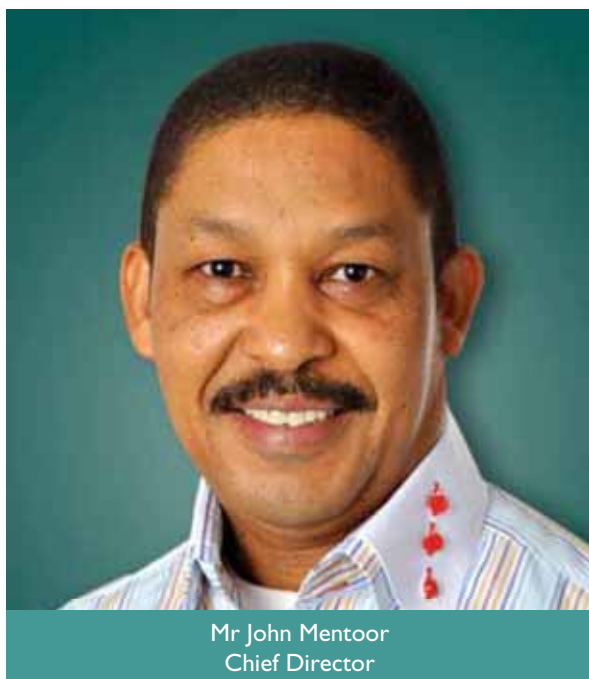
Another flagship project of the PSC is the annual overview of financial misconduct in the Public Service since the 2001/02 financial year. The increased transparency through the PSC's reports and overviews on financial misconduct provides a means to encourage better financial management, administration and public accountability. The Report on the Overview of Financial Misconduct for the 2008/09 Financial Year provides information on finalised financial misconduct cases reported to the PSC in terms of the Public Finance Management Act, 1999, and illustrates new trends in financial misconduct emerging within the Public Service.

2.5.1.2 Service delivery achievements

Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance target	
			Target	Actual
Performance as per workplan for 2009/2010				
Public Administration Investigations	Investigations of complaints lodged and requests emanating from:	Reports with findings and recommendations	March 2010	Complaints Rules cases:
	<ul style="list-style-type: none">The Commission (proactively)LegislaturesExecuting AuthoritiesPublic servantsAnonymous complaints/ whistle-blowing; e.g. National Anti-Corruption Hotline	Best practices are identified		<ul style="list-style-type: none">As at 31 March 2010, 195 complaints were lodged with the PSC, of which 87 cases were carried over from the previous financial years and 108 were lodged during the 2009/10 financial yearOf the 195 complaints lodged, 131 were finalised during the 2009/10 financial year. 64 cases were still in progress of which 47 cases were referred to departments <p>Full scale investigations:</p> <ul style="list-style-type: none">Of the 195 complaints lodged, 18 were full scale investigations of which 7 were finalised during the 2009/10 financial year. 11 full scale investigations were still in progress <p>Desktop investigations:</p> <ul style="list-style-type: none">Of the 195 complaints lodged, 177 were desktop investigations of which 124 were finalised during the 2009/10 financial year. 53 desktop investigations were still in progress <p>NACH cases (not corruption related):</p> <ul style="list-style-type: none">As at 31 March 2010, 945 NACH cases were lodged with the PSC of which 774 were carried over from the previous financial years and 171 were lodged during the 2009/10 financial yearOf the 945 NACH complaints lodged, 332 were finalised during the 2009/10 financial year whilst 613 were still in progress of which 559 cases were referred to departments

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance target	
			Target	Actual
Public Administration Investigations (continued)				<ul style="list-style-type: none"> Since the inception of the NACH in September 2004, 1 519 complaints were lodged of which 906 were finalised and 613 were still in progress
	Overview of Financial Misconduct for the 2008/2009 financial year	Report with recommendations	February 2010	<p>Draft Report was compiled in March 2010 and submitted to the PSC for approval in March 2010</p> <p>Delay in the timely finalisation of the Report was as a result of capacity constraints in key management positions in the OPSC</p>
	Trend Analysis on complaints lodged with the PSC during the 2008/2009 financial year	Fact sheet produced	September 2009	<p>Report was approved by the PSC in October 2009</p> <p>Delay in the timely finalisation of the Report was due to reprioritisation of work</p>
	Evaluation of supply chain management practices into the procurement of goods and services in selected departments focusing on general payments within the R200 000 threshold	Report with recommendations	June 2009	Report was approved by the PSC in June 2009

2.5.2 Sub-programme: Professional Ethics



As a developing country, South Africa needs public servants who are committed to the ideals of developing the country so that the needs of the majority can be met. Such commitment can only stem from a professionalism infused with the values of ethical conduct with the aim of placing the needs of citizens first. During the 2009/10 financial year, the PSC, through its constitutional mandate of promoting professional ethics encouraged such professionalism and commitment through its management of the National Anti-Corruption Hotline, the Financial Disclosure Framework and the promotion of professional ethics.

Purpose

The main aim of this sub-programme is to establish a culture of professional and ethical behaviour in the Public Service.

Measurable objectives

The main objectives of the sub-programme are to:

- Research and evaluate professional ethics and corruption prevention
- Monitor and raise awareness of conflict of interest issues among managers and manage the FDF
- Manage the NACH for the Public Service.

2.5.2.1 Service delivery objectives and indicators

During the year under review, the PSC assessed the state of professional ethics in the Western Cape as part of its approach to evaluating professional ethics in the Public Service. The assessment found that there is a distinct lack of investigative capacity in provincial departments in the Western Cape.

In the area of promoting professional ethics, a highlight proved to be a Roundtable on Professional Ethics, hosted jointly by the PSC and the University of Pretoria. The roundtable centred on managing conflicts of interest, professional conduct and anti-corruption strategies. Furthermore, the PSC has received recognition from Parliament and government departments, not only for its role in promoting integrity in the Public Service, but also for its role in harmonising the efforts of all sectors of society in combating and preventing corruption. As secretariat to the National Anti-Corruption Forum (NACF), an anti-corruption coalition that promotes dialogue and collective action against corruption amongst the different sectors of the South African society, the PSC was instrumental in drafting the Report on the Implementation of Resolutions made by Parliament and its Committees on Corruption on behalf of the NACF. The focus of this research report was to determine whether resolutions passed by Parliament in respect of corruption are being acted upon by departments and whether Parliament in exercising its oversight responsibilities is keeping departments and by extension, the Executive, accountable for their implementation.

An evolving integrity mechanism is the Financial Disclosure Framework in the Public Service which manages the potential conflicts of interest of senior managers. Financial disclosure forms are submitted by members of the SMS in April of each year to their Executive Authorities in respect of financial interests gained from 1 April of the previous year to 31 March of the year in question. The number of financial disclosure forms received and outstanding for the 2008/09 financial year is reflected in **Table 6** on the next page. As at 31 March 2010, 81% of all disclosures were received and there were 1 723 (19%) forms outstanding from provincial and national departments. The compliance rate was 83% for provinces and 79% for national departments.

Table 6: Number of Financial Disclosure Forms received and outstanding for the 2008/2009 financial year

National Department/ Province	No. of SMS Members	No. of Forms Received	No. of Forms Outstanding	Percentage Received
National Departments	4 671	3 707	964	79%
Eastern Cape	675	521	154	77%
Free State	383	248	135	65%
Gauteng	992	796	196	80%
KwaZulu-Natal	715	539	176	75%
Limpopo	477	459	18	96%
Mpumalanga	316	236	80	75%
Northern Cape	196	196	0	100%
North West	306	306	0	100%
Western Cape	404	404	0	100%
Overall Provincial Submission	4 464	3 705	759	83%
Country Average	9 135	7 412	1 723	81%

Apart from keeping a register of financial disclosures received, the PSC also scrutinises such disclosures to identify potential conflicts of interest. The PSC produced a Report on the Assessment of the Disclosures of Heads of Provincial Departments. The assessment revealed that out of a sample of 150, forty-two (42) HoDs did not submit their disclosure forms to the PSC. The assessment further revealed that the financial interests of fifty (50) i.e. 33% of the HoDs, present a potential conflict of interests to their departments. Moreover, forty-eight (48), i.e. 32% of HoDs did not disclose some of their directorships and/or partnerships in private companies/close corporations. The fact that 33% of all HoDs that formed part of the sample may experience potential conflicts of interest illustrates the importance of a system such as the FDF as a mechanism to prevent corruption.

In addition to managing the Financial Disclosure Framework, the PSC also manages the NACH. The need for the NACH is exemplified in the fact that it must be understood that citizens do not only want to be consulted, they also need a facility to report wrongdoing. Therefore, the NACH is a key instrument in promoting integrity in the Public Service. In addition to providing a mechanism for the safe and anonymous reporting of corruption, the NACH

also creates opportunities for different role-players (e.g. departments) to co-operate more efficiently in receiving and investigating cases of alleged corruption. Various forms of allegations of corruption are being reported to the NACH. These include fraud, bribery, abuse of school funds, social grant fraud and nepotism. Since the inception of the NACH there has been a significant increase in the number of cases reported to the NACH as reflected in **Table 7** on the next page.

Table 7: Breakdown of cases of alleged corruption logged on the CMS as at 31 March 2010

Cases referred to Departments	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	TOTAL
Provincial Departments	390	498	566	747	868	744	3 813
National Departments	207	540	542	653	877	612	3 431
Public Bodies	3	8	19	69	112	74	285
TOTAL	600	1 046	1 127	1 469	1 857	1 430	7 529
Feedback received	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	TOTAL
Provincial Departments	316	246	293	264	207	112	1 438
National Departments	114	174	259	365	291	36	1 239
Public Bodies	3	11	7	8	9	2	40
TOTAL	433	431	559	637	507	150	2 717
Cases closed	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	TOTAL
Provincial Departments	92	107	108	152	131	75	665
National Departments	51	127	135	214	195	30	752
Public Bodies	1	3	3	3	4	2	16
TOTAL	144	237	246	369	330	107	1433

Of the 7 529 cases received and referred to departments since the inception of the NACH, 1 433 cases have been resolved and closed on the Case Management System of the NACH following investigation. A total of 6 096 cases is still unresolved, illustrating the validity of the PSC's concern regarding investigative capacity in departments. The problem of investigative capacity is compounded by the fact that in a research study conducted during the 2008/09 financial year, the PSC found that departments do not have appropriate structures or specialised units to deal with cases of alleged corruption as required by the Minimum Anti-Corruption Capabilities as set out by Cabinet. However, irrespective of these shortcomings, various successes have been achieved through the NACH. In this regard, thirty (30) officials have been arrested since the inception of the NACH. Twenty (20) cases resulted in prosecution with officials being sentenced to prison terms in two of the cases. In a further six (6) cases prosecution is pending. Prosecution was declined in five (5) cases. As a result of the successful investigation of cases, 251 officials

were found guilty of misconduct. Of these cases, 45 officials were suspended, 120 officials were given final written warnings and 86 officials were dismissed. The successful investigation of cases resulted in the recovery of R100 million from perpetrators.

2.5.2.2 Service delivery achievements

Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
Performance as per workplan for 2009/2010				
Professional Ethics	Management of Asset Register:		March 2010	As at 31 March 2010, a total of 7 412 forms (81%) were submitted and 1 723 forms (19%) were outstanding
	<ul style="list-style-type: none">Monitor compliance rate of the Financial Disclosure Framework (FDF)	Fact sheet produced	August 2009	<p>Draft Fact Sheet was compiled in September 2009 and approved by the PSC in October 2009</p> <p>Delay in the timely finalisation of the Report was as a result of undertaking an additional project titled: <i>Assessment of the Disclosure Forms of Heads of Provincial Departments</i>, which was not part of the workplan</p>
	<ul style="list-style-type: none">Scrutinise disclosure forms for conflict of interest	<p>30% of forms scrutinised</p> <p>Advice provided to EAs</p>	December 2009	30% of forms were scrutinised and advice was provided to EAs
	<ul style="list-style-type: none">Assessment of the Disclosure Forms of Heads of Provincial Departments	Report with recommendations	February 2010	<p>Report was approved by the PSC in February 2010</p> <p><i>Additional project undertaken which was not part of the workplan</i></p>
	<ul style="list-style-type: none">Assess the implementation of the FDF	Report with recommendations	December 2009	<p>Report was submitted to the PSC for approval in March 2010</p> <p>Delay in the timely finalisation of the Report was as a result of undertaking an additional project, which was not part of the workplan</p>
	A comparative study between South Africa and selected SADC countries on the management of conflicts of interest through financial disclosures (dependent on donor funding)	Report with recommendations	March 2010	The project was deferred to the 2010/11 financial year due to the lack of funding

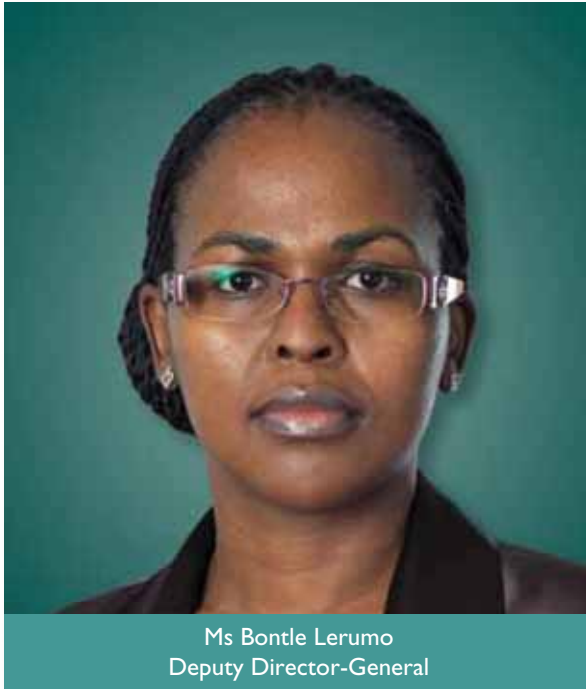
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Professional Ethics (continued)	Management of the National Anti-Corruption Hotline (NACH): • Effective Call Centre	Case referral system in place	March 2010	1 340 cases of alleged corruption were referred in line with agreed protocols to departments
	• Management of Case Management System (CMS)	Report with findings and recommendations	March 2010	<ul style="list-style-type: none"> 1 340 cases were received and referred to departments Feedback was received from departments on 538 cases and analysed 319 cases were closed following investigation Analyses was done on 902 cases and after approval by the PSC, it was referred to departments for investigation
	• Pilot a web-enabled system in selected departments	Pilot of system undertaken	March 2010	<p>Development of web-enabled system finalised in August 2009. The PSC approved the user manual of the system as well as the website and SMS facility in August 2009</p> <p>Pilot of system could not be undertaken due to insufficient funds</p>
	Profiling and analysis of the most common manifestations of corruption and its related risks in the Public Service	Report with recommendations	December 2009	<p>Report was submitted to the PSC for approval in March 2010</p> <p>Delay in the timely finalisation of the Report was due to additional information required from the service provider</p>
	Evaluate the state of professional ethics in the Western Cape Province	Report with recommendations	January 2010	<p>Plenary approved that the finalisation of the Report be extended to March 2010 as the PSC had to engage with the Premier of the Western Cape on the objectives of the report</p> <p>Report was approved by the PSC in March 2010</p>

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Professional Ethics (continued)	<p>Serve as Secretariat to the National Anti-Corruption Forum:</p> <ul style="list-style-type: none"> Meeting preparation for NACF and Implementation Committee Liaison with stakeholders Report on annual activities of NACF (June 2008 – May 2009) Preparations for the hosting of the Fourth National Anti-Corruption Summit 	<p>Minutes of meetings approved</p> <p>Report with recommendations</p>	March 2010	<p>4 Implementation Committee, 2 EXCO and 1 NACF meetings were held. Minutes of the meetings were approved by the NACF</p> <p>Report on annual activities of the NACF (June 2008 – May 2009) not completed due to lack of inputs from sectors of the NACF</p> <p>Report on the Implementation of Resolutions made by Parliament and its Committees on Corruption approved by the PSC as secretariat of the NACF in June 2009</p> <p>The hosting of the Fourth National Anti-Corruption Summit was postponed to 2011 due to South Africa hosting the 2010 FIFA World Cup and the appointment of a new Chairperson, who needed to familiarise herself with the work of the NACF</p>
	<p>Co-ordinate the implementation of the National Anti-Corruption Programme (NACP):</p> <ul style="list-style-type: none"> Translate resolutions of Third Anti-Corruption in NACP Review of the NACF Facilitate development of a National Integrity System 	<p>Effective co-ordination of NACP</p> <p>Report with recommendations</p>	February 2010	<p>NACF approved the NACP in October 2009</p> <p>A workshop on the review of the NACF which was scheduled for November 2009 was postponed to the 2010/11 financial year as a result of the NACF sectors not agreeing on the objectives of the workshop</p> <p>Due to the late approval of the NACP, the project was moved to the 2010/11 financial year</p>

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Professional Ethics (continued)	Intensify ethics awareness in the Public Service	Promotional material produced and workshops held	December 2009	<p>No new promotional material were produced due to insufficient funding</p> <p>Successfully hosted International Anti-Corruption Day in partnership with United Nations Office on Drugs and Crime and the University of South Africa in December 2009. Various promotional material were distributed at the Special Roundtable on International Anti-Corruption Day</p> <p>Roundtable on the promotion of professional ethics in the Public Service was held in November 2009 and the Report on the roundtable was approved in March 2010</p>
	Development of an Integrity Barometer	Barometer developed	July 2009	<p>Concept document on the Integrity Barometer was compiled in November 2009 and approved by the PSC in December 2009</p> <p>Delay in the timely finalisation of the concept document was as a result of the lack of good practice examples</p>

Chapter Three

Human Resource Management Support



The statistics and information published in this chapter relate to the management of the OPSC. This is in compliance with the requirements in terms of Section 40 (1)(d)(i) of the Public Finance Management Act, 1999, read in conjunction with the Public Service Regulations Chapter I, Part III, paragraphs J.1 to 4.

3.1 SERVICE DELIVERY

The service delivery standards of the PSC are contained in its Service Delivery Improvement Plan (SDIP) for the 2009/2010 financial year. The SDIP is accessible on the PSC website (www.psc.gov.za). The following tables reflect the components of the SDIP as well as progress made in achieving the standards during the year under review.

Table 1.1 - Main services provided and standards

Key services	Clients	Current standard	Actual achievement against standards
Conduct research on labour relations issues and investigate grievances of public servants	Government departments	Report with findings and recommendations finalised 80% of all referred grievances finalised within three months from date of receipt of all relevant documentation	Fact Sheet on Grievance Resolution for the 2008/2009 Financial Year and a Report on the Assessment of the Public Service Education and Training Authority's Contribution towards the Development of Skills and Career Progression in the Public Service were finalised The PSC received 614 grievances. Of these, 84 (13.7%) grievances were not finalised due to incomplete information provided by departments. The remaining 530 (86.3%) grievances were finalised/ closed within three months
Improving and promoting Public Service Leadership	The Presidency Government departments Academia Non-governmental organisations Provincial Executive Councils	Report with findings and recommendations finalised	Consultative Report on the Appointment and Management of Heads of Department in the Public Service was finalised Report on the Effectiveness of Public Service Leadership in the Promotion of Intergovernmental Relations was produced

Key services	Clients	Current standard	Actual achievement against standards
			Report on the Implementation of Performance Management and Development System for Senior Managers in the Limpopo Province was submitted to the PSC for approval
Monitoring the Performance of Heads of Department	The Presidency Government departments Provincial Executive Councils	A fact sheet on progress made in the filling of the performance agreements of HoDs produced Advise to relevant Executive Authorities on the performance of their HoDs	Guidelines for the Evaluation of HoDs for the 2008/09 Financial Year were circulated to all stakeholders in September 2009 23 national and 48 provincial HoDs filed their PAs for the 2009/10 financial year 20 national and 33 provincial HoDs were evaluated for the 2007/08 cycle. 1 HoD was evaluated for the 2008/09 cycle
	Executive Authorities and HoDs	Advise to relevant Executive Authorities on the performance of their HoDs	A strategy for implementing the Organisational Performance Assessment Framework was submitted for approval
	The Presidency Government departments Academia Non-governmental organisations Provincial Executive Councils	Report with findings and recommendations finalised	The project on key leadership issues identified during HoD Evaluations was deferred to the 2010/11 financial year and was replaced with a review of the HoD evaluation process
Review the implementation of human resource practices through production of research reports and recommendations	The Presidency Government departments Academia Non-governmental organisations Provincial Executive Councils	Report with findings and recommendations finalised	Report on the Assessment of the State of Human Resource Management in the Public Service was finalised Report on the Evaluation of the Impact of the Policy and Procedure on Incapacity Leave and Ill-Health Retirement (PILIR) on Sick Leave Trends in the Public Service was compiled
Evaluation of departments against the values listed in section 195 of the Constitution	Government departments The Executive Parliament Provincial Legislatures The public domain (academics, civic society organisations)	Reports with findings and recommendations finalised	Thirty departmental M&E reports focusing on departments' compliance with the Constitutional values and principles of public administration was finalised The sixth Consolidated Public Service M&E report was finalised

Key services	Clients	Current standard	Actual achievement against standards
Evaluation of the State of the Public Service	Government departments The Executive Parliament Provincial Legislatures The public domain	Report with findings and recommendations finalised	The 2010 SOPS Report under the theme: <i>Integration, Coordination and Effective Public Service Delivery</i> was submitted to the PSC for approval
Evaluation of the success of identified government programmes	Government departments The Executive Parliament Provincial Legislatures The public domain	Reports with findings and recommendations finalised	Report on the Evaluation of Integration and Co-ordination in the Integrated Sustainable Rural Development Programme was finalised A dialogue on Poverty Reduction Strategies and Intervention was conducted with stakeholders. The report on the proceedings of the dialogues was produced Report on a Meta-Evaluation of the Mid-Term Review of the Expanded Public Works Programme was finalised
Evaluation of service delivery	Government departments The Executive Portfolio Committees Provincial Legislatures Academia Non-governmental organisations	Reports with findings and recommendations finalised	Inspections were conducted at selected health clinics and the reports were finalised Report on the Assessment of the Effectiveness of Thusong Service Centres in Integrated Service Delivery was finalised
Propose measures to ensure effective and efficient performance within the Public Service	Government departments The Executive Portfolio Committees Provincial Legislatures Academia Non-governmental organisations	Report with findings and recommendations finalised	Report on the Pilot of the Drivers in a Citizen Satisfaction Survey was submitted to the PSC for approval A Template on Developing Guidelines on Public Participation was finalised

Key services	Clients	Current standard	Actual achievement against standards
Investigate irregular or inefficient public administration practices	Government departments The Executive Portfolio Committees Provincial Legislatures Academia Non-governmental organisations	80% of investigations finalised within three months from the date of receipt of all documents Report with findings and recommendations finalised	124 desktop audits and 7 full scale investigations were closed/finalised. A further 11 full scale investigations and 53 desktop investigations were in progress 171 service delivery related complaints were received through the NACH during the reporting period. 332 cases were finalised which include cases that were carried over from the previous financial years The Trend Analysis on Complaints lodged with the PSC during the 2008/2009 Financial Year was finalised. The Report on the Evaluation of Supply Chain Management Practices into the Procurement of Goods and Services in selected Departments focusing on General Payments within the R200 000.00 Thresholds was finalised Report on the Overview of Financial Misconduct for the 2008/2009 Financial Year was submitted to the PSC for approval
Establish a culture of professional behaviour in the Public Service	The Executive Government departments Legislatures Complainants	Provide professional secretarial support to the National Anti-Corruption Forum Manage the extent of compliance to the Financial Disclosure Framework by members of the SMS Management of the National Anti-Corruption Hotline Successful hosting of workshops and report on proceedings Revise Code of Conduct and gazette in the Public Service Regulations Awareness created on professional ethics and anti-corruption	Secretarial services were provided to the NACF. Four NACF Implementation Committee, two EXCO and one NACF meetings were held An 81% compliance rate was achieved from departments with regard to the FDF In terms of the NACH, 1 340 cases of corruption were referred in line with the agreed protocols to departments Two workshops were held with provincial administrations on the management of the NACF Three workshops were held to promote the Code of Conduct Roundtable on the promotion of professional ethics in the Public Service was held and anti-corruption promotional material were distributed during the celebration

Key services	Clients	Current standard	Actual achievement against standards
Sound financial management	Commissioners OPSC staff Service providers Auditor-General National Treasury Government departments	Monitoring of expenditure and utilisation of budget within the budget allocation	The PSC received an unqualified audit report with a paragraph on "other matters" Eleven Budget Committee Meetings were held
Provide communication and information support by among others, marketing the work of the PSC through media campaign and exhibitions; and tabling and distribution of published reports	Commissioners OPSC staff	Media activities on selected PSC published reports held Tabling and timely distribution of PSC published reports	Media briefings were held and media releases on selected PSC published reports were issued to members of the media PSC reports were also tabled in Parliament and Provincial Legislatures timeously in accordance with Section 196(4)(e) of the Constitution, 1996. The reports were also placed on the website (www.psc.gov.za) for accessibility by the public
Manage, maintain and ensure efficient use of the overall IT infrastructure, systems and services	Commissioners OPSC staff	IT operations conducted in accordance with IT policies and best practices	Developed an electronic database system for the management of the Financial Disclosure Framework and also developed the myDG.gov blog. An SMS Technology to remind Heads of Department to file their PAs with the PSC was implemented
Recruitment and retention of competent staff to ensure service delivery in the OPSC	Appointment beneficiaries/appointees Programme managers	Recruitment and selection done in accordance with the Recruitment and Selection Policy	Compiled a Human Resource Plan Implementation Report for the 2009/10 financial year which emanated from the the Human Resource Plan covering the period 2008-2012 and was submitted to the DPSCA Vacant posts were filled timeously despite placing on hold the filling of some vacant posts during the third quarter of the 2009/10 financial year due to budgetary constraints. As at 31 March 2010, females represented 41% (16) of the total staff compliment of SMS members and the total number of females represented 55% (127) of the overall staff compliment The PSC currently employs five people with disabilities. This translates into 2.2% of the total staff compliment, thus exceeding the national target of 2% by 0.2%

Table 1.2 - Consultation arrangements with customers

Type of arrangement	Actual customers	Potential customers	Actual achievements
Meetings with stakeholders to explain PSC and discuss their expectations of PSC	The Executive Departments Legislatures Public servants Complainants	Consultative forums Institutions of democracy Organised labour Strategic partners Public	A roundtable discussion on SOPS was held in Pretoria Interim M&E findings were presented to top management of departments
Extensive engagement on terms of reference of projects, and conclusion of project on findings and recommendations	Executives Legislatures Departments	Executives Legislatures Departments	The PSC has engaged with various stakeholders including the Portfolio Committee on Public Service and Administration on its reports
Guidelines widely distributed to all stakeholders Continuous formal and informal engagement of all stakeholders by the OPSC to ensure smooth implementation of the HoD Evaluation Framework	The Executive Departments Legislatures HoDs	The Executive Departments Legislatures HoDs	Guidelines for the Evaluation of HoDs for the 2008/09 evaluation cycle were published in September 2009
Meeting with departments on grievance procedures and promotion of sound labour relations to ensure adherence to applicable prescripts	Departments	Organised labour Labour relations forum HoDs	Bilateral meetings were held with departments to inform them about the grievance procedures

Table 1.3 - Service delivery access strategy

Access strategy	Actual achievements
Departments are encouraged to ensure that an internal process up to the level of Executive Authority (EA) is exhausted before grievances are referred to the PSC	The PSC received 614 grievances and 298 cases were referred back to departments due to non-compliance with the Grievance Rules
Labour has been continuously advised on the importance of compliance with the Grievance Rules to ascertain that grievances are resolved in the shortest possible period. However, if there are delays even after referral of grievances back to departments, the PSC cautions the HoD about the powers to summons anyone and invokes these powers where necessary	Grievances that did not comply with the Grievance Rules were discussed in regular meetings held with relevant officials in the affected departments. Updates and comments were provided as well as follow-ups on the implementation of the recommendations. No summons were issued during the period under review due to higher compliance rate after indication of the caution on powers of the PSC to summons anyone
If the aggrieved remains dissatisfied and requests the EA to refer the matter to the PSC, the PSC should consider such grievances	96 cases were properly referred to the PSC, after internal procedures were exhausted

Access strategy	Actual achievements
Telephonic or written requests addressed to the PSC at its Office in Pretoria (head office) and regional offices. Reports and other published material are accessible to all stakeholders through a variety of media, e.g. print and internet and distributed to relevant stakeholders	Published reports were tabled in Parliament and Provincial Legislatures in accordance with Section 196(4)(e) of the Constitution, 1996. Selected PSC reports were also publicised through the media thereby reaching a wider audience
Depending on capacity of the Office, the PSC undertakes projects on request	During the period under review, the PSC continued to undertake <i>ad hoc</i> projects/investigations on request after extensive engagement on the terms of reference. At the end of each investigation, the findings were submitted to the relevant EAs for consideration. Upon receipt of comments by the EA, the final report with findings and recommendations was forwarded to the relevant Executive Authority for further comments. The PSC also monitored the implementation of recommendations
Reports are presented to Legislatures' Portfolio Committees at their behest	PSC reports were presented at various Parliamentary Portfolio Committees. Likewise, requests of Portfolio Committees for presentations were always met in spite of capacity challenges experienced during the period under review
Letters are written to all EAs outlining the process and advising them on what steps to take in complying with the requirements of the HoD Evaluation Framework. Continuous telephone contact with departments to ensure the smooth implementation of the Framework	Letters were sent to all EAs and HoDs advising them on the requirements of the HoD Evaluation Framework. An SMS technology was used to remind HoDs to submit their PAs to the PSC
Members of the public are able to report suspected acts of corruption in the Public Service through the National Anti-Corruption Hotline	Since its inception in September 2004, 7 439 cases of alleged corruption have been reported

Table 1.4 - Service information tool

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

Table 1.5 - Complaints mechanism

Complaints mechanism	Actual achievements
All complaints are recorded and responded to within the allocated time frames	Complaints with substance, including anonymous ones, were either referred to the relevant institutions (such as the Independent Complaints Directorate, the Auditor-General, the Human Rights Commission) or investigated within set targets in accordance with the Protocol for Conducting Public Administration Investigations by the PSC. Terms of reference and project proposals contained strict time frames. The Protocol Document on the Conducting of Public Administration Investigations was reviewed with the view to expedite the finalisation of complaints. The PSC also held a workshop to further expedite the finalisation of complaints

Complaints mechanism	Actual achievements
Complaints from the public are referred to the Public Protector	Given the overlap in the powers and functions of the PSC and the Public Protector (PP), as well as the optimal utilisation of resources, these institutions have entered into a Memorandum of Understanding (MoU) with regard to the handling of complaints. According to the MoU, the PSC shall investigate complaints by public servants whilst complaints emanating from the general public are referred to the PP for investigation. The complainants, where their identities are revealed, are informed of the referral of their complaints to the PP
The Guidelines contain a grievance mechanism for HoDs not satisfied with the process or its outcomes	The Grievance Rules for SMS members including HoDs were submitted to the DPSA for inclusion in the SMS Handbook. Pending the inclusion of the Grievance Rules, the PSC has not considered any grievances of HoDs

3.2 EXPENDITURE

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

Table 2.1 - Personnel costs by programme, 2009/2010

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	38 081	100	898	39 391	381
2. LMP	14 212	105	365	14 577	384
3. M&E	16 348	111	620	16 968	355
4. IAC	18 927	96	2 108	21 035	394
TOTAL	87 568	412	3 991	91 971	398

Table 2.2 - Personnel costs by salary band, 2009/2010

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total personnel expenditure	Number of employees
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	6 242	7	125	87 568	50
Highly skilled production (Levels 6-8)	9 228	10	181	87 568	51
Highly skilled supervision (Levels 9-12)	31 231	36	390	87 568	80
Senior management (Levels 13-16)	40 867	47	817	87 568	50
TOTAL	87 568	100	379	87 568	231

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

Table 2.3 - Salaries, overtime, home owners allowance and medical assistance by programme, 2009/2010

Programme	Salaries		Overtime		Home owners allowance (HOA)		Medical assistance		Total personnel Cost (R'000)
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost	
Programme 1	33 861	88.9	380	1	785	2	1 071	2.8	38 081
Programme 2	12 610	88.7	4	0.02	253	1.7	370	2.6	14 212
Programme 3	14 545	88.9	0	0	343	2	433	2.6	16 348
Programme 4	16 810	88.8	90	0.4	205	1	502	2.6	18 927
TOTAL	77 826	88.8	474	0.5	1 586	1.8	2 376	2.7	87 568

Table 2.4 - Salaries, overtime, home owners allowance and medical assistance by salary band, 2009/2010

Salary band	Salaries		Overtime		Home owners allowance		Medical assistance		Total personnel Cost (R'000)
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost	
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0	0	0
Skilled (Levels 3-5)	4 878	78	232	0.01	433	6.9	513	8.2	6 242
Highly skilled production (Levels 6-8)	8 760	94.9	83	0.8	394	4.2	503	5.4	9 228
Highly skilled supervision (Levels 9-12)	29 397	94	159	0.5	567	1.8	804	2.5	31 231
Senior management (Levels 13-16)	34 791	85	0	0	192	0.4	556	1.3	40 867
TOTAL	77 826	88.8	474	0.5	1 586	1.8	2 376	2.7	87 568

3.3 EMPLOYMENT AND VACANCIES

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

Table 3.1 - Employment and vacancies by programme, 31 March 2010

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
1. Programme 1	109	100	8.2	0
2. Programme 2	40	37	7.5	0
3. Programme 3	47	46	2.1	0
4. Programme 4	52	48	7.6	0
TOTAL	248	231	6.8	0

Table 3.2 - Employment and vacancies by salary band, 31 March 2010

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5) Permanent	53	49	7.5	0
Skilled (Levels 3-5) Temporary	0	0	0	0
Highly skilled production (Levels 6-8)	55	51	7.2	0
Highly skilled supervision (Levels 9-12)	82	81	1.2	0
Senior management (Levels 13-16) Permanent	58	50	13.7	0
TOTAL	248	231	6.8	0

Table 3.3 - Employment and vacancies by critical occupation, 31 March 2010

Critical occupation	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Administrative related, Permanent	4	4	0	0
Cleaner, Permanent	1	1	0	0
Switchboard operator, Permanent	1	1	0	0
Communication and information related, Permanent	2	2	0	0
Finance and economics related, Permanent	1	1	0	0
Financial and related professionals, Permanent	8	7	12.5	0
Financial clerks, Permanent	5	5	0	0
Head of Department	1	1	0	0
Human resources & organisation dev related, Permanent	30	30	0	0
Human resources clerks, Permanent	8	8	0	0
Human resources related, Permanent	43	41	4.6	0
Information technology, Permanent	1	1	0	0
Other communication related, Permanent	0	0	0	0
Library related personnel, Permanent	6	6	0	0
Driver, Permanent	1	1	0	0
Logistical support personnel, Permanent	6	5	16.6	0
Material recording and transport clerks, Permanent	4	4	0	0
Messengers, Permanent	0	0	0	0
Other administrative and related clerks, Permanent	2	2	0	0
Other administrative policy and related officers, Permanent	0	0	0	0
Other information technology personnel, Permanent	7	7	0	0
Others occupations, Permanent	0	0	0	0
Chairperson: PSC	1	1	0	0
Deputy Chairperson: PSC	1	1	0	0
Member: PSC	12	9	25	0
Secretaries, Permanent	49	44	10.2	0
Security officers, Permanent	11	11	0	0
Senior managers, Permanent	43	38	11.6	0
TOTAL	248	231	6.8	0

3.4 JOB EVALUATION

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

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

Table 4.1 - Job Evaluation, 1 April 2009 to 31 March 2010

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary band	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	53	3	5.6	0	0	0	0
Highly skilled production (Levels 6-8)	55	2	3.6	0	0	0	0
Highly skilled supervision (Levels 9-12)	82	0	0	0	0	0	0
Senior Management Service Band A	32	0	0	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	16	0	0	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
TOTAL	248	5	2	0	0	0	0

Table 4.2 - Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2009 to 31 March 2010

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

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

Table 4.3

Total number of employees whose salaries exceeded the grades determined by job evaluation in 2009/2010	None
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Table 4.4 indicates the beneficiaries of the above in terms of race, gender and disability.

Table 4.4 - Profile of employees whose salary levels exceed the grade determined by job evaluation, 1 April 2009 to 31 March 2010 (in terms of PSR 1.V.C.3)

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

3.5 EMPLOYMENT CHANGES

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

Table 5.1 - Annual turnover rates by salary band for the period 1 April 2009 to 31 March 2010

Salary band	Number of employees per band as on 31 March 2010	Appointments and transfers to the PSC	Terminations and transfers from the PSC	Turnover rate
Lower skilled (Levels 1-2) Permanent	0	0	0	0
Skilled (Levels 3-5) Permanent	50	10	6	12
Highly skilled production (Levels 6-8) Permanent	51	9	6	11.7
Highly skilled supervision (Levels 9-12) Permanent	80	16	4	5
Senior Management Service Band A Permanent	30	0	1	3.3
Senior Management Service Band B Permanent	6	0	1	16.6
Senior Management Service Band C Permanent	11	5	6	54.5
Senior Management Service Band D	3	0	2	66.6
TOTAL	231	40	26	11.2

Table 5.2 - Annual turnover rates by critical occupation for the period 1 April 2009 to 31 March 2010

Occupation	Number of employees per occupation as on 31 March 2010	Appointments and transfers to the PSC	Terminations and transfers from the PSC	Turnover rate
Administrative related, Permanent	4	0	0	0
Cleaner, Permanent	1	0	0	0
Switchboard operator, Permanent	1	0	0	0
Communication and information related, Permanent	2	1	1	50
Finance and economics related, Permanent	1	0	0	0
Financial and related professionals, Permanent	7	3	0	0
Financial clerks, Permanent	5	0	0	0
Human resources & organisation dev related, Permanent	30	2	2	6.6
Human resources clerks, Permanent	8	0	0	0
Messenger	0	0	1	100
Human resources related, Permanent	41	12	3	7.3
Library related personnel, Permanent	6	0	0	0
Logistical support personnel, Permanent	5	2	1	20
Material recording and transport clerks, Permanent	4	0	1	25
Driver	1	0	0	0
Other administrative and related clerks, Permanent	2	0	0	0
Information technology, Permanent	1	0	0	0
Other administrative policy and related officers, Permanent	0	0	0	0
Other information technology personnel, Permanent	7	0	0	0
Secretaries, Permanent	44	12	5	11.3
Security officers, Permanent	11	3	2	18.1
Senior managers, Permanent	38	0	3	7.8
Head of Department	1	0	1	100
Chairperson: PSC	1	0	1	100
Deputy Chairperson: PSC	1	0	0	0
Member: PSC	9	5	5	55.5
TOTAL	231	40	26	11.2

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

Table 5.3 - Reasons why staff are leaving the OPSC

Termination type	Number	% of total	% of total employment
Death	2	12.5	0.8
Resignation, Permanent	7	43.8	3
Expiry of contract, Permanent	6	37.5	2.5
Retirement	0	0	0
Ill-health Retirement	0	0	0
Other, Permanent	1	6.2	0.4
TOTAL	16	100	6.9

Table 5.4 - Promotions by critical occupation

Occupation	Employees as at 1 April 2010	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative related	4	0	0	3	75
Cleaner	1	0	0	1	100
Switchboard operator	1	0	0	1	100
Communication and information related	2	1	50	1	50
Finance and economics related	1	0	0	1	100
Financial and related professionals	7	0	0	5	71.4
Financial clerks	5	0	0	3	60
Head of Department & DDG's	3	1	33.3	2	66.6
Human resources & organisation dev related	30	0	0	16	53.3
Human resources clerks	8	0	0	4	50
Human resources related	41	10	24.3	16	39
Library related personnel	6	0	0	0	0
Logistical support personnel	5	0	0	5	100
Material recording and transport clerks	4	0	0	3	75
Driver	1	0	0	1	100
Other administrative and related clerks	2	0	0	1	50
Information technology, Permanent	1	1	100	0	0

Occupation	Employees as at 1 April 2010	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
Other administrative policy and related officers	0	0	0	0	0
Other information technology personnel	7	2	28.5	1	14.2
Secretaries	44	1	2.2	24	54.5
Security officers	11	0	0	9	81.8
Senior managers	36	3	8.3	33	91.6
Chairperson: PSC	1	1	100	0	0
Deputy Chairperson: PSC	1	1	100	0	0
Member: PSC	9	0	0	0	0
Messenger	0	0	0	1	0
TOTAL	231	21	9	131	56.7

Table 5.5 - Promotions by salary band

Salary band	Employees as at 1 April 2010	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	0	0	0	0	0
Lower skilled (Levels 1-2) Temporary	0	0	0	0	0
Skilled (Levels 3-5)	50	0	0	35	70
Highly skilled production (Levels 6-8)	51	0	0	30	58.8
Highly skilled supervision (Levels 9-12)	80	15	18.7	31	38.7
Senior management (Levels 13-16)	50	6	12	35	70
TOTAL	231	21	9	131	56.7

Table 5.6 - Granting of employee severance packages for the period 1 April 2009 to 31 March 2010

Category	No of applications received	No of applications referred to the MPSA	No of applications supported by the MPSA	No of packages approved by the PSC
Lower Skilled (Salary Level 1-2)	0	0	0	0
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled production (Salary Level 6-8)	0	0	0	0
Highly Skilled production (Salary Level 9-12)	0	0	0	0
Senior Management (Salary Level 13-16)	1	1	1	1
TOTAL	1	1	1	1

3.6 EMPLOYMENT EQUITY

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

Table 6.1 - Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2010

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior managers	24	2	2	2	13	2	1	4	50
Middle managers	29	3	0	7	32	2	2	5	80
Administrative/clerks	16	0	0	1	28	1	2	3	51
Service and sales workers, Permanent	16	1	0	0	27	5	0	0	49
Elementary occupations	1	0	0	0	0	0	0	0	1
TOTAL	86	6	2	10	100	10	5	12	231
Employees with disabilities	1	0	0	1	2	1	0	0	5

Table 6.2 - Total number of employees (including employees with disabilities) in each of the following occupational band as on 31 March 2010

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	8	0	1	0	4	1	0	0	14
Senior management	16	2	1	2	9	1	1	4	36
Professionally qualified and experienced specialists and middle management	29	3	0	7	32	2	2	5	80
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	16	0	0	1	28	1	2	3	51
Semi-skilled and discretionary decision making	16	1	0	0	27	5	0	0	49
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
TOTAL	86	6	2	10	100	10	5	12	231

Employees with disabilities	1	0	0	1	2	1	0	0	5
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Table 6.3 - Recruitment for the period 1 April 2009 to 31 March 2010

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	3	0	0	0	1	1	0	0	5
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and middle management	5	1	0	0	10	1	0	0	17
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	3	0	1	0	6
Semi-skilled and discretionary decision making	1	0	0	0	10	1	0	0	12
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	11	1	0	0	24	3	1	0	40

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 2009 to 31 March 2010

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (15-16)	2	0	0	0	1	0	0	0	3
Senior management (13-14)	1	1	0	1	0	0	0	0	3
Professionally qualified and experienced specialists and middle management (9-12)	5	1	0	0	8	0	0	1	15
Skilled technical and academically qualified workers, junior management, supervisors (7-8)	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making (4-6)	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	8	2	0	1	9	0	0	1	21
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 6.5 - Terminations for the period 1 April 2009 to 31 March 2010

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	1	1	1	2	1	0	0	8
Senior management	0	0	1	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	2	0	0	0	2	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	2	0	0	0	5
Semi-skilled and discretionary decision making	2	0	0	0	5	0	0	0	7
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	9	1	2	1	12	1	0	0	26
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 6.6 - Disciplinary action for the period 1 April 2009 to 31 March 2010

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

Table 6.7 - Skills development for the period 1 April 2009 to 31 March 2010

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers (13-16)	10	1	2	1	5	0	0	1	20
Professionally qualified and experienced specialists and middle management (9-12)	4	0	0	0	12	0	2	1	19
Skilled technical, junior management and supervisors (7-8)	4	0	0	0	5	0	1	0	10
Semi-skilled workers (4-6)	3	0	0	0	6	0	0	0	9
Elementary occupations (1-3)	4	0	0	0	9	0	0	0	13
TOTAL	25	1	2	1	37	0	3	2	71

Employees with disabilities	1	0	0	0	0	1	0	0	2
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3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 7.1 - Signing of performance agreements by SMS members as on 30 September 2009

SMS level	Total number of funded SMS posts per level	Total number of SMS members per level	Total number of signed performance agreements per level	Signed performance agreements as % of total number of SMS members per level
Director-General/Head of Department	1	0	0	0
Salary level 16, but not HoD	2*	2	0	0
Salary level 15	16**	11	4	100
Salary level 14	7	7	7	100
Salary level 13	32	30	30	100
TOTAL	58	50	41	82

* Denotes posts of Commissioner.

** Included in the 16 posts are 12 posts of Commissioner, of which 5 was vacant.

Table 7.2 - Reasons for not having concluded performance agreements for all SMS members as on 30 September 2009

I. Not applicable as all performance agreements were concluded by 30 September 2009.

Table 7.3 - Disciplinary steps taken against SMS members for not having concluded performance agreements on 30 September 2009

I. Not applicable as all performance agreements were concluded by 30 September 2009.

3.8 FILLING OF SMS POSTS

Table 8.1 - SMS posts information as on 31 March 2010

SMS level	Total number of funded SMS posts per level	Total number of SMS posts filled per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/Head of Department	1	1	100	0	0
Salary level 16, but not HoD	2	2	100	0	0
Salary level 15	16	11	68.8	5	31.2
Salary level 14	7	6	85.8	1	14.2
Salary level 13	32	30	93.8	2	6.2
TOTAL	58	50	86.2	8	13.8

Table 8.2 - SMS posts information as on 30 September 2009

SMS level	Total number of funded SMS posts per level	Total number of SMS posts filled per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/Head of Department	1	0	0	1	100
Salary level 16, but not HoD	2*	2	100	0	0
Salary level 15	16**	11	68.8	5	31.2
Salary level 14	7	7	100	0	0
Salary level 13	32	30	93.8	2	6.2
TOTAL	58	50	86.2	8	13.8

* Denotes posts of Commissioner who are not required to sign performance agreements.

** Included in the 16 posts are 12 posts of Commissioner who are not required to sign performance agreements.

Table 8.3 - Advertising and filling of SMS posts as on 31 March 2010

SMS level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/Head of Department	1	1	0
Salary level 16, but not HoD	0	0	0
Salary level 15	2	2	*3
Salary level 14	1	1	0
Salary level 13	1	1	1
TOTAL	5	5	4

* Commissioner posts.

Table 8.4 - Reasons for not having complied with the filling of funded vacant SMS posts – advertised within 6 months and filled within 12 months after becoming vacant

Reasons for vacancies not advertised within six months
1. Not applicable.
Reasons for vacancies not filled within 12 months
1. Commissioner posts are advertised by the National and Provincial Legislatures.
2. The filling of the post was pending the appointment of the Director-General.

Table 8.5 - Disciplinary steps taken for not complying with the prescribed timeframes for filling of SMS posts within 12 months

1. All SMS posts were filled within 12 months.
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3.9 PERFORMANCE REWARDS

The organisation has granted the following performance rewards during the year under review in its effort to encourage good performance. The information is categorised in terms of race, gender and disability (Table 9.1), salary band (Table 9.2) and critical occupations (Table 9.3).

Table 9.1 - Performance rewards by race, gender and disability, 1 April 2009 to 31 March 2010

	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost	Average cost per employee
African					
Male	30	85	35	676 841	22 561
Female	28	97	28.8	535 236	19 116

	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost	Average cost per employee
Asian					
Male	2	2	100	66 322	33 161
Female	1	5	20	36 697	36 697
Coloured					
Male	3	6	50	69 858	23 286
Female	2	9	22	19 568	9 784
White					
Male	5	10	50	169 263	33 863
Female	8	12	66.6	218 840	27 355
Employees with a disability	2	5	40	70 698	35 349
TOTAL	81	231	35	1 863 323	23 004

Table 9.2 - Performance rewards by salary band for personnel below Senior Management Service, 1 April 2009 to 31 March 2010

Salary band	Beneficiary profile				Average cost per employee
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost	
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	22	49	44.8	204 280	9 285
Highly skilled production (Levels 6-8)	19	51	37	298 888	15 731
Highly skilled supervision (Levels 9-12)	24	81	29.6	788 922	32 872
TOTAL	65	181	35.9	1 292 090	19 878

Table 9.3 - Performance rewards by critical occupation, 1 April 2009 to 31 March 2010

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost	Average cost per employee
Senior managers	16	50	32	511 239	35 702
Professionally qualified and experienced specialists and middle management	24	81	29.6	788 922	32 399
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	19	51	37	298 888	15 731
Semi-skilled and discretionary decision making	21	48	43.7	196 257	9 346
Unskilled and defined decision making	1	1	100	8 023	8 023
TOTAL	81	231	35	1 803 329	22 263

Table 9.4 - Performance related rewards (cash bonus), by salary band for SMS

Salary band	Beneficiary profile			Total cost	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	13	30	43	445 581	34 275	0.5
Band B	2	6	33	77 501	38 751	0.08
Band C	1	11	9	48 156	48 156	0.05
Band D	0	3	0	0	0	0
TOTAL	16	50	32	571 238	35 702	0.65

3.10 FOREIGN WORKERS

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

Table 10.1 - Foreign Workers, 1 April 2009 to 31 March 2010, by salary band

Salary band	1 April 2009		31 March 2010		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 10.2 - Foreign worker, 1 April 2009 to 31 March 2010, by major occupation

Major occupation	1 April 2009		31 March 2010		Change	
	Number	% of total	Number	% of total	Number	% change
Professionals and managers	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

3.11 LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2009 TO 31 DECEMBER 2009

The PSC 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 11.1) and disability leave (Table 11.2). In both cases, the estimated cost of the leave is also provided.

Table 11.1 - Sick leave, 1 January 2009 to 31 December 2009

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	300	79	38	18.6	8	86	237
Highly skilled production (Levels 6-8)	288	57.6	47	23	6	138	166
Highly skilled supervision (Levels 9-12)	422	79.6	63	30.9	7	516	336
Senior management (Levels 13-16)	278	86	35	17.2	8	781	239
TOTAL	1 288	75.9	183	17	29	1 521	978

Table 11.2 - Disability leave (temporary and permanent), 1 January 2009 to 31 December 2009

Salary band	Total days taken	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)	Total number of days with medical certification
Skilled (Levels 3-5)	0	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	18	100	1	20	18	10	18
Highly skilled supervision (Levels 9-12)	129	100	4	80	32	126	129
Senior management (Levels 13-16)	0	0	0	0	0	0	0
TOTAL	147	100	5	100	29	136	147

Table 11.3 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 11.3 - Annual leave, 1 January 2009 to 31 December 2009

Salary band	Total days taken	Average per employee	Employment
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	1 104	22	50
Highly skilled production (Levels 6-8)	1 209	24	51
Highly skilled supervision (Levels 9-12)	1 716	21	80
Senior management (Levels 13-16)	1 239	25	50
TOTAL	5 268	23	231

Table 11.4 - Capped leave, 1 January 2009 to 31 December 2009

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2009	Total number of capped leave available at 31 December 2009	Number of employees as at 31 December 2009
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	0	0	36	250	7
Highly skilled production (Levels 6-8)	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	31	6	48	1 949	41
Senior management (Levels 13-16)	3	3	80	2 326	29
TOTAL	34	5	59	4 525	77

Table 11.5 summarises payments made to employees as a result of leave that was not taken.

Table 11.5 - Leave payouts for the period 1 April 2009 to 31 March 2010

Reason	Total amount (R'000)	Number of employees	Average payment per employee
Capped leave payouts on termination of service for 2009/2010	256	18	14 222
Current leave payout on termination of service for 2009/2010	72	9	8 000
TOTAL	328	27	12 148

3.12 HIV/AIDS and Health Promotion Programmes

Table 12.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	0	Key steps taken to reduce the risk	None
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Table 12.2 - 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.5 (c) of Chapter I 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.	√		21 Employment Equity Consultative Forum Members
3. Has the department introduced an Employee Wellness 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 • 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 I of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		Mr HA Maluleke – Chairperson Mr JD Kgoedi – Deputy Chairperson Mr SW Ngema – Head Office Mr TJ Matlhare – Gauteng Ms T Moeeng – Head Office Mr M Dolamo – Mpumalanga Mr JS Hartzenberg – Head Office Ms B Sam – Northern Cape (until 7 August 2009) Ms JH Human – Head Office Ms LC Qithi – Free State

Question	Yes	No	Details, if yes
			Mr E Lamola – Head Office Ms DN Shazi – Head Office Mr BS Mdladla – KwaZulu-Natal Ms T Dibetle – Head Office Ms N Fumazele – Eastern Cape Mr AR Chauke – Limpopo Ms S Lahri – Head Office Ms C Gunn – Head Office Mr S Buso – Head Office Ms GL Kunene – Head Office Ms L Dambuza – Head Office Mr SS Malema – Head Office Ms MV Slier – Western Cape Ms Y Bloem – North West
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		1. HIV/AIDS and Employee Wellness Programme (EWP) Policies 2. Recruitment and Selection Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		1. HIV/AIDS and EWP Policies 2. Appointed Independent Counselling and Advisory Service (ICAS) to provide EWP to staff
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing (VCT)? If so, list the results that you have achieved.	√		Employees are encouraged to use facilities offered by ICAS
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		HIV/AIDS Programme Employee Wellness Programmes Quarterly reports from ICAS Smoking Policy Health Risk Assessment and VCT Draft Policy on Management of Substance Abuse (Alcohol and Drug) in the Workplace

3.13 LABOUR RELATIONS

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

Table 13.1 - Collective agreements, 1 April 2009 to 31 March 2010

Total collective agreements	0
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 13.2 - Misconduct and disciplinary hearings finalised, 1 April 2009 to 31 March 2010

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	1	33.34
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	33.33
Not guilty	1	33.33
Case withdrawn	0	0
TOTAL	3	100

Table 13.3 - Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Misrepresentation	1	100
TOTAL	1	100

Table 13.4 - Grievances lodged for the period 1 April 2009 to 31 March 2010

	Number	% of total
Number of grievances resolved	1	50
Number of grievances not resolved	1	50
TOTAL	2	100

Table 13.5 - Disputes lodged with Councils for the period 1 April 2009 to 31 March 2010

	Number	% of total
Number of disputes upheld	1	25
Number of disputes dismissed	3	75
TOTAL	4	100

Table 13.6 - Strike actions for the period 1 April 2009 to 31 March 2010

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 13.7 - Precautionary suspensions for the period 1 April 2009 to 31 March 2010

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

3.14 SKILLS DEVELOPMENT

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

Table 14.1 - Training needs identified for the period 1 April 2009 to 31 March 2010

Occupational categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learner-ships 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	1	0	0	0	0
	Male	0	0	0	0	0
Commissioners	Female	3	0	0	0	0
	Male	6	0	0	0	0
Director-General	Female	0	0	1	0	1
	Male	1	0	0	0	0
Deputy Director-General	Female	1	0	3	0	3
	Male	1	0	5	0	5
Chief Directors	Female	3	0	5	0	5
	Male	3	0	3	0	3
Directors	Female	12	0	21	0	21
	Male	18	0	27	0	27
Deputy Directors	Female	17	0	40	0	40
	Male	21	0	39	0	39
Assistant Directors	Female	18	0	22	0	22
	Male	19	0	24	0	24
Senior/State Accountants	Female	3	0	15	0	15
	Male	0	0	0	0	0

Occupational categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learner-ships identified	Skills programmes & other short courses	Other forms of training	Total
Accounting Clerk	Female	2	0	3	0	3
	Male	2	0	0	0	0
Chief Personnel Officer	Female	0	0	0	0	0
	Male	1	0	3	0	3
Principal Personnel Officer	Female	1	0	1	0	1
	Male	1	0	4	0	4
Personnel Officer	Female	1	0	3	0	3
	Male	3	0	10	0	10
Provisioning Administration Officer	Female	0	0	0	0	0
	Male	1	0	6	0	6
Provisioning Administration Clerk	Female	1	0	0	0	0
	Male	2	0	1	0	1
Document Clerk	Female	1	0	3	0	3
	Male	0	0	0	0	0
Communication Officer	Female	1	0	0	0	0
	Male	1	0	3	0	3
Registry Clerk	Female	1	0	3	0	3
	Male	0	0	0	0	0
Administrative Secretary	Female	43	0	108	0	108
	Male	1	0	5	0	5
Telecom Operator	Female	1	0	3	0	3
	Male	0	0	0	0	0
Library Assistant	Female	1	0	5	0	5
	Male	0	0	0	0	0
Administration Clerk	Female	0	0	10	0	10
	Male	3	0	3	0	3
General Aid	Female	3	0	11	0	11
	Male	4	0	3	0	3
Typist	Female	0	0	0	0	0
	Male	0	0	0	0	0
Cleaner	Female	0	0	0	0	0
	Male	1	0	1	0	1

Occupational categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learner-ships identified	Skills programmes & other short courses	Other forms of training	Total
State Administration Officer	Female	3	0	4	0	4
	Male	2	0	0	0	0
Administration Officer	Female	2	0	2	0	2
	Male	0	0	0	0	0
Assistant Administration Officer	Female	0	0	0	0	0
	Male	0	0	0	0	0
Messenger	Female	0	0	0	0	0
	Male	0	0	2	0	2
Chief Accounting Clerk	Female	1	0	0	0	0
	Male	0	0	0	0	0
Human Resource Practitioners	Female	5	0	16	0	16
	Male	1	0	5	0	5
PC Specialist	Female	1	0	0	0	0
	Male	1	0	0	0	0
Security Administration/ Security Officer	Female	1	0	2	0	2
	Male	10	0	2	0	2
Sub Total	Female	127	0	281	0	281
	Male	104	0	146	0	146
TOTAL		231	0	427	0	427

Table 14.2 - Training provided for the period 1 April 2009 to 31 March 2010

Occupational categories	Gender	Number of employees as at 1 April 2010	Training provided within the reporting period			
			Learner-ships	Skills programmes & other short courses	Other forms of training	Total
Senior officials and managers	Female	20	0	6	0	6
	Male	30	0	14	0	14
Technicians and associate professionals	Female	41	0	15	0	15
	Male	39	0	4	0	4
Clerks	Female	34	0	12	0	12
	Male	17	0	5	0	5

Occupational categories	Gender	Number of employees as at 1 April 2010	Training provided within the reporting period			
			Learner-ships	Skills programmes & other short courses	Other forms of training	Total
Elementary occupations	Female	32	0	10	0	10
	Male	18	0	7	0	7
Sub Total	Female	127	0	43	0	43
	Male	104	0	30	0	30
TOTAL		231	0	73	0	73

3.15 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 15.1 - Injury on duty, 1 April 2009 to 31 March 2010

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

3.16 UTILISATION OF CONSULTANTS

Table 16.1 - 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
An Assessment of the Impact of the Work of the Public Service Commission on Public Policy and Practice in South Africa	2	90	478 800.00
Assessment on the State of Human Resource Management in the Public Service	1	45	342 000.00
Assessment of the Effectiveness of Public Service Leadership in the Promotion of Intergovernmental Relations	4	65	349 980.00
Profiling and Analysis of the most Common Manifestations of Corruption and its Related Risks in the Public Services	8	129	449 574.00

Project title	Total number of consultants that worked on the project	Duration: work days	Contract value in Rand
Total number of projects	Total individual consultants	Total duration: work days	Total contract value in Rand
4	12	400	1 945 880.00

Table 16.2 - 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
An Evaluation of Integration and Coordination in the Integrated Sustainable Rural Development Programme	44	80	2
An Assessment of the Impact of the Work of the Public Service Commission on Public Policy and Practice in South Africa	33	1	2
Assessment on the State of Human Resource Management in the Public Service	25.2	25.2	1
Assessment of the Effectiveness of Public Service Leadership in the Promotion of Intergovernmental Relations	55.1	55.1	1

Table 16.3 - 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
Citizen Satisfaction Survey based on the drivers of citizen satisfaction	5	50	GTZ 174 400.00
Total number of projects	Total individual consultants	Total duration: work days	Total contract value in Rand
1	5	50	174 400.00

Table 16.4 - 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
Citizen Satisfaction Survey based on the drivers of citizen satisfaction	0	60	3
Assessment of the Public Service Education and Training Authority's (PSETA) Contribution towards the Development of Skills and Career Progression Prospects in the Public Service	100	100	100

Chapter Four

Report by the Audit Committee

INTRODUCTION

We are pleased to present our report for the financial year ended 31 March 2010 in terms of the Public Finance Management Act, 1 of 1999 section 38 (1) a, 76 (4)d and 77, and Treasury Regulations 3.1.11.

AUDIT COMMITTEE MEMBERSHIP AND ATTENDANCE:

The Audit Committee consists of the members listed below, who are independent members, which is in line with the industry corporate governance practice. Consistent with the Audit Committee terms of reference, the Committee held 4 meetings for the year under review.

Name	No of meetings attended
Zienzile Musamirapamwe +	4
Thembisa Fuzani *	4
Viren Magan **	3
Linky Fosu ***	1
Paul Streng ***	1

+ Term of office as Chairperson expired on 14 December 2009

* Appointed Chairperson with effect from 15 December 2009

** Term of office expired on 31 December 2009

*** Appointed with effect from 18 November 2009

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee confirms that it has complied with its responsibilities arising from section 38(1) (a) of the Public Financial Management Act (PFMA) and Treasury Regulation 3.1.13.

In line with the approved terms of reference, the Audit Committee has regulated its affairs in compliance with the same and has discharged all its responsibilities as contained therein. The Audit Committee Charter is reviewed on an annual basis.

THE EFFECTIVENESS OF INTERNAL CONTROL

The review of the effectiveness of the system of internal control by the Audit Committee is informed by the reports submitted by Internal Audit and management, who are responsible for the development and maintenance of the internal control system. The quality reports submitted by Internal Audit and management have facilitated an effective oversight role by the Audit Committee.

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

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the management letter of the Auditor-General, it was noted that no significant or material non compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was efficient and effective.

Risk Management

The OPSC has a robust risk governance structure that incorporates a Fraud Prevention and Risk Management Committee, which is chaired by the Chief Financial Officer. All significant risk issues are escalated to the Audit Committee and risk mitigation actions subsequently monitored. A Risk Management Strategy was reviewed and implemented.

The OPSC risk profile is monitored on an on-going

basis in terms of its internal risk management processes. Further, risk management, compliance and whistle blowing reports are a permanent subject on the Audit Committee agenda. The Fraud Prevention Plan was reviewed and approved during the year under review.

To facilitate effective compliance monitoring, a regulatory universe was developed for subsequent compliance and monitoring through the internal audit process.

THE QUALITY OF MANAGEMENT AND MONTHLY/QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA AND THE DIVISION OF REVENUE ACT

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

EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

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

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



CHAIRPERSON OF THE AUDIT COMMITTEE

30 July 2010

Chapter Five

Annual Financial Statements

Annual Financial Statements for the year ended 31 March 2010

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5.1 REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2010

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

5.1.1 GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

Policy review and strategic issues facing the department

The following major changes to relevant policies and legislation will have an effect on the Public Service Commission's (PSC's) operation or will affect the PSC's operation in future:

The introduction of the Single Public Service as envisaged in the Public Administration Bill will have significant implications for the financial and human resource capacity of the PSC. The passing of the Bill will see the extension of the PSC's mandate to local government which means that the PSC would have to perform its oversight work in respect of local government as well. It is anticipated that this will result in a significant increase in the work of the PSC, and the PSC foresees that its ability to carry out this work will rely on substantial additional budgetary and human resources being made available.

The Public Service Act provides for Heads of Department (HoDs) to lodge grievances directly with the PSC. This section of the Public Service Act has not yet come into effect pending promulgation of the Rules for dealing with such grievances. The PSC has drafted Rules to give effect to the amendments to the Public Service Act, for dealing with grievances of HoDs. On inclusion of the Rules in the Senior Management Service (SMS) Handbook, the PSC will be involved in the resolution of the grievances of HoDs, and will provide assistance where there are challenges in implementing the Rules. An increase in the workload is envisaged in this regard.

In its efforts to contribute towards the renewal of Africa,

the PSC was instrumental in the establishment of the Association of African Public Services Commissions (AAPSComs) and continues to support the Association through the role that it plays. The Chairperson of the PSC is the President of AAPSComs and the Office of the PSC is the secretariat of AAPSComs. Since the launch of AAPSComs, a Constitution was adopted and 18 Commissions from 12 African countries are registered members of AAPSComs. The role of the PSC in AAPSComs places an additional workload on the limited capacity of the organisation.

Significant events that have taken place during the year

During the period under review, the PSC experienced a change in leadership. The PSC also bid farewell to its members whose term of office expired during the reporting period. To address the capacity challenges posed by these vacancies and to ensure that service delivery was not compromised, the Chairperson and Deputy Chairperson as well as 4 new members of the Commission were appointed.

The Director-General's contract expired in July 2009 and the Deputy Director-General: Leadership and Management Practices, Mr Mashwahle Diphofa was appointed Acting Director-General from August until December 2009 and subsequently Director-General with effect from January 2010. Following the appointment of Mr Mashwahle Diphofa as Director-General, the Chief Director: Labour Relations Improvement was appointed as the Acting Deputy Director-General: Leadership and Management Practices. The Deputy Director-General: Integrity and Anti-Corruption resigned in February 2010.

The posts for the Commissioners based in the North West and Western Cape provinces remained vacant as at 31 March 2010.

Major projects undertaken during the year

The following are some of the major projects, undertaken by the PSC during the year under review. More information on the projects undertaken during the year as mentioned in Chapter 2 under Programme Performance:

- Evaluation of the effectiveness of the implementation of the Policy on Incapacity Leave and Ill-Health Retirement (PILIR)
- Assessment of the State of Human Resource Management in the Public Service
- Assessment of the effectiveness of Public Service Leadership in Intergovernmental Relations
- Assessing the effectiveness of Thusong Centres in Integrated Service Delivery.

The PSC has published 14 reports and the following serve as highlights:

- Consultative Report on the Appointment and Management of Heads of Department in the Public Service
- Report on the Assessment of the Disclosures of Heads of Provincial Departments
- Report on the Implementation of Resolutions made by Parliament and its Committees on Corruption
- Report on Financial Misconduct for the 2007/2008 Financial Year
- 2009 State of the Public Service Report.

Spending trends

For the financial year 2009/10, the PSC (Vote 10), received R121,251 million from National Treasury. An additional amount of R10,590 million was allocated for unforeseeable and unavoidable expenditure, of which R2,207 million was for salary increases and R8,383 million was allocated for an out of court settlement for the remuneration of Commissioners and former Commissioners of the PSC.

The surplus on the budget for the 2009/10 financial year was R52 000. This represents 0.01% of the total budget allocation for the 2009/10 financial year.

Virement

Virement was applied twice during the 2009/10 financial year and approval was granted by the Accounting Officer. The virement applied is explained in detail in the Annual Financial Statements.

The budget allocation of Programme 1 was increased by R1,238 000, Programme 2 was reduced by R525 000, Programme 3 was reduced by R117 000 and Programme 4 reduced by R596 000.

Any other material matter- Soccer World Cup clothing and tickets

The PSC did not spend money on World Cup tickets.

During the 2009/10 financial year, as part of promoting the World Cup spirit, 2 soccer jerseys to the value of R600,00 were presented to staff through a competition held in December 2009. In June 2010, the PSC purchased soccer paraphernalia to the value of R7 077.13, e.g. vuvuzelas, a small World Cup mascot and soccer balls. The items purchased will remain in the organisation for utilisation during team building and other activities.

5.1.2 SERVICES RENDERED BY THE PSC

Mandate of the PSC

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

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

Tariff Policy

The PSC does not charge tariffs to departments.

Free Services

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

5.1.3 CAPACITY CONSTRAINTS

The average growth in the PSC's budget over the past Medium Term Expenditure Framework period is 7.7%. The budget constraints experienced by the PSC have an impact on its human resource capacity which is severely limited.

As a result of the difficult economic environment which faced the country during the reporting period, requests for additional funding for capacity-building through policy options were unsuccessful. It is, however still important to increase the resource base of the PSC in such a manner that additional human resources can be acquired.

The total staff compliment of the PSC is only 234. Per capita the PSC, therefore, has approximately one staff member for every \pm 5 000 public servants. Given that the role of the PSC covers the whole spectrum of public administration, its staff is exposed to a wide range of practices and, therefore, possess unique skills and expertise.

During the 2009 Budget process, departments were requested by National Treasury to budget 7% for the annual salary increases. However, an average of 11.5% salary increase came into effect in July 2009 and a 7% salary increase for SMS in January 2010. The PSC only received R2,207 million from National Treasury for the salary increases. The subsequent shortfall had to be funded from savings, which resulted in scaling down of projects and putting a moratorium on the filling of posts.

5.1.4 UTILISATION OF DONOR FUNDS

During the financial year under review, the PSC received an amount of R400 000 from the German Technical Cooperation (GTZ) for the South African Monitoring and Evaluation Association (SAMEA) Conference held in August 2009, and an amount of R298 130 for the launch of AAPSComs.

5.1.5 TRADING ENTITIES AND PUBLIC ENTITIES

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

5.1.6 ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

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

5.1.7 PUBLIC PRIVATE PARTNERSHIPS (PPP)

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

5.1.8 CORPORATE GOVERNANCE ARRANGEMENTS

The following governance arrangements have been put in place:

Risk management

The risk management approach entails the identification of strategic and significant operational, reputation and public image, performance, community, employees and financial risks within the PSC. Risk registers are reviewed on a quarterly basis to ensure that risks are identified and managed. During the year under review, the Risk Management Strategy was reviewed and implemented.

Fraud prevention policies

The PSC's Fraud Prevention Plan was reviewed and submitted to the Departmental Bargaining Chamber. The PSC has developed Whistle-Blowing Guidelines for inclusion in the Fraud Prevention Plan. Meetings of the Combined Fraud Prevention and Risk Management Committee were held throughout the year.

Effectiveness of internal audit and Audit Committee

The PSC has outsourced its internal audit functions to SAB&T. The contract commenced on 1 October 2007 for a period of 36 months to assist the PSC in accomplishing its objectives to evaluate and improve the effectiveness of the organisation's risk management, control, as well as governance processes.

Audit Committee members are appointed for a period of 24 months. Meetings were held on a quarterly basis. The primary purpose of the Committee is to assist the Accounting Officer in fulfilling the oversight responsibility required in terms of the Public Finance Management Act (PFMA), related Treasury Regulations and Corporate Governance best practice. The Audit Committee executed its duties and responsibilities in accordance with both the PFMA, 1999 and Treasury Regulations (TR).

The contracts of the Audit Committee Chairperson, Ms Z Musamirapamwe, and members, Ms T Fuzani and Mr V Magan, expired during the year and new members were appointed. For continuity purposes, Ms T Fuzani was appointed as the Chairperson, for twelve months. The two new Audit Committee members are Ms L Fosu and Mr P Streng.

The Audit Committee met four times during the financial year.

Other governance structures

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

Public Service Commission Plenary

This is a quarterly meeting of all the Commissioners together with the Executive Management of the OPSC where policy issues are discussed and decisions taken. Furthermore, the strategic plan as well as the annual workplan of the PSC are also considered and approved at such meetings.

Executive Committee

The Executive Committee (EXCO) comprises the

Chairperson, Deputy Chairperson, Director-General, the Deputy Directors-General, the Pretoria based Commissioners as well as one Regionally based Commissioner on a rotational basis. Meetings are held fortnightly to consider and make operational decisions within the parameters of the policy framework including *ad hoc* projects. These decisions are subsequently tabled at full plenary where all the Commissioners are present.

Specialist Teams

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

- Leadership and Management Practices
- Monitoring and Evaluation
- Integrity and Anti-Corruption
- Institution Building and Strategic Operations.

Executive Management Committee

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

Management Committee

This is a Forum comprising executive and senior managers from the OPSC. It meets quarterly to discuss progress on projects in the workplan. The feedback received at the meeting is linked to the feedback in the quarterly reports submitted to National Treasury and the Minister for Public Service and Administration.

Management processes

The Financial Disclosures Framework forms the basis for the management of conflicts of interest in the PSC. Declarations of conflicts of interest are obtained from officials involved in Supply Chain Management and members of various Supply Chain Management Committees.

Over and above the Code of Conduct for Public Servants, the PSC has developed a Code of Ethics and Conduct for its employees, as well as a Code of Conduct for Supply Chain Management Practitioners and other role players.

5.1.9 DISCONTINUED ACTIVITIES

No activities were discontinued during the period under review.

5.1.10 NEW OR PROPOSED ACTIVITIES

There were no new or proposed activities during the period under review.

5.1.11 ASSET MANAGEMENT

An electronic asset bar-coding system is utilised for proper management of all departmental assets. In order to strengthen asset management and minimise the risk of loss of IT equipment, spot checks are conducted on a monthly basis and a report is presented on a quarterly basis. The PSC has captured all official assets in the asset register and the register complies with the minimum requirements as set by National Treasury.

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

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

5.1.12 EVENTS AFTER THE REPORTING DATE

The PSC's budget was merged with the budget vote of the Department of Public Service and Administration (DPSA) into a single Public Service and Administration vote with effect from the 2010/11 financial year. The PSC is reflected as a sub-programme.

5.1.13 PERFORMANCE INFORMATION

A Medium Term Strategic Plan has been developed for the PSC for the period 1 April 2009 to 31 March 2012, which articulates the strategic priorities of the Office. The plan included all statutory requirements as defined in Chapter 5 of the Treasury Instructions. Quarterly reporting was done to the Minister to facilitate effective performance information monitoring, evaluation and

corrective actions were applicable.

As required by the PFMA, accurate financial reporting was submitted timeously to various role players. Apart from the statutory requirements, the PSC also has an effective internal reporting and cash flow management system. This is evident from the small saving realised in the period under review.

5.1.14 SCOPA RESOLUTIONS

There were no SCOPA resolutions for the 2009/10 financial year.

5.1.15 PRIOR MODIFICATIONS TO AUDIT REPORTS

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

5.1.16 EXEMPTIONS RECEIVED FROM THE NATIONAL TREASURY

There were no exemptions received from the National Treasury.

5.1.17 OTHER

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

5.1.18 APPROVAL

The annual financial statements set out on pages 105 to 150 have been approved by the Accounting Officer.



MJ DIPHOFA
DIRECTOR-GENERAL

5.2 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE NO. 10: PUBLIC SERVICE COMMISSION FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Public Service Commission, which comprise the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 112 to 144.

Accounting Officer's responsibility for the financial statements

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

Auditor-General's responsibility

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

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Public Service Commission as at 31 March 2010, and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as

set out in accounting policy note 1 and in the manner required by the PFMA and DoRA.

Emphasis of matters

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

Basis of accounting

The financial statements of the Public Service Commission have been prepared on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

Accruals

Accruals that exceeded the payment terms of 30 days as detailed in Treasury Regulation 8.2.3 amounted to R1 341 000. This amount, in turn, exceeded the voted funds to be surrendered of R52 000 as per the statement of financial performance by R1 289 000. The amount of R1 289 000 would therefore have constituted unauthorised expenditure should the amounts due have been paid in time.

Additional matter

I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

The supplementary information set out on pages 145 to 150 does not form part of the financial statements and is presented as additional information. I have not audited these annexures and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the PFMA, and financial management (internal control).

Findings

Predetermined objectives

No matters to report.

Compliance with laws and regulations

Public Finance Management Act No. 1 of 1999 and Treasury Regulations of 2005 (TR).

Prohibited actions

Contrary to the requirements of TR 8.2.3 and section 38(1) (f) of the PFMA, the Public Service Commission did not settle all payments due to creditors within 30 days of the receipt of an invoice.

INTERNAL CONTROL

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

Leadership

Control weaknesses were not analysed and appropriate follow-up actions were not taken to address root causes.

Auditor General

Pretoria
30 July 2010



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Appropriation Statement for the year ended 31 March 2010

Appropriation per programme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	60,929	-	384	61,313	61,315	(2)	100.0%	58,028	58,027
Transfers and subsidies	9,312	-	854	10,166	10,136	30	100.0%	35	35
Payment for capital assets	990	-	-	990	968	22	97.8%	1,300	1,290
2. Leadership and Management Practices									
Current payment	16,884	-	(525)	16,359	16,359	-	100.0%	14,605	14,604
3. Monitoring and Evaluation									
Current payment	19,803	-	(125)	19,678	19,678	-	100.0%	18,961	18,960
Transfers and subsidies	-	-	8	8	7	1	87.5%	-	-
4. Integrity and Anti-Corruption									
Current payment	23,923	-	(596)	23,327	23,326	1	100.0%	20,743	20,740
TOTAL	131,841	-	-	131,841	131,789	52	100.0%	113,672	113,656
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				520				268	
Aid assistance				698				1,201	
Actual amounts per Statement of Financial Performance (Total Revenue)				133,059				115,141	
Add:									
Aid assistance					698				1,201
Actual amounts per Statement of Financial Performance (Total Expenditure)					132,487				114,857

Appropriation Statement for the year ended 31 March 2010

Appropriation per economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	88,763	-	(1,184)	87,579	87,568	11	100.0%	77,223	77,224
Goods and services	32,776	-	311	33,087	33,044	43	99.9%	35,114	35,101
Interest and Rent on Land	-	-	11	11	11	-	100.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	56	(56)	-	-	6
Transfers and subsidies									
Foreign governments and international organisations	33	-	8	33	33	-	100.0%	35	35
Households	9,279	-	862	10,141	10,109	32	100.3%	-	-
Payments for capital assets									
Machinery and equipment	990	-	-	990	968	22	97.8%	1,300	1,290
TOTAL	131,841	-	-	131,841	131,789	52	100.0%	113,672	113,656

DETAIL PER PROGRAMME 1 – ADMINISTRATION

for the year ended 31 March 2010

Programme I Programme per subprogramme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
I.1 PUBLIC SERVICE COMMISSION									
Current payment	13,892	-	(1,116)	12,776	12,769	7	99.9%	13,558	13,556
Transfers and subsidies	8,233	-	129	8,362	8,361	1	100.0%	-	-
I.2 MANAGE- MENT									
Current payment	6,580	-	337	6,917	6,917	-	100.0%	7,215	7,216
Transfers and subsidies	34	-	265	299	271	28	90.6%	35	35
I.3 CORPO- RATE SERVICES									
Current payment	31,912	-	988	32,900	32,912	(12)	100.0%	29,218	29,218
Transfers and subsidies	1,045	-	460	1,505	1,504	1	99.9%	-	-
Payment for capital assets	990	-	-	990	968	22	97.8%	1,300	1,290
I.4 PROPERTY MANAGE- MENT									
Current payment	8,545	-	175	8,720	8,717	3	100.0%	8,037	8,037
TOTAL	71,231	-	1,238	72,469	72,419	50	99.9%	59,363	59,352

Per economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	40,065	-	(1,980)	38,085	38,081	4	100.0%	35,506	35,504
Goods and services	20,864	-	2,357	23,221	23,187	34	99.9%	22,522	22,517
Interest and rent on land	-	-	7	7	6	1	85.7%	-	-
Financial transactions in assets and liabilities	-	-	-	-	42	(42)	-	-	6
Transfers and subsidies									
Foreign governments and international organisations	33	-	-	33	33	-	100.0%	35	35
Households	9,279	-	854	10,133	10,102	31	99.7%	-	-
Payments for capital assets									
Machinery and equipment	990	-	-	990	968	22	97.8%	1,300	1,290
TOTAL	71,231	-	1,238	72,469	72,419	50	99.9%	59,363	59,352

DETAIL PER PROGRAMME 2 – LEADERSHIP AND MANAGEMENT PRACTICES for the year ended 31 March 2010

Programme 2 Programme per subprogramme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Labour Relations Improvement									
Current payment	8,117	-	98	8,215	8,215	-	100.0%	6,539	6,537
2.2 Leadership and Human Resource Reviews									
Current payment	8,767	-	(623)	8,144	8,144	-	100.0%	8,066	8,067
TOTAL	16,884	-	(525)	16,359	16,359	-	100.0%	14,605	14,604

Per economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	14,009	-	205	14,214	14,212	2	100.0%	12,105	12,107
Goods and services	2,875	-	(731)	2,144	2,139	5	98.9%	2,500	2,497
Interest and rent on land	-	-	1	1	1	-	100.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	7	(7)	-	-	-
TOTAL	16,884	-	(525)	16,359	16,359	-	100.0%	14,605	14,604

DETAIL PER PROGRAMME 3 – MONITORING AND EVALUATION for the year ended 31 March 2010

Programme 3 Programme per subprogramme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Governance Monitoring									
Current payment	9,771	-	138	9,909	9,909	-	100.0%	9,170	9,169
Transfers and subsidies	-	-	1	1	1	-	100.0%	-	-
3.2 Service Delivery and Quality Assurance									
Current payment	10,032	-	(263)	9,769	9,769	-	100.0%	9,791	9,791
Transfers and subsidies	-	-	7	7	6	1	85.7%	-	-
TOTAL	19,803	-	(117)	19,686	19,685	1	100.0%	18,961	18,960

Per economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	15,697	-	651	16,348	16,348	-	100.0%	14,260	14,261
Goods and services	4,106	-	(778)	3,328	3,327	1	100.0%	4,701	4,699
Interest and rent on land	-	-	2	2	2	-	100.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	1	(1)	-	-	-
Transfers and subsidies									
Households	-	-	8	8	7	1	87.5%	-	-
TOTAL	19,803	-	(117)	19,686	19,685	1	100.0%	18,961	18,960

DETAIL PER PROGRAMME 4 – INTEGRITY AND ANTI-CORRUPTION for the year ended 31 March 2010

Programme 4 Programme per subprogramme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Professional Ethics									
Current payment	11,178	-	(549)	10,629	10,629	-	100.0%	9,652	9,652
4.2 Public Administration Investigations									
Current payment	12,745	-	(47)	12,698	12,697	1	100.0%	11,091	11,088
TOTAL	23,923	-	(596)	23,327	23,326	1	100.0%	20,743	20,740

Per economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	18,992	-	(60)	18,932	18,927	5	100.0%	15,352	15,352
Goods and services	4,931	-	(537)	4,394	4,391	3	99.9%	5,391	5,388
Interest and rent on land	-	-	1	1	2	(1)	200.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	6	(6)	-	-	-
Total	23,923	-	(596)	23,327	23,326	1	100.0%	20,743	20,740

NOTES TO THE APPROPRIATION ACCOUNT for the year ended 31 March 2010

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes 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 I (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 the note on 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	Actual Expenditure	Variance	Variance as a % of Final Appropriation
R'000	R'000	R'000	%

Programme 1 - Administration	72,469	72,419	50	0,07%
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Savings was due to an under spending on payments for capital assets.

Programme 2 - Leadership and Management Practices	16,359	16,359	-	0,00%
Programme 3 - Monitoring and Evaluation	19,686	19,685	1	0,01%
Programme 4 - Integrity and Anti-Corruption	23,327	23,326	1	0,004%

4.2 Per economic classification:

Current payment:

Compensation of employees	87,579	87,568	11	0,01%
Goods and services	33,087	33,044	43	0,13%
Interest and rent on land	11	11	-	0,00%
Financial transactions in assets and liabilities	-	56	-56	0,00%

Transfers and subsidies:

Foreign governments and international organisations	33	33	-	0,00%
Households	10,141	10,109	32	0,32%

Payments for capital assets:

Machinery and equipment	990	968	22	2,22%
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STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
REVENUE			
Annual appropriation	1	131,841	113,672
Departmental revenue	2	520	268
Aid assistance	3	698	1,201
TOTAL REVENUE		133,059	115,141
EXPENDITURE			
Current expenditure			
Compensation of employees	4	87,246	77,224
Goods and services	5	32,835	35,101
Interest and rent on land	6	11	-
Financial transactions in assets and liabilities	7	56	6
Aid assistance	3	698	1,201
Total current expenditure		120,846	113,532
Transfers and subsidies		10,461	35
	8	10,461	35
Expenditure for capital assets			
Tangible capital assets	9	1,180	1,290
Total expenditure for capital assets		1,180	1,290
TOTAL EXPENDITURE		132,487	114,857
SURPLUS FOR THE YEAR		572	284
Reconciliation of Net Surplus for the year			
Voted Funds		52	16
Departmental Revenue	14	520	268
SURPLUS FOR THE YEAR		572	284

STATEMENT OF FINANCIAL POSITION as at 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
ASSETS			
Current assets		1,471	1,237
Cash and cash equivalents	10	448	323
Prepayments and advances	11	26	8
Receivables	12	997	906
TOTAL ASSETS		1,471	1,237
LIABILITIES			
Current liabilities		1,218	982
Voted funds to be surrendered to the Revenue Fund	13	52	16
Departmental revenue to be surrendered to the Revenue Fund	14	30	11
Payables	15	1,136	955
TOTAL LIABILITIES		1,218	982
NET ASSETS		253	255
Represented by:			
Recoverable revenue		253	255
TOTAL		253	255

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
Recoverable revenue			
Opening balance		255	286
Transfers		-2	-31
Debts recovered (included in departmental receipts)		-234	-120
Debts raised		232	89
Closing balance		253	255
TOTAL		253	255

CASH FLOW STATEMENT for the year ended 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		133,059	115,141
Annual appropriated funds received	1	131,841	113,672
Departmental revenue received	2	520	268
Aid assistance	3	698	1,201
Net increase/decrease in working capital		72	-1,088
Surrendered to Revenue Fund		-517	-290
Current payments		-120,846	-113,532
Transfers and subsidies paid		-10,461	-35
Net cash flow available from operating activities	16	1,307	196
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	-1,180	-1,290
Net cash flows from investing activities		-1,180	-1,290
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in net assets		2	-31
Net cash flows from financing activities		2	-31
Net increase/decrease in cash and cash equivalents		125	-1,125
Cash and cash equivalents at the beginning of the period		323	1,448
Cash and cash equivalents at end of period	17	448	323

5.3 ACCOUNTING POLICIES for the year ended 31 March 2010

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

5.3.1 Presentation of the Financial Statements

Basis of preparation

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

Presentation currency

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

Rounding

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

Comparative figures

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

financial statements.

Comparative figures - Appropriation Statement

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

5.3.2 Revenue

Appropriated funds

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

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

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

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

Departmental revenue

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

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

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

Direct Exchequer receipts/payments

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

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

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

Aid assistance

Aid assistance is recognised as revenue when received.

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

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

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

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

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

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial

position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

5.3.3 Expenditure

Compensation of employees

Short-term employee benefits

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

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

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

Post retirement benefits

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

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

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

Termination benefits

Termination benefits such as severance packages are

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

Other long-term employee benefits

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

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

Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

Interest and rent on land

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

Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write off occurs at year-end or when funds are available.

No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

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

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).

Unauthorised expenditure

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

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

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

Fruitless and wasteful expenditure

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

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.

5.3.4 Assets

Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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

Other financial assets

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

Prepayments and advances

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

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

Receivables

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

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

Investments

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

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

Loans

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

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

Inventory

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

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

Capital assets

Movable assets

Initial recognition

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

All assets acquired prior to 1 April 2002 are included in the register at R1.

Subsequent recognition

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

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

Immovable assets

Initial recognition

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

Subsequent recognition

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

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

5.3.5 Liabilities

Payables

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

Contingent liabilities

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

Contingent assets

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

Commitments

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

Accruals

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

Employee benefits

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

Lease commitments

Finance lease

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

Operating lease

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

Provisions

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

5.3.6 Receivables for departmental revenue

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

5.3.7 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 recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlining asset is disposed and the related funds are received.

Recoverable revenue

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

5.3.8 Related party transactions

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

5.3.9 Key management personnel

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

5.3.10 Public private partnerships

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

1. Annual Appropriation

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

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2008/09
	R'000	R'000	R'000	R'000
Administration	72,469	72,469	-	59,363
Leadership and Management Practices	16,359	16,359	-	14,605
Monitoring and Evaluation	19,686	19,686	-	18,961
Integrity and Anti-Corruption	23,327	23,327	-	20,743
TOTAL	131,841	131,841	-	113,672

2. Departmental Revenue

	<i>Note</i>	2009/10	2008/09
		R'000	R'000
Sales of goods and services other than capital assets	2.1	63	42
Interest, dividends and rent on land	2.2	14	27
Financial transactions in assets and liabilities	2.3	443	199
Departmental revenue collected		520	268

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	46	41
Sales by market establishment	12	9
Other sales	34	32
Sales of scrap, waste and other used current goods	17	1
TOTAL	63	42

	Note	2009/10 R'000	2008/09 R'000
2.2 Interest, dividends and rent on land and buildings			
Interest		14	27
TOTAL		14	27

2.3 Financial transactions in assets and liabilities

Receivables	107	108
Other Receipts including Recoverable Revenue	336	91
TOTAL	443	199

3. Aid assistance

3.1 Assistance received in cash from Reconstruction and Development Programme (RDP)

Foreign

Opening balance	-	-
Revenue	698	1,201
Expenditure	-698	-1,201
Current	-698	-1,201
CLOSING BALANCE	-	-

4. Compensation of Employees

4.1 Salaries and Wages

Basic salary	57,296	49,925
Performance award	1,902	1,306
Service Based	145	486
Compensative/circumstantial	852	1,154
Other non-pensionable allowances	17,309	15,551
TOTAL	77,504	68,422

	Note	2009/10 R'000	2008/09 R'000
4.2 Social contributions			
Employer contributions			
Pension		7,359	6,519
Medical		2,375	2,276
Bargaining council		8	7
TOTAL		9,742	8,802
TOTAL COMPENSATION OF EMPLOYEES		87,246	77,224
Average number of employees		231	221

5. Goods and services

Administrative fees		125	344
Advertising		383	521
Assets less than R5,000	5.1	173	459
Bursaries (employees)		173	68
Catering		251	304
Communication		2,225	2,095
Computer services	5.2	3,313	2,197
Consultants, contractors and agency/outsourced services	5.3	4,414	5,104
Audit cost – external	5.4	1,959	1,416
Inventory	5.5	3,653	2,886
Operating leases		7,179	7,291
Owned and leasehold property expenditure	5.6	2,151	1,815
Travel and subsistence	5.7	4,991	8,415
Venues and facilities		468	523
Training and staff development		412	590
Other operating expenditure	5.8	965	1,073
TOTAL		32,835	35,101

	Note	2009/10 R'000	2008/09 R'000
5.1 Assets less than R5,000			
Tangible assets		173	459
Machinery and equipment		173	459
TOTAL		173	459
5.2 Computer services			
SITA computer services		2,976	1,750
External computer service providers		337	447
TOTAL		3,313	2,197
5.3 Consultants, contractors and agency/outsourced services			
Business and advisory services		2,042	3,284
Legal costs		150	7
Contractors		262	256
Agency and support/outsourced services		1,960	1,557
TOTAL		4,414	5,104
5.4 Audit cost - external			
Regulatory audits		1,959	1,416
TOTAL		1,959	1,416
5.5 Inventory			
Learning and teaching support material		11	4
Other consumable materials		51	23
Stationery and printing		3,591	2,859
TOTAL INVENTORY		3,653	2,886
5.6 Owned and leasehold property expenditure			
Property management fees		1,541	1,201
Other		610	614
TOTAL		2,151	1,815

	Note	2009/10 R'000	2008/09 R'000
5.7 Travel and subsistence			
Local		4,707	5,360
Foreign		284	3,055
TOTAL		4,991	8,415
5.8 Other operating expenditure			
Professional bodies, membership and subscription fees		66	64
Resettlement costs		524	631
Other		375	378
TOTAL		965	1,073
6. Interest and Rent on Land			
Interest Paid		11	-
TOTAL		11	-
7. Financial Transactions in Assets and Liabilities			
Other material losses written off	7.1	56	6
TOTAL		56	6
7.1 Other material losses written off			
Nature of losses			
Car accidents		2	2
Cancellation fees		13	-
Other		22	4
Non-Arrival charges		3	-
Bank Fees		1	-
After Hour Emergency Fees		15	-
TOTAL		56	6
7.2 Assets written off			
Nature of write off			
Computer equipment		261	485
Furniture and office equipment		54	12
Other machinery and equipment		50	48
TOTAL		365	545

	Note	2009/10 R'000	2008/09 R'000
8. Transfers and subsidies			
Foreign governments and international organisations	Annex 1A	33	35
Households	Annex 1B	10,428	-
TOTAL		10,461	35

9. Expenditure for Capital Assets

Tangible assets

Machinery and equipment	24	1,180	1,290
TOTAL		1,180	1,290

9.1 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Machinery and equipment	1,180	-	1,180
TOTAL	1,180	-	1,180

9.2 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Machinery and equipment	1,290	-	1,290
TOTAL	1,290	-	1,290

10. Cash and cash equivalents

Consolidated Paymaster General Account	430	305
Cash on hand	18	18
TOTAL	448	323

	Note	2009/10 R'000	2008/09 R'000
11. Prepayments and Advances			
Travel and subsistence		26	8
TOTAL		26	8

12. Receivables

	Note	Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Claims Recoverable	12.1	16	-	-	16	35
Recoverable expenditure	12.2	5	-	-	5	-
Staff debts	12.3	416	139	64	619	318
Other debtors	12.4	-	357	-	357	553
TOTAL		437	496	64	997	906

12.1 Claims recoverable

National departments	16	20
Provincial departments	-	15
TOTAL	16	35

12.2 Recoverable expenditure (disallowance accounts)

SAL: Deduction Disall Acc	1	-
SAL: Reversal Control	3	-
SAL: Tax Debt	1	-
TOTAL	5	-

12.3 Staff debts

Salary	79	57
Bursary	147	150
Other	374	28
Travel and Subsistence	19	83
TOTAL	619	318

	Note	2009/10 R'000	2008/09 R'000
12.4 Other debtors			
Salary deductions		-	6
Other		-	190
Legal cost		357	357
TOTAL		357	553
13. Voted funds to be surrendered to the Revenue Fund			
Opening balance		16	30
Transfer from Statement of Financial Performance		52	16
Paid during the year		-16	-30
CLOSING BALANCE		52	16
14. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		11	3
Transfer from Statement of Financial Performance		520	268
Paid during the year		-501	-260
CLOSING BALANCE		30	11
15. Payables – Current			
Advances received	15.1	991	938
Clearing accounts	15.2	-8	-
Other payables	15.3	153	17
TOTAL		1,136	955
15.1 Advances received			
National Anti-Corruption Programme - DPSA		656	716
Association of African Public Services Commissions		335	222
TOTAL		991	938
15.2 Clearing accounts			
SAL: Income Tax		-8	-
TOTAL		-8	-

	Note	2009/10 R'000	2008/09 R'000
15.3 Other payables			
Income Tax deductions		-	17
Stannic		153	
TOTAL		153	17

16. Net Cash Flow Available from Operating Activities

Net surplus as per Statement of Financial Performance	572	284
Add back non cash/cash movements not deemed operating activities	735	-88
Increase in receivables – current	-91	-262
Increase in prepayments and advances	-18	71
Increase in payables – current	181	-897
Expenditure on capital assets	1,180	1,290
Surrenders to revenue fund	-517	-290
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	1,307	196

17. Reconciliation of Cash and Cash Equivalents for Cash flow Purposes

Consolidated Paymaster General account	430	305
Cash on hand	18	18
TOTAL	448	323

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

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

	Note	2009/10 R'000	2008/09 R'000
18. Contingent liabilities			
Liable to	Nature		
Motor vehicle guarantees	Employees	Annex 2 -	445
Housing loan guarantees	Employees	Annex 2 90	141
TOTAL		90	586

19. Commitments

Current expenditure

Approved and contracted	2,375	4,992
	2,375	4,992

Capital expenditure

Approved and contracted	-	135
	-	135

TOTAL COMMITMENTS	2,375	5,127
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20. Accruals

Listed by economic classification

	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Goods and services	322	1,341	1,663	4,102
Transfers and subsidies	-	-	-	10
Machinery and equipment	-	-	-	39
TOTAL	322	1,341	1,663	4,151

Listed by programme level

Programme 1: Administration	1,402	2,448
Programme 2: Leadership and Management Practices	175	400
Programme 3: Monitoring and Evaluation	28	572
Programme 4: Integrity and Anti-Corruption	58	731
	1,663	4,151

21. Employee Benefits

	Note	2009/10	2008/09
		R'000	R'000
Leave entitlement		1,213	1,844
Service bonus (Thirteenth cheque)		2,358	2,049
Performance awards		1,290	1,098
Capped leave commitments		6,676	6,646
Other		-	53
TOTAL		11,537	11,690

22. Finance lease expenditure

	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
2009/2010				
Not later than 1 year	-	-	166	166
Later than 1 year and not later than 5 years	-	-	-	-
Total lease commitments	-	-	166	166
Less: Finance cost	-	-	5	5
Total present value of lease liabilities	-	-	161	161
2008/09				
Not later than 1 year	-	-	171	171
Later than 1 year and not later than 5 years	-	-	187	187
Total lease commitments	-	-	358	358
Less: Finance cost	-	-	21	21
Total present value of lease liabilities	-	-	337	337

23. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Fruitless and wasteful expenditure – relating to prior year *	121	-
Fruitless and wasteful expenditure – relating to current year	218	-
Less: Amounts condoned	-	-
Less: Amounts transferred to receivables for recovery	-339	-
Fruitless and wasteful expenditure awaiting condonation	-	-

* Prior year figures restated with an amount of R121 012.98 as cases under investigation.

24. Related Party Transactions

OPSC (Vote 10) has related party relationship with the following public sector entities that are falling within the portfolio of the Minister for Public Service and Administration:

- Department of Public Service and Administration
- State Information Technology Agency (provision of IT communication infrastructure)
- PALAMA Training and Trading Account (provision of training).

25. Key management personnel

	No. of Individuals	2009/10 R'000	2008/09 R'000
Political Office Bearers *	19	10,416	10,058
Officials:			
Level 15 to 16	8	4,480	4,262
Level 14	8	5,193	3,765
TOTAL		20,089	18,085

*Chairperson (2), Deputy Chairperson (1) and other members of the Commission (16).

26. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
MACHINERY AND EQUIPMENT	10,296	171	1,190	365	11,292
Transport assets	725	-	-	-	725
Computer equipment	7,177	-	774	261	7,690
Furniture and office equipment	1,358	-	185	54	1,489
Other machinery and equip- ment	1,036	171	231	50	1,388
TOTAL MOVABLE TANGIBLE ASSETS	10,296	171	1,190	365	11,292

26.1 Additions**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Cash	Non-cash	(Capital Work in Progress cur- rent costs and Finance Leases)	Received cur- rent, not paid (Paid current year, received prior year)	Total
	Cost R'000	Non-cash R'000	Cost R'000	Cost R'000	Cost R'000
MACHINERY AND EQUIPMENT	968	24	212	-14	1,190
Computer equipment	750	24	-	-	774
Furniture and office equipment	199	-	-	-14	185
Other machinery and equip- ment	19	-	212	-	231
TOTAL	968	24	212	-14	1,190

26.2 Disposals**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Sold for cash	Transfer out or destroyed or scrapped	Total dis- posals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	365	365	-
Computer equipment	-	261	261	-
Furniture and office equipment	-	54	54	-
Other machinery and equipment	-	50	50	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	365	365	-

26.3 Movement for 2008/09

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	9,536	1,305	545	10,296
Transport assets	725	-	-	725
Computer equipment	6,726	936	485	7,177
Furniture and office equipment	1,033	337	12	1,358
Other machinery and equipment	1,052	32	48	1,036
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	9,536	1,305	545	10,296

26.4 Minor assets

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2010

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor assets	56	1	5,750	-	5,807
TOTAL	56	1	5,750	-	5,807

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	14	2	6841	-	6857
TOTAL	14	2	6841	-	6857

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2009

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor assets	568	1	6,511	-	7,080
TOTAL	568	1	6,511	-	7,080

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	321	4	8154	-	8479
TOTAL	321	4	8154	-	8479

27. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2010

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Computer software	390	-195	-	-	195
TOTAL INTANGIBLE CAPITAL ASSETS	390	-195	-	-	195

Movement for 2008/09

MOVEMENT IN INTANGIBLE CAPITAL ASSETS AS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2009

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	195	195	-	390
TOTAL	195	195	-	390

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

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

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2008/09
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000

Transfers

African Association for Public Administration and Management (AAPAM)	5	-	-	5	5	100.0%	8
International Public Management Association (IPMA)	4	-	-	4	4	100.0%	-
Commonwealth Association for Public Administration and Management (CAPAM)	24	-	-	24	24	100.0%	27
Total	33	-	-	33	33		35

ANNEXURE 1B STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2008/09
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000

Transfers

Retirement and Resignations benefits	1,875	-	-	1,875	1,875	100%	-
Commissioners	8,444	-	-	8,444	8,444	100%	-
Arbitration awards	109	-	-	109	109	100%	-
Total	10,428	-	-	10,428	10,428	-	-

ANNEXURE 1C

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
		R'000	R'000
Received in cash			
MTN	1st General Assembly and Launch of the Association of African Public Services Commissions	-	250
Department of Public Service and Administration	1st General Assembly and Launch of the Association of African Public Services Commissions	-	100
Southern Sudan Civil Service Commission	Reimbursement of Travel and Accommodation Costs	-	162
Subtotal		-	512
Received in kind			
NUFFIC-Netherlands Embassy	Scholarship for a short course on local governance and rural decentralisation multi-stakeholder process for institutional strengthening	45	-
United Nations Development Programme	Travel expenditure to attend the International Conference on National Evaluation Capacity	39	-
Subtotal		84	-
TOTAL		84	512

ANNEXURE 1D

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	CLOSING BALANCE R'000
Received in cash					
German Technical Cooperation (GTZ)	1st General Assembly and Launch of the Association of African Public Services Commissions	-	298	298	-
	Delivering Justice and Services (SAMEA)	-	400	400	-
Subtotal		-	698	698	-
Received in kind					
German Technical Cooperation (GTZ)	Ruan Kitshoff - Support in areas of Anti-Corruption	-	324	324	-
	Greg Moran - Anti-Corruption - cartoon layout of booklets for each translation	-	86	86	-
	Marketing Surveys and Statistical Analysis (MSSA) Citizen Satisfaction Survey	-	174	174	-
	Multilingua - Editing & proofreading of full brochure on corrupt activities & translation of missing parts in 10 official languages	-	58	58	-
Subtotal		-	642	642	-
Total		-	1,340	1,340	-

ANNEXURE 2

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2009	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Currency revaluations	Closing balance 31 March 2010	Guaranteed interest for year ended 31 March 2010	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Motor vehicles									
STANNIC		-	445	140	585	-	-	-	-
Subtotal		-	445	140	585	-	-	-	-
Housing									
ABSA		-	38	-	38	-	-	-	-
FNB		-	47	-	-	-	47	-	-
NEDCOR		-	26	-	-	-	26	-	-
STANDARD		-	30	-	13	-	17	-	-
Subtotal		-	141	-	51	-	90	-	-
TOTAL		-	586	140	636	-	90	-	-

ANNEXURE 3 CLAIMS RECOVERABLE

Government Entity	Confirmed balance out-standing		Unconfirmed balance out-standing		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Provincial Administration: Western Cape	-	-	3	3	3	3
Department of Education: Eastern Cape	-	-	10	10	10	10
Provincial Administration: Gauteng	-	-	3	3	3	3
Department of Sports, Arts, Culture and Recreation	-	7	-	-	-	7
Department of Arts and Culture	-	-	-	12	-	12
TOTAL	-	7	16	28	16	35

ANNEXURE 4

INVENTORY

Inventory	Note	Quantity	2009/10 R'000
Opening balance		11741	325
Less: Adjustments to prior year balance		-	-39
Add: Additions/Purchases - Cash		23162	843
Additions - Non-cash		821	24
Less: Disposals		-128	-83
Less issues:		-21086	-861
Less: Adjustments		-82	47
Closing balance		14428	256

ANNEXURE 5

WORLD CUP EXPENDITURE

	2009/10		2008/09
	Quantity	R'000	R'000
Purchase of other world cup apparel			
T-Shirts	2	1	-
Total world cup expenditure	2	1	-

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Notes

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