



ANNUAL REPORT 2006/2007

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.

ANNUAL REPORT

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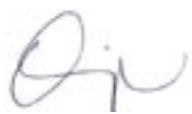
Prof SS Sangweni
Chairperson of the Public Service Commission
Private Bag X121
PRETORIA
0001

Dear Prof Sangweni

I am pleased to present to you the Annual Report of the Public Service Commission (PSC) for the 2006/2007 financial period.

The Report looks at the overall role played by the PSC in solidifying its position as a leader in effective administration and governance in the Public Service sector. It also highlights the achievements and challenges faced by the PSC in its quest to achieve the set objectives during the period under review.

Yours sincerely



OR RAMSINGH
DIRECTOR-GENERAL

TABLE OF CONTENTS

FOREWORD BY THE CHAIRPERSON	8
CHAPTER 1: INTRODUCTION	11
1.1 OVERVIEW BY THE DIRECTOR-GENERAL	12
1.2 INFORMATION ON THE PUBLIC SERVICE COMMISSION	15
1.3 MISSION STATEMENT	18
1.4 LEGISLATIVE MANDATE	18
1.5 MANAGEMENT SYSTEMS	19
CHAPTER 2: PROGRAMME PERFORMANCE	21
2.1 THE PUBLIC SERVICE COMMISSION	22
2.2 PROGRAMME 1: ADMINISTRATION	26
2.3 PROGRAMME 2: INVESTIGATION AND HUMAN RESOURCE REVIEWS	34
2.4 PROGRAMME 3: MONITORING AND EVALUATION	54
CHAPTER 3: HUMAN RESOURCE MANAGEMENT SUPPORT	63
3.1 SERVICE DELIVERY	64
3.2 EXPENDITURE	71
3.3 EMPLOYMENT AND VACANCIES	73
3.4 JOB EVALUATION	75
3.5 EMPLOYMENT CHANGES	77
3.6 EMPLOYMENT EQUITY	82
3.7 PERFORMANCE REWARDS	85
3.8 FOREIGN WORKERS	88
3.9 LEAVE UTILISATION	89
3.10 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES	82
3.11 LABOUR RELATIONS	94
3.12 SKILLS DEVELOPMENT	96
3.13 INJURY ON DUTY	99
3.14 UTILISATION OF CONSULTANTS	100
CHAPTER 4: REPORT OF THE AUDIT COMMITTEE	101
CHAPTER 5: ANNUAL FINANCIAL STATEMENTS	105





FOREWORD BY THE CHAIRPERSON



Professor Stan Sangweni

FOREWORD BY THE CHAIRPERSON

The Public Service Commission (PSC) is pleased to submit its Annual Report for the 2006/2007 financial period. The Report is presented in terms of the provisions of Section 196 of the Constitution, 1996 and Sections 40 and 65 of the Public Finance Management Act, 1999.

The period under review has witnessed unprecedented successes by the PSC in achieving its strategic goals as outlined in its strategic workplan for the 2006/2007 financial period. Consequently, the position of the PSC as the Constitutional custodian of good governance in Public Service has been reinforced.

Responding to its Constitutional mandate to promote sound labour relations practices in the Public Service, the PSC in partnership with the Public Service Coordinating Bargaining Council (PSCBC) co-hosted the 1st Biennial Labour Relations Conference for the Public Service in March 2007. The theme of the conference was:

Knowledge through Dialogue: Harmonising Labour Relations in the Public Service. I believe that the cooperative partnership established between the two organisations will yield beneficial results for labour relations in the Public Service for years to come.


The PSC continues to consider grievances and complaints of public servants. During the period under review, the number of grievances handled by the PSC increased from 486 in 2006 to 641 by March 2007.

On the promotion of professional ethics in the Public Service, the PSC has played a critical role in shaping national discourse and programmes by bringing together different sectors of our society into the National Anti-Corruption Forum (NACF) to address challenges of corruption in a coherent manner. The PSC continues to serve as the Secretariat to the NACF. Furthermore, the PSC played a key role in the signing of the NACF Integrity Pledge. The PSC was also instrumental in the launching of the NACF website and Guide to the Combating and Prevention of Corrupt Activities Act.

The National Anti-Corruption Hotline (NACH) for the Public Service (0800 701 701) continues to serve as an excellent mechanism to report acts of corruption in the Public Service.

In its contribution towards shaping the management of potential conflicts of interest in the Public Service, the PSC produced a Report on the Management of Conflicts of Interest during the period under review. The findings of this Report, which include amongst others the implementation of a conflict of interest policy for Senior Managers, were shared with stakeholders at a roundtable discussion in March 2007.

In the area of Monitoring and Evaluation, the PSC continues to be the champion of monitoring and evaluation in the Public Service. To this end, the PSC played a key role



in the establishment of the South African Monitoring and Evaluation Association (SAMEA). Furthermore, two of its senior officials serve on the SAMEA Board. In addition, the PSC co-hosted the first inaugural SAMEA Conference in March 2007 under the theme *Monitoring and Evaluation in Action*.

The PSC continues to implement its transversal monitoring and evaluation system that is used to generate performance data. The system assesses the extent to which departments comply with the nine values and principles of public administration contained in Chapter 10 of the Constitution whose primary purpose is to transform the Public Service into a developmental machinery of our democratic state.

In order to advise stakeholders on developments in the Public Service, the PSC continues to produce, on an annual basis, the State of the Public Service Report. The Report is based on the outcome of all the oversight work done by the PSC in the financial year covered. The 2006 State of the Public Service Report focused on Capacity in the Public Service and made recommendations on how this can be enhanced.

In order to promote a high standard of Public Service leadership and accountability in the Public Service, the PSC continues to facilitate the evaluation of Heads of Department (HoD) in terms of the HoD Evaluation Framework. During the period under review, a total of 33 HoDs were evaluated from both national and provincial departments. The PSC is concerned about the low number of HoDs presented for evaluation during the year under review. An analytical report on the implementation of the HoD Evaluation Framework was presented to the Deputy President, Cabinet and the Portfolio Committee on Public Service and Administration.

In its effort to entrench a citizen and service-centric culture of accountability in the Public Service, the PSC developed a Protocol Document in order to deepen its inspections. Inspections undertaken by the PSC are aimed at assessing the quality of services provided to the public and also determining if departments are meeting the required service standards. During the period under review, the PSC conducted Pilot Inspection Studies in the Departments of Home Affairs, Labour, Housing (Gauteng), and Social Development (Free State).

In order to evaluate adherence to the *Batho Pele* principle of consultation, the PSC conducted a Citizen Satisfaction Survey focusing on the national departments of Home Affairs and Trade and Industry and provincial departments of Transport. The Survey gives a reflection of the citizens' views of government services. I would like to thank departments for their cooperation during the research phase of these surveys.

The period under review saw the Director-General of the Office of the Public Service Commission (OPSC), Ms Odette Ramsingh completing her first year in Office. I would like to take this opportunity to thank her for leading the OPSC with vigour, commitment, dedication and passion. Under her leadership the OPSC has reached considerably higher heights of performance. The PSC is also grateful to the staff of the OPSC operating under the leadership of Ms Ramsingh for yet another year of significant achievements and milestones.

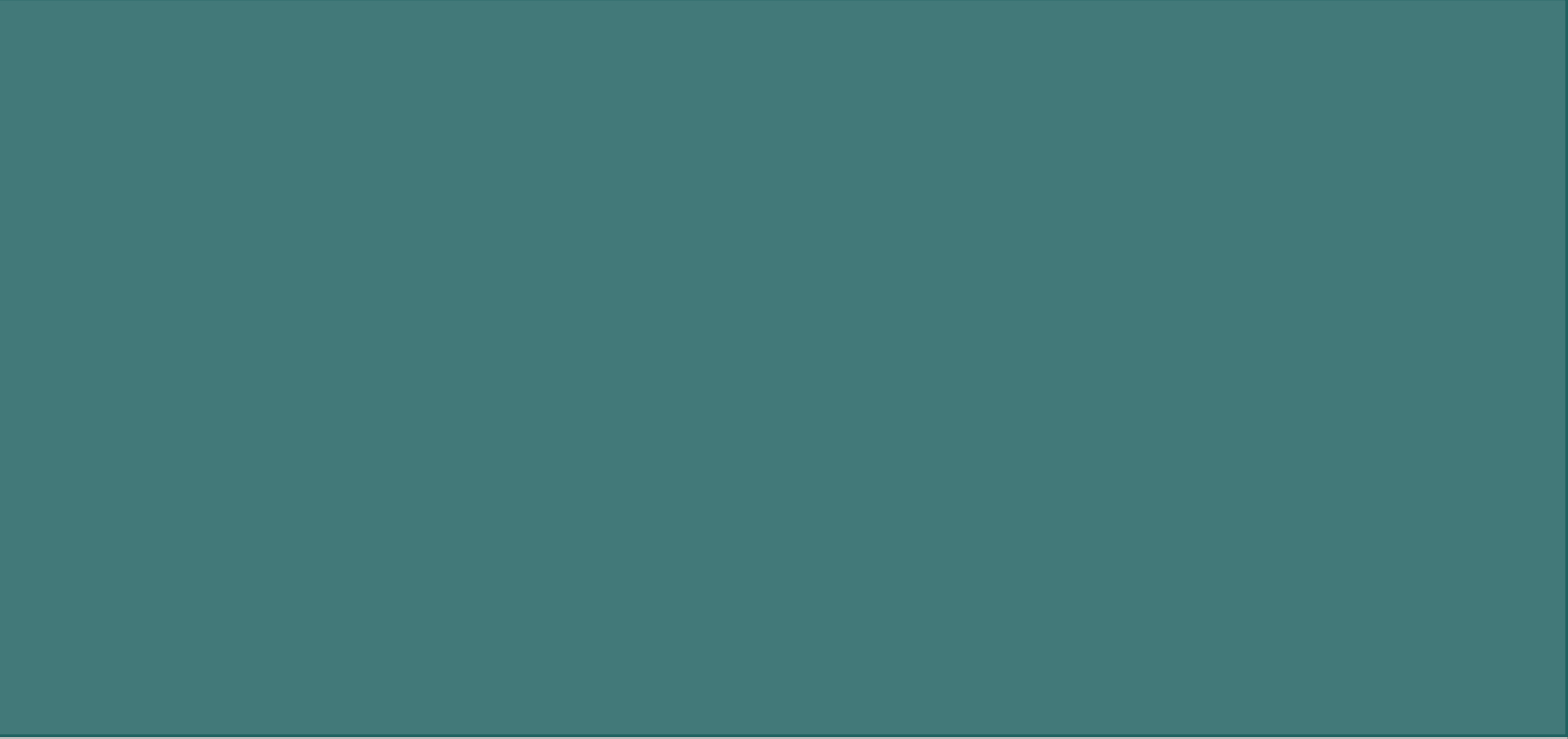
My appreciation goes to my fellow Commissioners for their commitment and hard work during the period under review.

I am grateful to the Minister for the Public Service and Administration, Ms Geraldine Fraser-Moleketi for her support during the period under review.

I would also like to thank the Chairperson of the Portfolio Committee on Public Service and Administration, Mr John Gomomo and the Chairperson of the Select Committee on Local Government and Administration, Mr Sicelo Shiceka for their Committees' insightful and vigorous engagement with the PSC during the period under review.

Thank you.

PROFESSOR SS SANGWENI
CHAIRPERSON:
PUBLIC SERVICE COMMISSION





CHAPTER 1: INTRODUCTION



Ms Odette Ramsingh

1.1 Overview by the Director-General


It gives me great pleasure to submit the Annual Report of the Public Service Commission for the 2006/2007 financial period. The submission of this report comes immediately after my first anniversary as Director-General of the Office of the Public Service Commission (OPSC).

My first year as Director-General has been both exciting and challenging, and has witnessed the PSC making a positive impact on public administration through its assortment of work. The year unfolded in the context of increasing demands placed on the organisation by its stakeholders and the Review of State Institutions Supporting Constitutional Democracy (Chapter 9 institutions) and the PSC established in terms of Chapter 10 of the Constitution, 1996. It was also a year in which I was requested to lead a support intervention from July to December 2006 in the Department of Home Affairs to address critical issues in the management and functioning of the department.

Notwithstanding the diverse demands on the services of the PSC, performance against its 2006/2007 workplan was very high. The contents of this Annual Report reflect the broad mandate of the PSC and the strides made in fulfilling this mandate through its key performance areas.

Grievance management in the Public Service continues to be given appropriate emphasis by the PSC. This is reflected variously through the investigation of grievances, requests for advice on labour relations and its role in the effective implementation of the grievance rules. The research work in the area of labour relations improvement has led to the PSC's first annual report on grievance trends as well as research into the management of poor performance in the Public Service. The former report focuses on a statistical overview, causes of grievances and overall grievance management, while the latter report provides an in-depth analysis of the management of poor performance in the Public Service. Collectively, the PSC's work in this area has contributed to it successfully co-hosting the first biennial Labour Relations Conference for the Public Service with the Public Service Co-ordinating Bargaining Council under the theme knowledge through Dialogue: *Harmonising Labour Relations in the Public Service*. The conference succeeded in bringing together labour relations practitioners, and providing them with a platform to debate amongst others, the latest trends pertaining to labour law and labour relations in the Public Service, and establishing partnerships locally, regionally and internationally.

Promoting professional ethics and anti-corruption initiatives has become a trademark for the PSC. In its effort to contribute towards an ethical Public Service, the PSC continues to manage the NACH, which is proving to be a crucial participatory mechanism in the fight against corruption. As at March 2007, a total of 4726 cases have been generated by the NACH since its inception in September 2004. Of these, 2689 relate to corruption (bribery, embezzlement, fraud, favouritism and nepotism, conflicts of interest, maladministration and abuse of government equipment). 1199 cases related to complaints around service delivery (i.e. cases, which on closer scrutiny turned out to be a lack of service delivery).



Service delivery complaints have placed a major strain on the NACH as these were not anticipated at the time of the establishment of the NACH. An evaluation of the effectiveness of the NACH has raised concerns about the capacity of departments to investigate the allegations. Service delivery complaints emanating from the NACH and complaints received under its Complaints Rules, has led to the publication of a Report on Trend Analysis on Complaints Lodged with the PSC during the 2004/2005 and 2005/2006 financial years. The Report provides baseline information regarding complaints lodged with the PSC during the 2004/2005 and 2005/2006 financial years.

The PSC continues to provide Secretariat Services to the National Anti-Corruption Forum (NACF), a forum that promotes continual dialogue and collective anti-corruption action amongst Business, Civil Society and Government. As alluded to in the Chairperson's Foreword, the PSC has indeed played an instrumental role in the implementation of the National Anti-Corruption Programme (NACP), which has yielded a number of tangible results.

Its management of the Financial Disclosure Framework (FDF) for senior managers in the Public Service, has led to a Report on the Managing of Conflicts of Interest in the Public Service, and the PSC has strongly argued for a policy that will provide detailed measures for managing conflicts of interest. Such a call becomes pertinent if one notes that the Public Service has still not reached 100% compliance with the FDF. This recommendation was canvassed at a roundtable discussion on the report where critical stakeholders from academia, unions and the Public Service met to debate its contents.

During the period under review, the PSC produced its fourth report on the Overview of Financial Misconduct in the Public Service. These overviews serve as baseline information through which trends can be identified for future analysis in the Public Service. The 2005/2006 Overview of Financial Misconduct revealed that fraud and theft, misappropriation and abuse, gross negligence, and bribery, were the prevalent types of financial misconduct reported by departments.

The PSC has been at the forefront of Monitoring and Evaluation (M&E) initiatives in the Public Service. Its M&E System has been running since 2002 and has been applied in 54 departments (17 national and 37 provincial). The system continues to generate evaluative data on the performance of the Public Service. It is through the application of the PSC M&E System that the PSC produced its Monitoring and Evaluation Report covering 2005/2006 research cycle. The information drawn from here also contributes to its flagship, the State of the Public Service Report (SOPS). The SOPS Report 2006 focused on the capacity of the Public Service to deliver. The SOPS Report has certainly evolved to become a defining commentary on Public Service performance and is extensively utilised in public administration discourse in South Africa.

PSC's approach has always been not only to implement M&E tools, but also to actively deepen the culture of M&E in the Public Service. Apart from its advocacy workshops, the PSC co-hosted the inaugural South African Monitoring and Evaluation Association Conference with the theme: *Monitoring and Evaluation in Action*. The Conference succeeded in bringing together practitioners working on monitoring and evaluation and promoting M&E thinking and practice in South Africa as well as stimulating debate and research around M&E practice.

Efforts to strengthen administrative leadership and performance management is best reflected through the role the PSC plays in the performance evaluation of HoDs by providing advice on the content of performance agreements and facilitating their performance evaluations. A total of 33 HoDs from both national and provincial departments were evaluated during the period under review. To supplement performance management, the PSC has piloted an Organisational Performance Assessment template, to collate information about the performance of each department. This information will be packaged for the Executing Authorities, HoDs and the panel members who will be evaluating the various HoDs.

The PSC continues to focus on improving service delivery at the point of interface with citizens. Citizen Satisfaction

Surveys continue to be used to measure the satisfaction levels of citizens with government services. During the period under review, the PSC conducted another Citizen Satisfaction Survey focusing on the National departments of Home Affairs and Trade and Industry and as well as all the nine provincial departments of Transport. Supplementing these surveys, the PSC has begun to physically monitor service delivery sites through its programme of inspections which generate much needed primary first-hand information on the state of service delivery experienced by citizens and the challenges that need to be addressed.

As with the previous years, the PSC continues to produce other valuable Reports and make regular presentations on its Reports to Parliament, Portfolio Committee on Public Service and Administration and Provincial Legislatures. The presentations were well received. Our published reports are obtainable from our offices countrywide and can be downloaded from the PSC website: www.psc.gov.za.

Finally, I wish to express my appreciation to my colleagues at national and provincial departments for their cooperation during their project related engagement with the PSC.

My appreciation also goes to the Chairperson of the PSC, Prof Stan Sangweni, his Deputy, Mr John Ernstzen and Commissioners for their leadership during the period under review.

It goes without saying that the performance I am so proud of would not have been possible without the hard work and dedication of the staff of the OPSC. This Annual Report is a testimony of their selfless efforts and professionalism, for which I sincerely thank them.

Thank you.



OR RAMSINGH
DIRECTOR-GENERAL
OFFICE OF THE PUBLIC SERVICE COMMISSION

1.2 Information on the Public Service Commission

1.2.1 Background

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

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

1.2.2 Members

The following are members of the PSC:

Nominated by the National Assembly:

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

Nominated by the provincial legislatures:

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

Members of the Public Service Commission



Front Row [seated/from left]: Mr JH Ernstzen [Deputy Chairperson], Ms PM Tengen [KwaZulu-Natal], and Prof SS Sangweni [Chairperson]

Middle Row [from left]: Mr KE Mahoai [Limpopo], Dr NV Maharaj [Western Cape], Ms MRV Mashigo [Pretoria], Mr JDS Mahlangu [North-West], Dr NJ Mxakato-Diseko [Pretoria], Mr M Msoki [Eastern Cape], Mr P Helepi [Free-State]

Back Row [from left]: Dr R Mgijima [Gauteng], Mr DW Mashego [Mpumalanga], Mr KL Mathews [Northern Cape] and Dr EG Bain [Pretoria].

1.2.3 Official visits abroad

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

DESTINATION	DATE/PERIOD	NAME OF COMMISSIONER	PURPOSE OF VISIT
Barcelona, Spain	14 to 18 May 2006	Dr NV Maharaj	To attend the International Public Management Association For Human Resource (IPMA-HR) Conference.
Birmingham, UK	15 to 19 May 2006	Mr DW Mashego	To attend the Commonwealth Association for Public Administration and Management (CAPAM) Seminar.
Monterrey, Mexico	16 to 20 July 2006	Dr NJ Mxakato-Diseko Mr JDS Mahlangu	To attend the International Institute of Administrative Sciences (IIAS) 3 rd Regional International Conference of Administrative Sciences.
Lima, Peru	11 to 14 September 2006	Mr JH Ernstzen	To attend the International Industrial Relations Association (IIRA) 14 th World Congress.
Sydney, Australia	21 to 25 November 2006	Dr NV Maharaj Mr M Msoki	To attend the CAPAM Biennial Conference.
Guatemala City & Antigua, Guatemala	15 to 18 November 2006	Ms P M Tengeni	To attend the 12 th International Anti-Corruption Conference.
London, UK	20 to 24 November 2006	Mr P Helepi	To attend Public Administration International Study Programme.
Arusha, Tanzania	4 to 8 December 2006	Dr NV Maharaj	To attend the African Association for Public Administration and Management's (AAPAM) 28 th Roundtable Conference.
Niamey, Niger	15 to 21 January 2007	Dr NJ Mxakato-Diseko	To attend the 4 th African Evaluation Association (AfrEA) Conference.
Brussels, Belgium	14 to 15 March 2007	Prof SS Sangweni	To attend the International Conference on Improving Governance and Fighting Corruption.

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

There were no such institutions during the period under review.

1.2.5 Bills submitted during the financial year

No bills were submitted during the period under review.

1.3 Mission Statement

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

Vision

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

Mission

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

1.4 Legislative Mandate

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

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

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 Office of the Public Service Commission (OPSC), with its Head Office in Pretoria and one regional office in each province. A Director-General (DG) heads the OPSC and is the accounting officer.

The work of the PSC is structured around six performance areas, as reflected in **2.1.2.2**.

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

a) Branch: Investigations and Human Resource Reviews

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

b) Branch: Monitoring and Evaluation

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


The two branches are supported by **Corporate**

Services. Corporate Services renders administrative and overall support services to the two line-function branches.

The PSC has nine regional offices located in each of the provinces and established as part of a single national entity. These offices serve as a base for the provincially-based Commissioners and are administered by regional directors and support staff. The activities of the regional offices are covered as part of the sub-programme reports under both the above-mentioned line-function branches.

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





CHAPTER 2: PROGRAMME PERFORMANCE



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

Voted Funds

Main Appropriation R97 003 000

Statutory Appropriations

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

2.1 The Public Service Commission

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

2.1.1 Aim of the vote

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

2.1.2 Key measurable objectives

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

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

2.1.2.1 Key objectives of the PSC are to:

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

2.1.2.2 Key performance areas of the PSC are:

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

2.1.3 Summary of programmes

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

- **Administration** manages and organises the Office of Public Service Commission.
- **Investigations and Human Resource Reviews** enables the PSC to contribute towards the improvement of labour relations management; undertake public administration audits and investigations and promote anti-corruption practices; and review the implementation of human resource policies in the Public Service.
- **Monitoring and Evaluation** enables the PSC to establish a high standard of Public Service leadership, good governance and improved service delivery through public participation.

2.1.3.1 Overview of the service delivery environment for 2006/2007

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

At the request of the Minister of Home Affairs, a support intervention was conducted from July to December 2006 in the Department of Home Affairs to address critical issues in the management and functioning of the Department. The Director-General of the OPSC was subsequently appointed leader of the combined technical team responsible for conducting the intervention at Home Affairs. Other team members were from the National Treasury and the Department of Public Service and Administration. This support intervention placed a fair amount of strain on the resources of the PSC.

Notwithstanding the demands on the services of the PSC, performance against its 2006/2007 work plan was very high. The PSC has continued to contribute towards good governance and accountability in the Public Service. The PSC continues to intensify its efforts to promote professional ethics and eliminate corruption. Members of the public are actively utilising the NACH to report acts of possible corruption in the Public Service. As at March 2007 a total of 4726 cases have been generated by the NACH since its inception in September 2004. Through the evaluation on the effectiveness of the NACH, a concern is raised about the capacity of departments to investigate the allegations.

Given the importance of improving service delivery at the point of interface with citizens, there has been a need for the Public Service to strengthen its monitoring of service delivery sites. The PSC heightened its contribution in this regard by embarking on a programme of inspections targeting specific Public Service delivery sites. Such inspections helped to generate much needed primary first-hand information on the state of service delivery experienced by citizens and the challenges that need to be addressed.

The PSC continues to promote opportunities for the public to participate in policy making and implementation. Such participation creates a sense of belonging and ownership among the citizens. It is against this background that the PSC has conducted Citizen Satisfaction Surveys and supported Citizen's Forums. These activities help to engage citizens on service delivery matters and elicit their views on desired improvements. It is when the law makers are well informed of the pressing issues as articulated by the affected citizens where responsive policies and strategies to deal with such issues can be developed, implemented and monitored.

2.1.3.2 Overview of the organisational environment for 2005/2006

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

During the period under review, the Director-General was appointed leader of the Support Intervention Team that worked at the Department of Home Affairs for six months. To mitigate the potential impact of this development, the Deputy Director-General: Monitoring and Evaluation and Deputy Director-General: Investigations and Human Resources Review were appointed Acting Director-General on a rotational basis.

The approved staff establishment is 226 resulting in 19 vacant posts as at March 2007. The vacancy rate can be attributed to high staff turnover within the PSC, especially with respect to officials on salary levels 8, 9 and 11.

The Employee Wellness programme of the PSC continues to show a marked improvement on its utilisation. Given the highly pressurised environment, the annual utilisation rate has increased from 2.5% in January 2006 to 19% in December 2006. In addition to the Employee Wellness Programme, other initiatives have been initiated to give attention to the overall wellness, contentment and productivity of staff.

2.1.3.3 Strategic overview and key policy developments for the 2006/2007 financial year

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

National Anti-Corruption Forum

The PSC has continued to provide secretariat services to the NACF since its establishment in June 2001. Comprising of Government, Civil Society and Business, the NACF promotes dialogue and collective anti-corruption action among the three sectors. The PSC has played an instrumental role in the implementation of the National Anti-Corruption Programme (NACP), which has produced tangible results such as the launch of the NACF website and a Guide on the Prevention and Combating of Corrupt Activities Act as well as the signing of an Integrity Pledge by leaders of the NACF.

National Anti-Corruption Hotline

The NACH is a vital mechanism for the Public Service in its fight against corruption. Through it, departments and Executing Authorities are informed about alleged corruption in their departments, enabling them to take corrective action. The PSC has developed a Hotline Toolkit to assist departments in handling cases referred to them. It has also evaluated the effectiveness of the Hotline. Based on this evaluation the Hotline is producing tangible results with 20 officials having been dismissed already after their corrupt actions were reported.

Conflicts of Interest


The work of the PSC in the area of ethics has allowed it to develop an appreciation for the debate on conflicts of interest. The PSC has conducted research resulting in a Report on Managing Conflicts of Interest in the Public Service. The Report proposes the establishment of a framework and the implementation and regulation of a policy that will provide detailed measures for managing conflicts of interest. It also proposes that the code of conduct for public servants, the financial disclosure framework for senior managers and the proposed policy be rationalised into one management system for conflicts of interest.

Monitoring and Evaluation

Monitoring and Evaluation is recognised as an important component of public administration. The PSC is mandated to monitor and evaluate management practices and service delivery in the Public Service and to make recommendations on improvements. The PSC's Transversal Public Service Monitoring and Evaluation System has been running for the past five years and has been successfully applied in 54 departments (17 national and 37 provincial). The application of this system has resulted in another Consolidated Monitoring and Evaluation Report for the 2005/2006 research cycle. This work continues to contribute to the development of the annual State of the Public Service Report.

Public Service Leadership

Following Cabinet's adoption of a structured framework for the evaluation of the performance of HoDs in November 2000, the PSC played a key role in the performance evaluation of HoDs by providing advice on



the content of performance agreements and facilitating performance evaluations. Over 240 performance evaluations have been facilitated by the PSC since the inception of the framework.

The PSC believes that there is a need to link each HoD's performance evaluation to the performance of his/her department. The PSC has therefore, developed an organisational performance assessment framework to collate evaluative data on the overall performance of individual departments. The data is fed into the HoD's performance evaluation process to inform the evaluation panels, and to advise the HoDs and Executing Authorities on the performance of their departments.

Citizen Satisfaction Survey

The PSC continues to measure the satisfaction levels of citizens with government services through Citizen Satisfaction Surveys. To date, the PSC has conducted four Citizen Satisfaction Surveys focusing on amongst others, Social Service, Criminal and Justice sectors, as well as Economic and Infrastructure services. The Citizen Satisfaction Survey conducted during the 2006/2007 financial period focused on the national departments of Home Affairs and Trade and Industry as well as all the nine provincial departments of Transport.

Inspections

The PSC's approach to oversight involves conducting on-site inspections of Public Service institutions. Such inspections provide first hand experience of what happens in departments and enables the PSC to base its oversight work on practical experiences. During the year under review, the PSC developed a Protocol Document on Inspections.

Four Departments participated in the pilot initiatives of the protocol document. These Departments were Home Affairs and Labour at national level, and Housing in Gauteng and Social Development in the Free State. The reports on these Departments have been sent to both Executing Authorities and Accounting Officers of the respective Departments. The PSC has applied the lessons learnt and drawn from the pilot initiatives to refine the protocol document. The protocol document

will be printed in a booklet form and be shared with the PSC's stakeholders. The PSC is committed to continue with inspections to deepen service delivery.

2.1.4 Collection of departmental revenue

No revenue collection was planned for the period under review.

2.1.5 Transfer payments

There were no transfer payments during the period under review.

2.1.6 Conditional grants and earmarked funds

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

2.1.7 Capital investment, maintenance and asset management plan

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

2.1.8 Notes on programmes

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



Mr Dumisani Maphumulo
Deputy Director-General

2.2 Programme 1: Administration

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

The **measurable objective** of this programme is to implement and monitor sound human resource management and accountable financial management. Furthermore, to provide 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 plans for each financial year.

The objectives and activities for the 2006/2007 financial year are discussed in detail under Programme 2: Investigations and Human Resource Reviews, and Programme 3: Monitoring and Evaluation.

2.2.2 Sub-programme: Management

Purpose

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

Measurable objectives

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

2.2.3 Sub-programme: Corporate Services

Purpose

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

Measurable objectives

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

- implement and maintain sound human resource management and development practices;
- provide effective logistical support;
- ensure accountable financial administration and management;
- provide effective information technology services; and
- provide effective communication and information services.

2.2.3.1 Service delivery objectives and indicators

This section gives an overview of the internal support on the operations of the PSC during the period under review.

The appointment of staff into vacant posts is gradually yielding results in the form of improving employment equity targets as well as employing people with appropriate skills in the PSC. There is a steady increase in the number of female employees from 97 in February 2006 to 106 in February 2007.

To strengthen financial management and planning, the PSC established a Budget Committee. This provides a platform for the Chief Directors to discuss all financial related matters. These meetings include a monthly assessment of budget spending in comparison to the norm, cash flow projections and project costing. Cash flow monitoring is done weekly to ensure that the PSC does not exceed the available funds for the month.

In April 2006 a project costing model which costs projects separately was introduced. The model assists with the provision of accurate information relating to projects, budget and expenditure. In this way resources are optimally utilised and monitored.

The annual review of the PSC's Communication Strategy was undertaken and was submitted to the Government Communication and Information System (GCIS). Realising the effects of its work on the public, the PSC has begun to engage the media responsibly, especially on its findings. Increased reporting on PSC work encourages greater public awareness. The annual report was timely published and submitted to the Auditor-General and National Treasury by 31 August 2006. This report was also tabled in Parliament. A Library Committee comprising of representatives from each Chief Directorate and Information Technology was successfully established and the Information Resources Centre was upgraded.

As a knowledge-based organisation, a web based information and knowledge management (IKM) system was

developed. The IKM system was developed based on the critical role that Information Technology (IT) plays in the implementation of Knowledge Management. A further system enhancement incorporated an integration of Document Management System functionality for Case Management System (CMS). In order to manage the body of information and knowledge the PSC possess currently and in future, scanners were installed to enable Chief Directorate: Labour Relations Improvement to scan grievances or complaints. During the scanning process the case management system generates a reference number.

2.2.3.2 Service delivery achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
Performance as per workplan for 2006/2007				
Financial Management	Financial reports that accurately present the financial position of the OPSC	Accurate recording of all financial transactions	March 2007	Financial reports are submitted to National Treasury on the 15 th of every month
	Project budgeting and costing per project	Improved budget management and expenditure management on projects	September 2006	Projects are costed and budget is allocated accordingly
	Proper monitoring of expenditure and budget on projects			Expenditure trends are monitored monthly Cash flow is monitored weekly
	Implementation of the Budget Committee		September 2006	Budget Committee was established from April 2006 Monthly meetings are held with the Chief Directors
Asset Management	Implementation of reviewed OPSC Asset Management Policy	Effective asset management and internal controls	September 2006	Draft policies are being reviewed
		Optimal and economical utilisation of assets	March 2007	All assets are managed to ensure optimal utilisation
		Periodic asset verification	March 2007	Asset verification is conducted twice a year
	Implementation of the electronic system for bar coding and tracking of assets	Bar coded assets	March 2007	Project proposal approved. The project will commence in July after completion of the audit
Procurement Management	Review and implementation of the following OPSC existing policies: Transport, Cell phone, Postal Service, Telephone and Travel & Subsistence	Effective management and economic utilisation of OPSC resources	June 2006	Draft policies are being reviewed
	Implementation of Contracts Management System	Database of all contracts with the service providers created	September 2006	Expiry dates of contracts are monitored
	Implement 360 degree evaluation	Improved service delivery	March 2007	Project not yet started
	Implementation of the revised Procurement Policy	Improved risk management	March 2007	A draft improved risk management policy developed
Logistics Management	Development and implementation of an OPSC filing system (head office and regions)	Improved filing and document tracking with the head office and regions	March 2007	Approved filing system implemented

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
Property Management	Management of properties/physical properties	Adequately maintained and repaired property	March 2007	Municipal fees are paid monthly
	Payment of rental and municipal levies	Improved service delivery		Office accommodation payments for the 10 PSC Offices paid quarterly
Security	Upgrade current security system	Proactive security and safe working environment	December 2006	Head Office and Western Cape Regional Offices security upgraded
	Proper screening of visitors and documents	Reduced incidents on breach of security	March 2007	Security service is provided to the Office 24 hours a day for 7 days. Visitors are screened when entering the premises
	Trained security officials	Improved security awareness	March 2007	Security officials undergoing training
	Security clearance of staff occupying sensitive posts	Staff occupying sensitive posts security cleared	March 2007	Clearance by NIA of staff occupying sensitive posts
	Implementation of the OPSC Contingency Plan	Effective and efficient handling of emergencies resulting in minimized risks and threats	March 2007	Contingency Plan is being implemented in phases
	Appointment of Security, Health and Safety Committee members and Health and Safety Representatives in compliance with the Occupational Health and Safety Act	Health and Safety Committee appointed	September 2006	Committee members appointed
Communication and Information Services	Arrange for online and physical availability of the Information Resource Centre's products and services to staff	Information Resource Centre's products and services accessible online and physically	March 2007	Products and services accessible on the Intranet through a dedicated link. In addition the Centre keeps an updated catalogue of material available
	Establish Information Resource Committee (Library Committee)	Information Resource Committee (Library Committee) established and operational	September 2006	The Library Committee established and is fully operational
	Purchase relevant Information Resource Centre material for users as and when necessary	Relevant Information Resource Centre material purchased for users as and when necessary	March 2007	Material was purchased and made available to patrons as per requests
	Market Information Resource Centre services	Information Resource Centre services marketed	March 2007	Celebration of the Library Week - entailing an exhibition and display of material. Notices about and display of new material

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
	Annual review of the PSC's communication strategy in line with government communication themes and messages	Communication strategy reviewed and submitted to GCIS	July 2006	Communication strategy reviewed submitted to GCIS
	Bi-monthly production and publishing of Internal Electronic Newsletter – Izwi lase OPSC	Internal newsletter distributed online to staff every second month	March 2007	Internal newsletter compiled and disseminated every second month
	Compilation of the Annual Report in line with Treasury Guidelines	Annual Report published	August 2006	Annual Report published and submitted 31 August 2006
	Standardisation of PSC printed reports	All PSC printed reports standardised in terms of corporate look	June 2006	All PSC reports standardised
	Ongoing maintenance of appropriate corporate identity and protocols	Corporate identity consistently adhered to on all publications and promotional material	March 2007	Continuous promotion of corporate identity
	Improve media relations	Media liaison activities held	March 2007	Media coverage of PSC's work grown from 21 to 73 stories
	Promote effective utilisation of the Intranet and Internet	Utilisation of Intranet and Internet services promoted and improved Timeous uploading of information done	March 2007	Internet and intranet updated regularly
	Ensure user-friendliness of the Intranet	Functionality of the intranet in line with users' needs	March 2007	Stakeholders continuously made aware of new information on Intranet Monthly usage tracking reports monitored
	Participation in the inter-ministerial and inter-departmental activities	Government communicators updated on PSC programmes/projects	March 2007	Participated in Pre-Cabinet Meetings Participated in Governance and Administration Cluster meetings of Heads of Communications

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
	Staff informed about strategic decisions taken and also afforded an opportunity to raise their concerns and suggestions for consideration by management	Information Sessions for the OPSC held as and when necessary	March 2006	An information session, led by the Director-General, was held for staff
	Annual review of the Promotion of Access to Information Manual in line with the Promotion of Access to Information Act	Promotion of Access to Information Manual reviewed and published accordingly	August 2006	A manual was created, updated and accordingly submitted to the Human Rights Commission
	Annual review of the Promotion of Access to Information Section 15 Notice in line with the Promotion of Access to Information Act	Promotion of Access to Information Section 15 Notice reviewed and published accordingly	August 2006	Promotion of Access to Information Section 15 Notice reviewed and published
	Render communication support to the O/PSC	O/PSC projects and programmes successfully given communication support	March 2007	Participated in exhibitions and supported roundtable discussions. PSC was exhibited at a number of events
Information Technology	Implementation of Web based fault logging system	Web based fault logging system implemented Continuous feedback provided to users	June 2006	Completed training video circulated
	Implementation of Virtual Private Network (VPN) and Wide Area network accelerators	99% network uptime	March 2007	Put on hold subject to availability of funds
	Upgrading of local area network (LAN) in Regional Offices	Improved network connectivity and speed in Regional Offices	December 2006	Successfully implemented in February 2007
	Implementation of Uninterrupted Power Supply (UPS)	Installed Uninterrupted Power Supply (UPS) with 45 minutes battery back-up	November 2006	Successfully implemented in February 2007
	Installation of Information and Knowledge Management (IKM) Phase II server and scanners for document management	Completion of Information and Knowledge Management (IKM) Phase II System	March 2007	Server and scanners installed
	Review benchmark and implementation of IT Policies: <ul style="list-style-type: none"> Computer and Information Security Internet and Email 	IT Policies reviewed and implemented	September 2006	Policies reviewed and circulated to users for input

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
	Upgrading of the server room in line with NIA recommendations	Server room in line with NIA standards upgraded	March 2007	Successfully completed in February 2007
Information and Knowledge Management	Effective utilisation of the IKM system	Reach maximum number of users interacting with system on a regular basis	March 2007	Ongoing promotion of IKM utilisation
	Development and implementation of Knowledge Management Strategy	Centralised storage of data, information and knowledge	March 2007	Strategy circulated to users for input
	Develop, Manage and Maintain Information Systems	Developed a Master Information System Plan	March 2007	This was not achieved and carried over to next financial year
	Implementation of contract and license management system	Timeously renewed software licenses	March 2007	Successfully developed
	Tracking of technology trends and recommend relevant training	Increased IT literacy	March 2007	Training needs identified
Human Resource Management	Effective implementation of PWDs employment plan	Recruitment of PWDs at targeted components	March 2007	One person with a disability was appointed on full-time basis. Six persons with disabilities were appointed with learnerships
	Review implementation of a HR Plan to address the needs of the Office	HR plan reviewed and implemented	October 2006	Not achieved
	Revision of OPSC Delegations	OPSC delegations revised Ensured efficiency in HR management and administration through the delegation of powers to appropriate levels and the elimination of elaborate decision making process	July 2006	Revised delegations approved and implemented
	Audit and update of leave records	Audited and updated leave records	September 2006	Leave records continuously updated
	Implementation of induction/orientation/re-orientation programme	Staff members who know what is expected of them	March 2007	In process
	Monitor employee wellness programmes	Healthy workforce with an environment that addresses staff emotional & performance needs	March 2007	Utilisation of Employment Wellness Programme increased from 2,5% to 19%

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
	Revision of the EPMIS policy	Revised EPMIS accepted Revised EPMIS is linked to the OPSC's objectives Revised EPMIS applied in a sound, reliable and objective manner Timeous assessments conducted	July 2006	Draft revised policy finalised Approval was obtained after March 2007 Approval was obtained after March 2007 Timeous half yearly and annual assessments conducted
	Revised EE Plan to address employment equity	Achieved equity in the OPSC workplace by promoting equal opportunities and fair treatment in employment	November 2006	Not achieved Revised national targets introduced
	Implementation of Workplace Skills Plan	Skilled and competent workforce	November 2006	122 employees trained
	Implementation of learnership and internship programmes	Placed learners and interns in the OPSC	March 2007	6 learners with disabilities were placed
	Revise Service Delivery Improvement Plan	Improved Service delivery with measurable Standards	July 2007	Draft plan under consideration



Mr Admill Simpson
Deputy Director-General



Ms Mmathari Mashao
Chief Director

2.3 Programme 2: Investigations and Human Resource Reviews

The **purpose** of this programme is to enable the PSC to contribute towards the improvement of labour relations management; undertake public administration audits and investigations and promote anti-corruption practices; and review the implementation of human resource policies in the Public Service.

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

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

2.3.1 Sub-programme: Labour Relations Improvement

A key constitutional responsibility given to the PSC is the promotion of sound labour relations. Over the years, the PSC has articulated this responsibility through its investigations into grievances, its contribution to the development of a grievance framework and its monitoring and evaluation of grievance management. As a result of such an approach, its experiences in this area have resulted in the PSC being regarded as a leading arbiter of grievances in the Public Service.

In order to broaden its role in the wider promotion of labour relations, the PSC has begun to provide deeper analyses and insights into trends, practices and management approaches that impede, support and/or enhance the promotion of labour relations in the Public Service. The PSC has also extended its promotional role through the hosting of conferences which serve as meaningful platforms to debate the latest trends and best practices.

Purpose

The core function of the sub-programme is to enhance the management of Public Service labour relations

through conducting investigative research and providing advice on complaints, grievances and labour relations practices and policies.

Measurable objectives

The main objectives of the sub-programme are to:

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

2.3.1.1 Service delivery objectives and indicators

In the improvement of labour relations, the PSC has positioned itself as the main arbiter of grievances in the Public Service. During the period under review, the PSC received 641 grievances, which demonstrates a significant increase over the 486 received during the previous financial year. Of these, 189 cases were finalised and recommendations made to departments. However, 261 cases had to be referred back to departments on the basis of non-compliance with the Grievance Rules, 2003. In thirteen cases, the aggrieved employees withdrew their grievances whilst under consideration by the PSC. As at March 2007, 178 cases were pending due to incomplete information which had to be requested from departments. Non-compliance with the time-frames and non-submission of requested information continue to result in delays in grievance resolution. This has led to the PSC invoking section 10 of the Public Service Commission Act, 1997, whereby Heads of Departments (HoDs) were summonsed to appear before the PSC for failure by their departments to comply with multiple requests for outstanding information.

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

Chart 1: Grievances Received



Chart 2 below illustrates the nature of grievances referred to the PSC during the period under review. The total number of cases is 652, eleven more than the total depicted in chart 1. The reason for this is that some aggrieved parties lodged two or more grievances at the same time. Of the total number, 105 related to filling of posts, while 167 related to performance assessments, 111 were about unfair treatment and 191 related to salary problems. In addition, 42 could not be classified under the specified categories, while six related to the undermining of authority, seven were about leave applications and 23 related to disciplinary matters.

Chart 2: Nature of Grievances

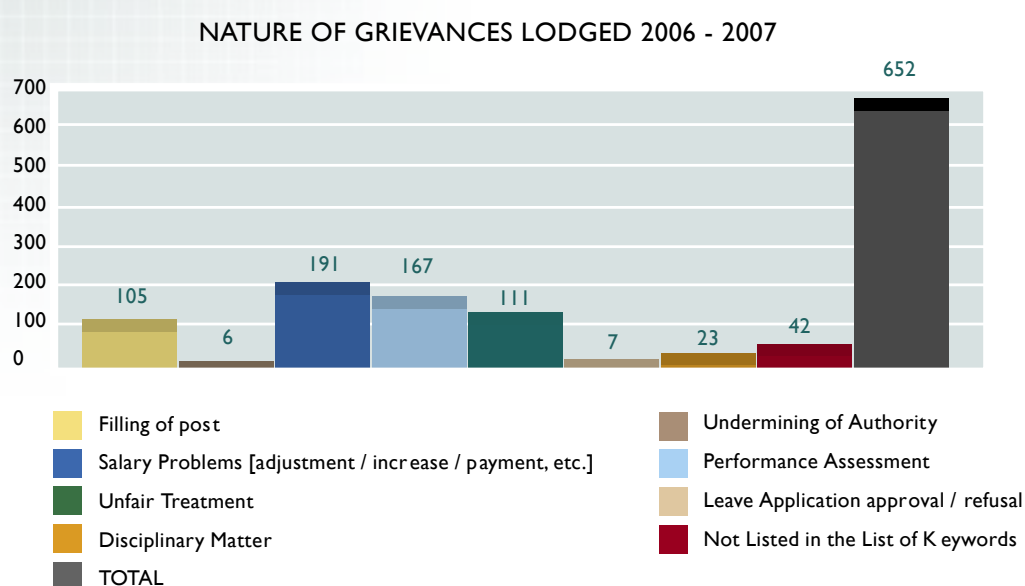
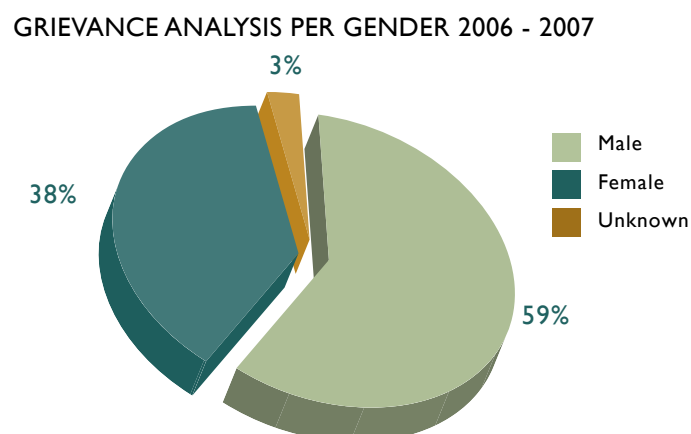


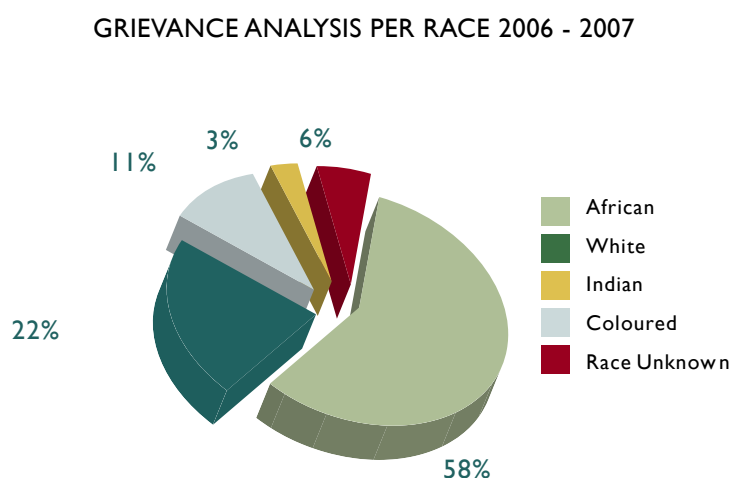
Chart 3 below depicts grievances lodged in respect of gender. Out of the hundred percent, 59% were lodged by males while 38% were by females. The gender of the remaining 3% could not be classified due to incomplete information provided by departments.

Chart 3: Gender in Respect of Grievances Lodged



The chart below depicts a breakdown of grievances lodged in respect of racial categories. From the total grievances received 58% were by Africans, while 22% came from Whites, 3% from Indians and 11% from Coloureds. The race of the remaining 6% could not be verified due to incomplete information provided by departments.

Chart 4: Race in respect of Grievances Lodged



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 incline in the number of labour relations related complaints lodged. For the financial year 2005/2006, the PSC received a total of 45 complaints. This amount has risen to 65 for the 2006/2007 financial year.

Chart 5 illustrates that a total of 65 complaints were received. By 31 March 2007, 46 of them were completed and 19 were still pending.

Chart 5: Complaints Received

REPORT FOR COMPLAINTS 2006 - 2007

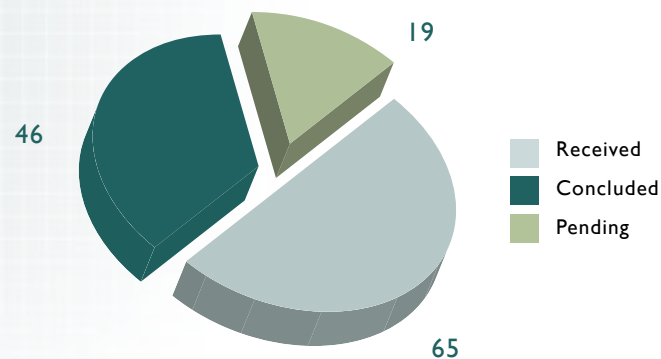


Chart 6 below provides a breakdown of the nature of complaints received. As will be noted from the figures in Chart 6 there were 67 causes for complaints lodged which would seem at odds with the total number of complaints lodged (65). The reason for this variance is that two complainants dealt with two separate issues in their complaint forms. The highest number of complaints received dealt with issues such as unfair treatment (16) and disciplinary matters (14).

Chart 6: Nature of Complaints

NATURE OF COMPLAINTS LODGED 2006 - 2007

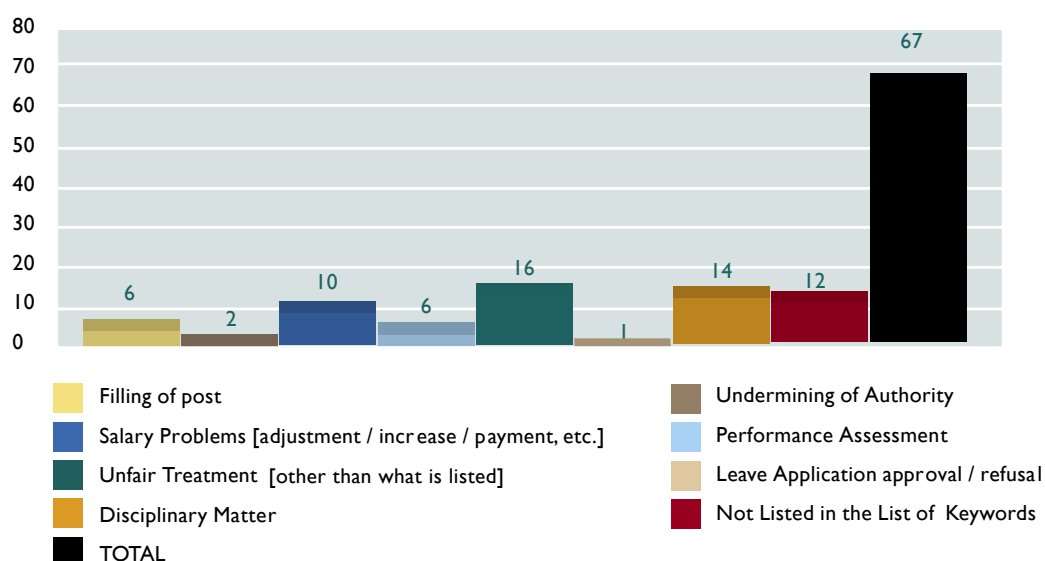
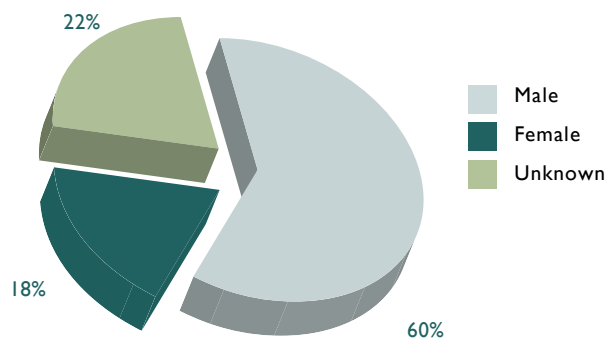


Chart 7 depicts complaints lodged in respect of gender: From the total, 60% were lodged by males while 18% were by females. The gender of the remaining 22% could not be determined as departments provided incomplete information.

Chart 7: Gender in respect of Complaints Lodged

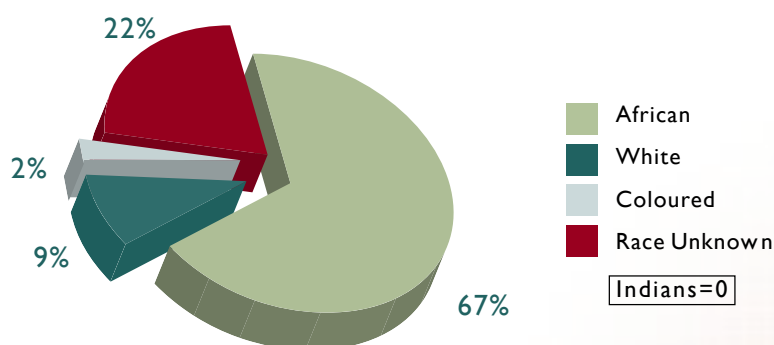
COMPLAINTS ANALYSIS PER GENDER 2006 - 2007



The chart below breaks down the percentage of complaints lodged per race. Out of the total, 67% were lodged by Africans, 9% by Whites and 2% by Coloureds. There were no complaints received from the Indian community, while the race of the remaining 22% could not be verified due to incomplete information provided by departments.

Chart 8: Race in respect of Complaints Lodged

COMPLAINTS ANALYSIS PER RACE 2006 - 2007



In order to broaden the PSC's role in the wider promotion of labour relations, this requires efforts that will prevent grievances from arising. To do this, the PSC needs to understand what the practices that cause grievances are and how such practices can be addressed to minimise the number of grievances that arise. This has led to the generation of monthly reports with graphical analyses of grievance trends. These reports have contributed to the production of a draft annual report on Grievance Trends in the Public Service. The Report gives an overview of emerging patterns of grievances within the Public Service, with a focus on the number and causes of grievances and the management thereof in terms of adherence to procedures and timeframes. This Report will be published in the first quarter of the new financial year.

During the period under review, a draft Report on the Management of Poor Performance in the Public Service was also completed. The Report provides an in-depth analysis of the management of poor performance in the Public Service on the basis of research conducted in a sample of service delivery orientated departments at both national and provincial level. The Report, which will be published in the next financial year, also contains detailed recommendations on where efforts should be concentrated in order to improve human resource management and other practices related to performance management.

In March 2007, the PSC co-hosted a successful first biennial Labour Relations Conference for the Public Service with the Public Service Co-ordinating Bargaining Council (PSCBC). The theme of the Conference was *Knowledge through Dialogue: Harmonizing Labour Relations in the Public Service*. The Conference succeeded in bringing together labour relations practitioners and providing them with a platform to debate the latest labour relations trends and best practices. To sustain the momentum, the PSC will be organising roundtable discussions on pertinent labour relations issues, commencing in 2007.

2.3.1.2 Service delivery achievement

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
Performance as per workplan for 2006/2007				
Labour Relations Improvement	Investigations of grievances and complaints	Percentage of grievances and complaints successfully assessed	80% of grievances and complaints	<p>The PSC received 641 grievances during the period under review</p> <p>189 grievances were finalised whilst 261 were referred back to departments due to non-compliance with the Grievance Rules</p> <p>13 grievances were withdrawn by aggrieved employees</p> <p>178 cases were pending due to incomplete information</p>
	Research on the Management of poor performance in the Public Service	Number of research reports produced	1 report	Draft report on the Management of poor performance in the Public Service finalised
	Public Service Labour Relations conference hosted and conference report produced	Labour relations conference successfully hosted and report produced	March 2007	Successful hosting of the first biennial Labour Relations Conference
	Review of the Grievance Rules	Proposals for policy amendment developed for PSCBC	September 2006	Finalised and incorporated in Grievance Trend Report
	Report on Grievance resolutions in the Public Service	Timeous accurate and quality six monthly reports produced	March 2007	Finalised and incorporated in Grievance Trend Report
	Annual Report on grievance resolutions in Public Service completed	1 report produced	March 2007	Draft Annual Report on Grievance Trends finalised
	Analysis of labour relations trends in the Public Service	1 report produced	September 2006	Analysis conducted and incorporated in Grievance Trend Report



Ms Caroline Mampuru
Chief Director

2.3.2 Sub-programme: Public Administration Investigations

The PSC has intensified investigations in response to complaints on public administration practices and maladministration. The inception of the National Anti-Corruption Hotline (NACH) has led to a substantial increase in the number of investigations that have to be dealt with by the PSC. To ensure consistency, objectivity and fairness in the execution of such investigations, the PSC is guided by its protocol Procedure for the conducting of Public Administration Investigations. Reports, desk top audits and investigations covering, amongst others, corruption, procurement, fraud and maladministration have been submitted to the relevant Executing Authorities for implementation of recommendations. In order to avoid duplication of resources, some complaints are referred to other institutions such as the Independent Complaints Directorate, the Office of the Auditor-General and the Public Protector for further handling and investigation.

Purpose

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

Measurable objectives

The main objectives of the sub-programme are to:

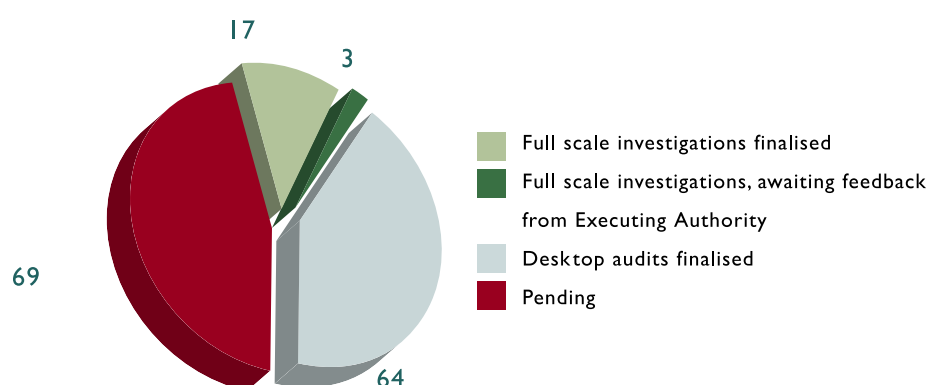
- Investigate public administration practices and make recommendations to departments;
- undertake forensic audits and investigations into public administration practices; and
- monitor and evaluate financial misconduct cases and maintain a database.

2.3.2.1 Service delivery objectives and indicators

Audits and investigations into public administration practices continued to gain momentum. Most of the investigations during the period under review, related to maladministration and irregularities pertaining to human resource and procurement practices. Although the PSC has included the investigation of public administration practices in its work plan, the number of requests for the involvement of the PSC in investigations cannot be anticipated. In the past year the demand for investigations to be conducted by the PSC has increased vastly in comparison to previous years. These requests impacted on the financial and human resource capacity of the Office.

As at 31 March 2007 a total of 153 complaints/requests for investigations were received during the year under review. These complaints/requests for investigations emanated from complaints lodged with the PSC and requests from, amongst others, Executing Authorities, public servants and whistle-blowers. Chart 9 provides an overview of the status of the 153 cases lodged with the PSC.

Chart 9: Status of Complaints Lodged with the PSC

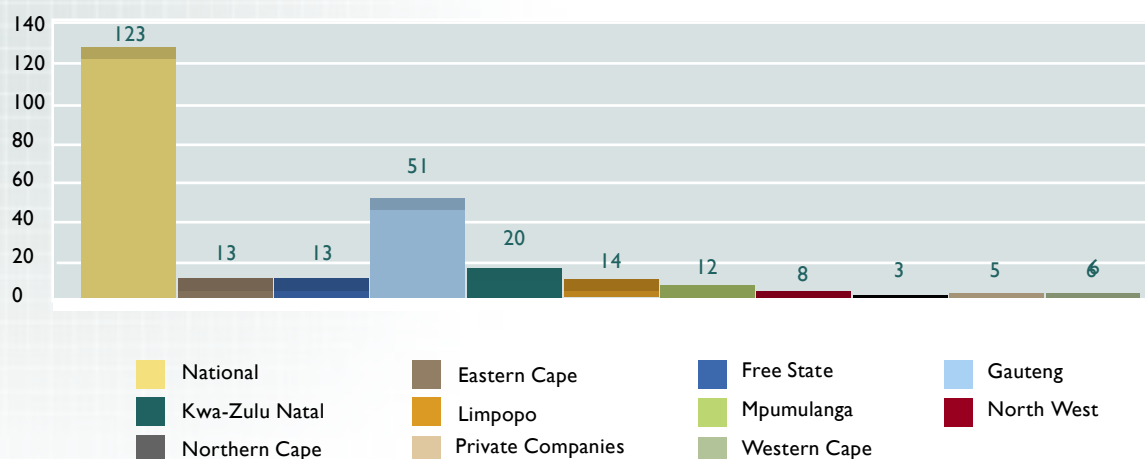


The figure above indicates that a total of eighty one (81) cases were concluded and findings and recommendations were provided to executing authorities. Of these, 17 were finalised through full scale investigations and 64 through desktop audits.

Feedback on three reports emanating from the 17 full scale investigations conducted had not been received by 31 March 2007 after it had been forwarded to the relevant executing authorities for comment/s. Sixty nine (69) of the total number of cases received, were work in progress, that is, the cases were being analysed/investigated.

In addition to alleged corruption related cases reported to the NACH, service delivery related cases are also reported to the NACH and this adds to the PSC's investigative work into public administration practices. Since the inception of the NACH, 1008 service delivery cases were received, of which 268 were received during the period under review. Chart 10 provides an overview of the total number of cases referred to national and provincial departments during the period under review.

Chart 10: Number of NACH complaints received during the period under review



Departments are required to provide feedback on the progress and outcome of the cases referred to them to enable the PSC to conduct an analysis and pronounce on its findings and make recommendations. A discussion of corruption related cases is provided under sub-programme: Professional Ethics and Human Resource Reviews. A database of all cases lodged through the NACH is kept by the PSC to ensure that there is follow up with the departments concerned.

During the period under review, the PSC published a Report on Financial Misconduct for the 2005/2006 financial year. This report provided a statistical overview and analysis of the information provided by national and provincial departments on finalised financial misconduct cases reported to the PSC for the financial year. The report also makes reference to information emanating from the reports of the PSC on financial misconduct for previous financial years in order to draw comparisons, enhance the statistical overview and establish trends.

A Report on a Trend Analysis on Complaints lodged with the PSC during the 2004/2005 and 2005/2006 financial years was also published by the PSC during the reporting period. The report indicates a steady increase in the number of complaints received by the PSC in terms of the Complaints Rules from 45 in 2004/2005 to 116 in 2005/2006. An area of concern highlighted by the report is the poor recording keeping by departments which hampers the PSC's ability to finalise investigations and to come to informed conclusions.

Given its expertise on a broad range of public administration issues, increasingly the PSC is requested to participate in support interventions in the Public Service. The public administration investigation component was also actively involved in providing the necessary assistance with regard to the Support Intervention in the Department of Home Affairs at the request of the Minister of Home Affairs for a period of six months. The Support Intervention was headed by the Director-General of the Office of the Public Service Commission. The support intervention was categorised into five focus areas *Leadership and management; Human Resources; Information and Communication Technology; Service delivery and Financial Management* that needed to be strengthened to address the challenges raised by the Minister of Home Affairs and the Portfolio Committee on Home Affairs. A progress report and a final report were submitted to

the Committee of Ministers. The final report focussed on the strategic considerations and recommendations emanating from the support intervention. An integrated workplan containing specific outputs in respect of each focus area guided the support intervention towards specific outputs/deliverables that had to be attained. Ninety per cent of the outputs on the integrated workplan were completed by the combined OPSC/DPSA Support Intervention team.

2.3.2.2 Service delivery achievements

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
Performance as per workplan for 2006/2007				
Public Administration Investigations	Investigation of complaints lodged and requests emanating from: <ul style="list-style-type: none">• The Commission (proactively)• Executing Authorities• Public Servants• Anonymous complaints	Number of reports with recommendations produced.	5 reports by March 2007	17 reports were finalised and submitted to the relevant Executing Authorities Responses were awaited from three executing authorities on draft reports submitted A list of finalised investigations appears under paragraph 2.3.2.3
	Report on financial misconduct	Comprehensive quality report produced	March 2007	Report finalised and printed
	Trend analysis on public administration investigations	Report on trend analysis produced	June 2006	Report on trend analysis finalised and printed
	Report on the handling of public servants appointed as councillors in Limpopo and the Western Cape	Report with recommendations produced	March 2007	By March 2007, the PSC was still awaiting outstanding information from departments
	Development of an internal toolkit for public administration investigations	User friendly toolkit	May 2006	Draft toolkit submitted for consideration

2.3.2.3 Finalised investigations

The following investigations were finalised and submitted to Executing Authorities:

DEPARTMENT	NATURE OF INVESTIGATION
Agriculture and Land Administration: Mpumalanga	Investigation into allegation of irregularities with the awarding of a bid to Siphetsile Consultants
Home Affairs	Investigation in respect of Sick Leave Trends. This project was part of the Support Intervention in the Department of Home Affairs
Housing and Local Government: Northern Cape	Investigation on allegations of irregular payment of bonuses and acting allowances and conducting of skills audit for senior managers
Eastern Cape Provincial Administration	Investigation into the appointment of Senior Management Service (SMS) members in the provincial departments
Departments of Labour, Correctional Services and Home Affairs	An audit into the granting of performance rewards of those on salary levels 14 and higher and those reporting directly to the Directors-General [investigation was requested by the Standing Committee on Public Accounts (SCOPA)]
Finance: Free State Provincial Administration	Assessment of the Performance Management Development System (PMDS)
Health: Gauteng	Investigation with regard to the functioning of the Disciplinary Appeal Committee
Independent Complaints Directorate	Investigation into the filling of posts and procurement of goods
South African Management and Development Institute (SAMDI)	Investigation into a Grievance lodged against the head of department
Public Works: Eastern Cape	Investigation in respect of qualification bonuses paid to employees after January 1999
Health: Eastern Cape	Investigation into the allegations of poor/ maladministration at Komani Hospital
Finance: Mpumalanga	Investigation into the allegations of procurement and human resources irregularities
Home Affairs	Review of appointments of members of the SMS for the period 2004/05. This project was part of the Support Intervention in the Department of Home Affairs

DEPARTMENT	NATURE OF INVESTIGATION
Economic Affairs and Tourism: Eastern Cape	Investigation into alleged maladministration and malpractices
Health: Eastern Cape	Investigation into the restructuring and filling of posts at the East London Hospital Complex
Health: Western Cape	Investigation into the alleged fraudulent charges and claim by a doctor
Education: Northern Cape	Investigation into the granting of salary notches and/or the upgrading of salaries of employees
Correctional Services	Investigation into the allegations of conflict of interest
Public Works	Investigation into the conduct of officials of the Department of Public Works in the creation of the Property Disposal Special Unit within the Ministry and the appointment of the Special Adviser to the late Minister
Tourism, Environmental & Economic Affairs, Free State	Investigation into alleged maladministration and possible corruption



Mr Roderick Davids
Acting Chief Director

2.3.3 Sub-programme: Professional Ethics and Human Resource Reviews

This sub-programme focuses on Professional Ethics and Human Resource Reviews. The PSC has made a significant contribution towards an ethical Public Service in its promotion of a high standard of professional ethics. Through its work in this area it has continued to raise the ethics bar and levels of integrity within the Public Service. The PSC has been instrumental in putting initiatives in place to manage conflicts of interest of public servants by developing and managing a financial disclosure framework for senior managers. It further contributes to the fight against corruption by managing the National Anti-Corruption Hotline for the Public Service.

The capacity of the State to deliver on its mandate is a continuous area of concern. The Public Service as the instrument of delivery for the State must appropriately be equipped with employees that possess the necessary skills and whose careers are well managed. In order to achieve this, sound human resource management prac-

tices must be applied in the Public Service. In pursuance of its constitutional mandate to promote and to cultivate sound human resource practices, the PSC conducts strategic research and reviews into human resource management practices in the Public Service. The PSC's reports have already resulted in policy changes at national level and improved practices in departments.

Purpose

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

Measurable objectives


The main objectives of the sub-programme are to:

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

2.3.3.1 Service delivery objectives and indicators

The PSC continues to contribute to the deepening of a strong culture of ethics and the management of frameworks that promote exemplary conduct. One such framework is the Financial Disclosure Framework (FDF) for senior managers in the Public Service. The FDF seeks to keep managers accountable and transparent in the management of their financial affairs, especially in relation to government. This is done to manage any potential conflicts of interest and to promote integrity amongst the Senior Management Service (SMS) echelon. As at March 2007, a compliance rate of 79% for the lodging of financial disclosures was achieved.

In addition to efforts on compliance, the PSC's focus has moved to a closer scrutiny of possible conflicts of interest. As a result, in its Report on Managing Conflicts of Interest in the Public Service, published in July 2006, the PSC strongly argues for the implementation of a policy that will provide detailed measures for managing conflicts of interest. Such a call becomes pertinent given that the Public Service has not



reached the 100% compliance rate on financial disclosure. To further advocate for a framework to manage conflicts of interest, the PSC hosted a highly successful roundtable on its Report on Managing Conflicts of Interest in March 2007. Participants ranged from academics, members of business, civil society as well as key role players in the Public Service. During this roundtable a common view emerged that there is a need to manage conflicts of interest in terms of a structured framework.

The PSC continues to serve as Secretariat to the National Anti-Corruption Forum (NACF), a cross-sectoral forum that promotes dialogue and collective anti-corruption action among all sectors of South African society. As a result of its role in the NACF, the PSC has played an instrumental role in the implementation of the National Anti-Corruption Programme (NACP), which has yielded the following tangible results:

- Launch of a Guide to the Combating and Prevention of Corrupt Activities Act
- Launch of the Website for the NACF
- Signing of the NACF Integrity Pledge by the three sectors on the NACF
- Launch of the communication campaign on anticorruption legislation
- Report on the Ethics Scan in Tertiary and Secondary Institutions

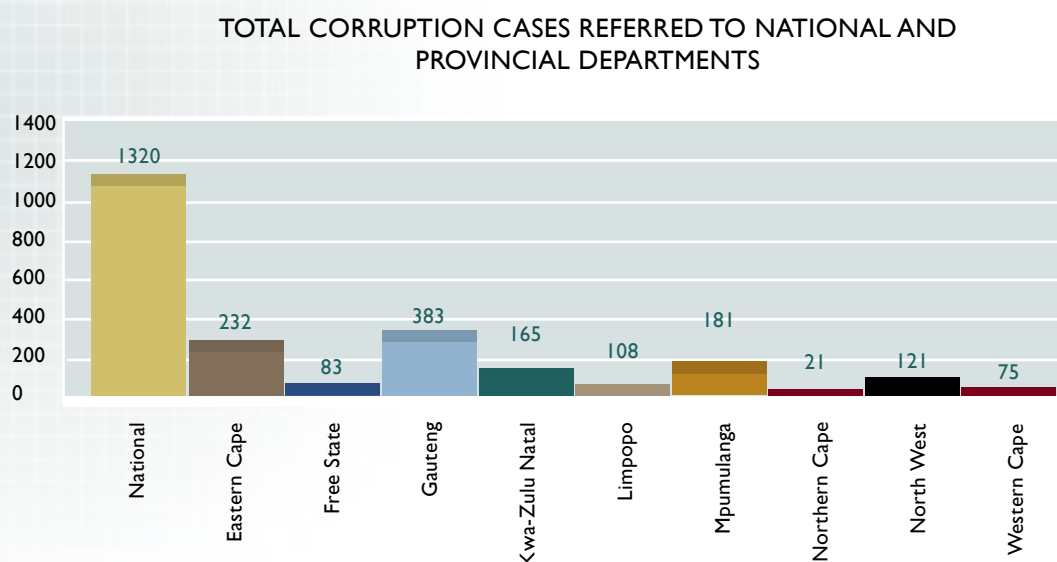
At the next National Anti-Corruption Summit which will be held in November 2007, stakeholders will have an opportunity to assess whether the NACF has met expectations of contributing to the fight against corruption.

The NACH is proving to be a very important mechanism for the Public Service in its fight against corruption. As at March 2007, a total of 4726 cases have been generated by the NACH since its inception in September 2004. Of these, 2689 related to corruption (bribery, embezzlement, fraud, favouritism and nepotism, conflict of interest, maladministration and abuse of government equipment). A total of 359 cases fell outside the jurisdiction of the Public Service, while 515 were frivolous cases. A total of 155 calls related to additional information added to the original report by the whistleblower, while 1008 related

to service delivery (i.e. cases, which on closer scrutiny turned out to be a lack of service delivery). Service delivery complaints emanating from the NACH were not anticipated at the time of the establishment of the NACH. These complaints are investigated by the Chief Directorate: Public Administration Investigations as discussed earlier in this Annual Report.

The PSC has also conducted an evaluation on the effectiveness of the NACH. In the resulting report, concern is raised about the capacity of other departments to investigate alleged corruption; given the slow feedback received by the PSC. The number of cases referred to National and Provincial Departments is indicated in Chart 11.

Chart 11: Number of corruption cases referred to departments



In promoting professional ethics, the PSC conducts investigative research. During the period under review, the PSC evaluated the state of professional ethics in the Free State Provincial Administration. The investigation raised concerns about the adequacy of the ethics infrastructure in the Province and especially its ability to meet the minimum capacity requirements to address corruption.

In the area of Human Resource Reviews the PSC is severely under-resourced and can therefore not produce the quantity of reports it would ideally want to. Nevertheless, it has managed to publish a number of strategic research reports in this area. A research project on Gender Mainstreaming in the Public Service was completed during the period. The research project highlights, amongst others, important strides achieved by the Public Service with regards to gender mainstreaming. The PSC also published a Report on the Evaluation of Employee Assistance Programmes (EAP) in the Public Service. This report found that EAPs are generally well implemented and received in departments. However, there is a need for more wellness orientated EAPs.

To commemorate the 50th Anniversary of the march by women to the Union Buildings, a commemoration pamphlet was also produced, focusing on women within the Public Service sector.

2.3.3.2 Service delivery achievements

Sub-programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Quantity/ quality/ timelines	
			Target	Actual
Performance as per workplan for 2006/2007				
Professional Ethics and Human Resource Reviews	Evaluation of the extent to which training needs of managers have been met	Report with recommendations	February 2007	By March 2007 only 109 senior managers out of a sample of 700, submitted their training needs.This was not representative enough for the study to be completed.
	Assessment of the reasons for the inability of the public service to recruit and retain people with disabilities	Report with recommendations	November 2006	An analysis of responses by departments to questions raised by the PSC was completed. However, the second phase of the project namely formal enquiries with Heads of Department was delayed due to other priorities on the PSC's programme
	Report on Gender Mainstreaming	Report with recommendations	May 2006	Report finalised and printed in November 2006. The target date was not met because the report had to be sent back to the service provider to ensure that it met the quality and content requirements of the PSC
	Report on the employee assistance programmes in the Public Service	Report with recommendations	July 2006	Report finalised and printed in November 2006. The need to obtain additional information on EAP policies from departments delayed the meeting of the target date
	Promotion of the Code of Conduct	Workshops held on request	When requested	Training workshops to promote the code of conduct in the Public Service were held with departments in Limpopo (April 2006), the North West Province (August 2006) and in Gauteng in (August 2006)
	Manage Asset Register	Frequency of declarations of financial interests	Compliance by departments with Public Service Regulations Requirements	79% Compliance on the submission of Financial Disclosure Forms achieved
	Report on analysis of financial disclosures of senior managers	Report with recommendations	October 2006	Report finalised and printed
	Draft Rules to manage conflicts of interests of senior managers through the financial disclosure framework	Rules approved and gazetted	November 2006	The draft rules for the management of conflicts of interests were developed

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
	Report on the management of conflicts of interest	Report with recommendations	November 2006	Report finalised and tabled in Parliament
	Discussion document on the proposed framework for conflicts of interest for Cabinet	Cabinet memorandum submitted	May 2006	Cabinet memorandum submitted through the Minister for Public Service and Administration
	Consultative workshops with stakeholders	Hosting of workshop	August 2006	Roundtable held
	Meetings of NACF, Implementation Committee	Successfully arranged NACF and Implementation Committee meetings	Ten Implementation Committee Meetings; 2 NACF Meetings; and 4 EXCO Meetings held by March 2007	7 NACF Implementation Committee Meetings were held 2 full forum meetings were held 1 EXCO meeting was held
	Establish a research initiative to evaluate resolutions of Parliament by the Executive	Report to the NACF	June 2006	Consulting process delayed commencement. Tender published for appointment of service provider to assist with the study
	Facilitate roundtable on prohibition of corrupt businesses	Successfully hosted roundtable	April 2006	Roundtable was successfully hosted
	Report on the annual activities of NACF	Approved report	July 2006	Report finalised
	Hosting of third National Anti Corruption Summit	Successfully hosted Summit	March 2007	NACF decided to postpone Summit to November 2007
	Report on the effectiveness with which the public services anti-corruption initiatives are coordinated (subject to donor funding)	Report with findings and recommendations	February 2007	Project removed as no donor funding was obtained
	Management of the National Anti-corruption Hotline	Timeous and accurate referral of cases	March 2007	2689 cases of alleged corruption referred in line with agreed protocols to departments
	Development of toolkit on the NACH	Toolkit published	July 2006	Toolkit published

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
	Monitoring the effectiveness of the NACH	Report with recommendations	July 2006	Report finalised and printed. The target date was not met because the report provided by the service provider did not meet the quality and content requirements of the PSC and had to be redrafted
	Assessment of professional ethics in the Free State	Report with recommendations	November 2006	Report finalised and printed



Mr Mashwahle Diphofa
Deputy Director-General



Mr Indran Naidoo
Chief Director

2.4 Programme 3: Monitoring and Evaluation

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

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

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

2.4.1 Sub-programme: Governance Monitoring

In order to strengthen government's programme of Public Service transformation, there needs to be sound and effective Monitoring and Evaluation (M&E) to, among others, support decision-making, policy implementation and facilitate learning. The PSC has been at the forefront of M&E initiatives with the establishment of its comprehensive Public Service M&E system which has been running for the past 5 years. The system continues to generate evaluative data on the performance of the Public Service by assessing the extent to which departments comply with the nine values and principles of public administration contained in Section 195 of the Constitution. The PSC has since been applying the system annually to a sample of national and provincial departments. This results in a consolidated M&E Report for each research cycle. In addition, much of the PSC's M&E work has contributed to the development of an annual State of the Public Service Report. This Report provides a high level analytical overview of the progress made by the Public Service in giving effect into the Constitutional values and principles of public administration.

Purpose

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

Measurable objectives

The main objectives of the sub-programme are to:

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

2.4.1.1 Service delivery objectives and indicators

During the reporting period, the PSC produced 12 evaluation reports through the application of the PSC's M&E system in selected national and provincial departments. The total number of departments assessed was 16, (4 national and 12 provincial) but finalisation of the reports was in some instances delayed as a result of the engagement that the PSC needed to have with departments on the preliminary findings. Such an engagement is critical not only for verifying the findings but also to promote dialogue with departments on the issues emanating from the assessment.

The assessments found that departments continue to take too long to resolve cases of misconduct. Management reporting on cases of misconduct also remains inadequate. In addition, M&E systems within departments are rudimentary, and have not managed to as yet become integrated into the core business of departments. The participation of beneficiaries in policy development and implementation is limited.

The sixth State of the Public Service Report was produced. The Report focused on the contribution of the Public Service towards the achievement of the growth and development objectives of South Africa, and was released under the theme *"Promoting growth and Development through an Effective Public Service"*. Given the growing recognition of the importance of growth and develop-

ment in the creation of a better life for all, the PSC found it crucial to focus on this particular theme to draw attention to the role that the Public Service plays as a key implementing agency of the State.

In order to facilitate discussions on the Report, the PSC has initiated annual roundtable debates which draw together critical stakeholders such as the academic and research sectors, non-governmental organisations, government departments and other relevant state institutions. Such roundtable discussions enable the PSC to obtain critical views from stakeholders regarding the findings of the State of the Public Service reports. The first roundtable on the 2006 SOPS report was held in July 2006.

The reduction of poverty has been identified as a key priority in government's efforts of creating a better life for all. The PSC's contribution to these efforts has included an evaluation of selected poverty reduction projects to establish their progress. A draft report was finalised. Although such evaluations are on a small scale, they help create baselines against which future progress can be assessed.

The PSC has continued to contribute to M&E at a national and international level. In October 2006, the PSC participated in the Sussex Development Evaluation Seminar and the Joint UK/European Evaluation Society Conferences. At a continental level, the PSC participated in the fourth African Monitoring and Evaluation Association Conference held in January 2007 in Niamey, Niger. At a national level, the PSC co-hosted the inaugural conference of the South African Monitoring and Evaluation Association (SAMEA) held in Johannesburg in March 2007. The theme of the conference was *"Evaluation in Action"*. All of these were very successful and point to the emphasis that the PSC places on the sharing of experiences on M&E.

2.4.1.2 SERVICE DELIVERY ACHIEVEMENTS

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/ quality/ timelines	
			Target	Actual
Performance as per workplan for 2006/2007				
Governance Monitoring and Evaluation	2007 State of the Public Service Report	Timely collection and presentation of quality relevant information and recommendations to stakeholders	February 2007	2007 State of the Public Service Report was finalised and launched Roundtable on 2006 SOPS held in July 2006
	PS M&E Assessment Framework	System revised to ensure relevance	April 2006	The system was revised to ensure relevance and improve the implementation process
	Reports evaluating department's adherence to the Constitutional principles for public administration	Executive and legislatures are informed about the state of service delivery	December 2006	12 Reports were finalised and discussed with the respective departments
	Consolidated M&E Report for the 2005/06 research cycle	Consolidated report presenting findings of departmental performance for period under review	July 2006	Report was finalised
	An analysis of the implementation of PSC recommendations	The status of the recommendations of the PSC is assessed	April 2006 and October 2006	1 draft report finalised
	Promoting M&E in the Public Service	Promotion of M&E	Ongoing throughout the financial year	Co-hosted the South African Monitoring and Evaluation (SAMEA) Conference in March 2007 Papers presented at the Sussex Development Evaluation Seminar and UK/European Evaluation Society Conference in October 2006 Various presentations on M&E to departments and institutions in SA Participation in the M&E Task Team of Government
	Departmental reports for the 2005/06 cycle	Reports with recommendations	May 2006	10 reports were finalised

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
	An evaluation of Government's Poverty Reduction Programme	A report with recommendations	March 2007	The evaluation was completed and a draft report finalised
	Pamphlet on basic M&E concepts	Comprehensive pamphlet explaining basic M&E concepts	November 2006	Draft pamphlet finalised
	Evaluation report on department's implementation of the Access to Information Act	Report with recommendations	May 2006	Draft report finalised
	Oversight report on verification of qualifications by departments	Report with recommendations	April 2006	The project will now be implemented during 2007/08, in order to give departments sufficient time to implement the verification guideline



Ms Balungile Mbanda
Chief Director

2.4.2 Sub-programme: Leadership and Performance Improvement

Senior Managers in the Public Service have a critical role to play in providing appropriate administrative leadership to drive government's programmes. It is the quality of such leadership that creates and sustains the momentum for the effective administrative functioning of departments. The PSC has, therefore, continued to focus its attention on the assessment of Public Service leadership and performance. During the period under review, the PSC's contribution in this area was through the facilitation of the evaluation process for HoDs, as well as through conducting research on practices impacting on leadership in the Public Service.

Purpose

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

Measurable objectives

The main objectives of this sub-programme are to:

- provide guidelines on the performance management of HoDs;

- facilitate the evaluation of national and provincial HoDs;
- advise Executing Authorities and HoDs on the quality of performance agreements; and
- engage in research to promote and improve Public Service leadership.

2.4.2.1 Service delivery objectives and indicators

During the period under review, the PSC continued to facilitate the evaluation of all qualifying Heads of Department (HoDs) for the 2005/2006 financial year in terms of the HoD Evaluation Framework. To kick off the annual process, the PSC published guidelines for the 2005/2006 evaluation cycle during September 2006. These guidelines seek to assist Executive Authorities (EAs) and HoDs in preparing and conducting the evaluation of performance for a specific financial year. During the period under review, 87 HoDs qualified for evaluation, with 64 of them based at provincial level and 23 at national level. Out of the total 87, only 36 were evaluated, 6 from national and 30 from provincial level. The PSC is concerned about the declining numbers of HoDs being evaluated in each cycle. An analytical report on the implementation of the HoD Evaluation Framework was presented to the Deputy President, Cabinet and the Portfolio Committee on Public Service and Administration to advise on the corrective measures that need to be taken.

In support of the performance evaluation of HoDs, the PSC continued to monitor and evaluate the performance agreements of HoDs. By March 2007, a total of 25 out of 35 HoDs from national departments and 69 out of 89 HoDs from provincial departments filed their PAs with the PSC for the financial year 2006/2007. In all these instances, the PSC assessed the PAs against the requirements of the Performance Management and Development System for senior managers and accordingly advised the respective EAs and HoDs on areas that needed attention.

The correlation between HoD performance on the one hand and the departmental performance on the other warrants closer attention. During the year under review, the PSC piloted an instrument to assess the performance of departments. The purpose of the instrument is to col-

late critical performance information to strengthen the feedback being provided to EAs and HoDs on the progress their departments are making. Once the pilot is concluded, the PSC will reflect on lessons learned in order to inform the roll-out of the instrument to other departments.

In order to further support service delivery improvement and the development of a strong leadership cadre in the Public Service, the PSC completed a study on the state of compliance with the requirements of Performance Agreements (PAs) by senior managers in the Eastern Cape Provincial Administration. The study established that compliance was inadequate and that PAs were not optimally used to manage and monitor performance.

2.4.2.2 Service delivery achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
Performance as per workplan for 2006/2007				
Leadership and Performance Improvement	The HoD evaluation process managed	Publish guidelines for 2005/06 financial year All qualifying HoDs successfully evaluated	23 national and 64 provincial HoDs	Guidelines were published in September 2006 Only 6 national and 30 provincial HoDs submitted the required documents and were thus evaluated
	The HoD evaluation framework reviewed	Implementation of the framework assessed and report produced	Report with findings and recommendations	An analytical report on the Implementation of the HoD Evaluation Framework was completed and presented to Cabinet and the Portfolio Committee on Public Service and Administration
	The HoD performance agreements monitored and evaluated	All PAs filed assessed and advice given to EAs and HoDs	Performance agreements of HoDs assessed and filed	By 31 March 2007, 25 national and 69 provincial HoDs filed their performance agreements for 2006/07 for monitoring and evaluation purposes
	Review on the state of compliance with the performance agreement requirements by SMS members in the Eastern Cape	Assessment of compliance with public service prescripts on PAs reviewed and a report produced	Report with findings and recommendations	Review was completed and report finalised
	Analysis of PAs of HoDs as a performance management tool	Report with recommendations produced	1 report by March 2007	The implementation of the project was delayed due to capacity constraints
	Pilot the organisational performance assessment	Individual organisational assessment reports produced and shared with EAs, HoDs and evaluation panels Pilot phase assessed and report produced	6 assessment reports 1 report with recommendations	4 reports were finalised A report will be produced once the pilot has been completed



Dr Duvhoni Mamphiswa
Chief Director

2.4.3 Sub-programme: Service Delivery and Quality Assurance

The PSC regards public participation as a key principle to be upheld in government's policy making and implementation processes. In order to promote such participation, the PSC annually conducts assessments that not only establish the progress the Public Service is making in service delivery, but also do it in such a manner that the views of citizens themselves are solicited. The PSC's assessments in this regard include Batho Pele Compliance Audits, Inspections of Service Delivery Sites, Citizen's Forums and Citizens' Satisfaction Surveys.

Purpose

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

Measurable objectives

The main objectives of the sub-programme are to:

- conduct performance and management audits;
- promote Batho Pele compliance;

- assess the impact of the quality assurance assessment methodology;
- plan, conduct and manage Citizen Satisfaction Surveys and Citizen' Forums; and
- monitor and investigate adherence to applicable procedures in the Public Service.

2.4.3.1 Service delivery objectives and indicators

In order to assist departments to develop more effective service improvement strategies the PSC has since 2002 conducted Citizen Satisfaction Surveys. The surveys explore expectations and perceptions of citizens regarding the state of Public Service delivery. During the period under review, the PSC completed a Citizen's Satisfaction Survey focusing on selected serviced of the Departments of Home Affairs, Trade and Industry, as well as the nine Provincial departments of Transport. Most respondents from all the surveyed departments identified the turnaround time of applications as the major problem experienced in service delivery.

In the PSC's experience the degree to which citizens are afforded an opportunity to participate in policy making and implementation remains limited. The PSC therefore continued to give advice to departments and other institutions on the implementation of the Citizens' Forums Toolkit which it developed in 2005. The Citizens' Forums Toolkit is a useful mechanism that departments and other institutions can use in engaging with communities to promote active public participation.

Recognising the importance of collecting first-hand information on the performance of service delivery institutions, the PSC conducted an inspection pilot study in the departments of Home Affairs, Labour, Housing (Gauteng province), and Social Development (Free State province). Reports with findings and recommendations emanating from the pilot were compiled and sent to respective Executive Authorities and Heads of Department. With this information it is expected that the departments will undertake a focused and concerted plan of action to build positive change based on the experiences of the front line staff and citizens.

The provision of quality education is one of the key priorities through which government seeks to promote growth and development. In this regard, District Offices have been

established to play a key role in supporting schools to achieve the objective of effective teaching and learning. However, many of them are not functioning optimally. In order to contribute towards effectiveness and efficiency in schools, the PSC produced a Report and a Guideline on School District Management during the period under review.

The introduction of the Batho Pele principles in 1997 heralded a new vision of Public Service delivery in South Africa. Given the importance of these principles in the creation of a Public Service that puts people first, the PSC has since 2000 assessed the progress that is being achieved in the implementation of the Batho Pele Policy. During the year under review, the PSC finalised reports on compliance with the principles of Access and Redress. Draft reports on compliance with the principles of Value for Money and Consultation are being finalised.

2.4.3.2 Service delivery achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
Performance as per workplan for 2006/2007				
Service Delivery and Quality Assurance	Evaluation of the implementation of the Batho Pele principle of Value for Money	Number of service delivery evaluation reports with recommendations	1 report by November 2006	Evaluation completed and draft report is being finalised
	Evaluation of the Batho Pele Principle of Access and Redress		2 reports by May 2006	2 reports finalised
	Guideline on school district management	Number of guides with recommendations	1 guide by April 2006	Guideline on school district management was finalised
	Case Studies in Sector Policing	Number of case study reports	1 case study report by March 2007	Due to capacity constraints the report on Case Studies in Sector Policing could not be finalised
	Information on fraud prevention strategies in departments	Comprehensive report with relevant findings and recommendations	1 report by March 2007	Report on fraud prevention strategies in departments could not be finalised on time due to delays in securing donor funding. Research is being conducted and a final report will be available in September 2007
	Evaluation of the Batho Pele Principle of Consultation	Number of service delivery evaluation reports with recommendations	1 report by November 2006	Evaluation completed and draft report is being finalised
	Support improvement of management and administration of selected departments in KZN	Quality support provided to the selected departments	1 report by June 2006	Support provided and report finalised
	Assessment of the compliance infrastructure in the Public Service	Report on the compliance infrastructure	February 2007	Project removed from the workplan

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity/quality/timelines	
			Target	Actual
Performance as per workplan for 2006/2007				
	Citizen Satisfaction Surveys conducted in three departments	Number of Citizen Satisfaction Surveys conducted	3 Citizen Satisfaction Surveys reports by March 2007	Draft consolidated report finalised
	Support implementation of Citizens' Forums Toolkit	Executive and Legislatures are informed about the state of service delivery	March 2007	Presentation on the use of Citizens' Forums toolkit given to the Batho Pele Forum in the KZN province. The same presentation was given to the Chairpersons of Portfolio Committees in KZN province.
	Service delivery inspections	Comprehensive report with findings and recommendations	March 2007	4 Departmental inspection reports were produced and sent to relevant Executive Authorities and Heads of Department



CHAPTER 3: HUMAN RESOURCE MANAGEMENT SUPPORT



Mr Dumisani Maphumulo
Deputy Director-General

The statistics and information published in this Chapter of the Annual Report relate to the management of the Office, and are required in terms of Section 40 (1)(d)(i) of the Public Finance Management Act, 1999, read in conjunction with Regulation III.J.1-4 of the Public Service Regulations.

3.1 Service Delivery

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

Table: 1.1 Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Recommendations, advice and proposed measures to promote ethical behaviour and fight corruption	Executives Departments Legislatures Public servants Complainants	Parliament Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public National and Provincial Departments	Provide secretariat services to the National Anti-Corruption Forum Manage the Financial Disclosure Framework Manage the National Anti-Corruption Hotline	Seven NACF Implementation Committee meetings were held. One EXCO meeting was held. Two full forum meetings were held. Obtained 79% compliance from departments. 2689 cases of corruption referred to departments in terms of agreed protocols. The length of time it takes to get a response from Departments regarding an NACH case or complaint referred to them has a negative effect on how long it takes the PSC to finalise these cases.
Information and education on anti-corruption measures, ethical issues and the Code of Conduct for public servants.	Executives Departments Legislatures Public servants Complainants	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public National and Provincial Departments	Promote the Code of Conduct and anti-corruption measures through training workshops	Three workshops were held.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Monitoring and evaluation of, research and advice on, the organisation and performance of the public service, service delivery and resource management practices	Executives Departments Legislatures	Executives Legislatures Departments	<p>Clients are informed about their performance and the state of service delivery</p> <p>Recipients of advice are satisfied with the information and analysis provided to them</p> <p>Recommendations are implemented</p> <p>Reports produced on key compliance frameworks (Administrative Justice and Access to Information Acts)</p> <p>Based on feedback from clients, the Commission's reports are well-received and contribute to effective public administration</p>	<p>Sixteen departmental monitoring and evaluation reports were compiled. The reports focused on how the departments complied with the Constitutional Values and Principles of Public Administration.</p> <p>The State of the Public Service Report 2006 was produced and submitted to Cabinet.</p> <p>A Third Consolidated M&E Report on the 2005/2006 financial year was completed.</p> <p>A Guideline on School District Management was completed.</p> <p>A Report on School District Management was completed.</p> <p>Two evaluations on the implementation of the Batho Pele principles of Value for Money and Consultation were undertaken. Reports based on the evaluations will be finalised in 2007.</p> <p>A Citizen Satisfaction Survey was conducted in the national departments of Home Affairs and Trade and Industry as well as the provincial departments of Transport to measure the actual satisfaction level of citizens with the delivery of public services.</p> <p>A framework of conducting inspections was developed and piloted at both national and provincial level. Two national departments and two provincial departments were sampled during the pilot process. Report findings and recommendations emanating from the pilot were compiled and sent to respective Ministers, MEC's and Directors-General as well as Heads of Department. Lessons learnt and drawn from the pilot experiences were incorporated into the protocol document.</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Monitoring and evaluation of human resource management practices ranging from acquisition, utilization and conditions of service including providing advice and undertaking research and reviews around issues of HR practices.	Executives Departments Legislatures Public servants Complainants	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	Meetings held with (departments and legislatures) updating them on progress against set objectives Production of investigative reports and feedback to complainants	<p>Reports on Human Resource Management in the Public Service were completed and presentations were made to relevant Legislatures.</p> <p>The following reports, based on specific investigations, were published and tabled in Parliament:</p> <ul style="list-style-type: none"> • Report on Gender Mainstreaming initiatives in the Public Service; and • Report on the Evaluation of the Employee Assistance Programmes in the Public Service <p>In addition, a pamphlet commemorating the 50th anniversary of the march by women to the Union Buildings was produced. It profiled the role of women in the Public Service.</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Grievances and Complaints Resolution	PSC Public Protector Lawyers Employees Members of the Public Organized Labour	PSCBC Institutions of Democracy Courts of Law	Recommendations in line with the regulatory framework and legal principles as well as good governance/ practice objectives	The PSC received 641 grievance cases. Of these, 189 were finalised by the end of the financial year. However, 261 cases had to be referred back to departments due to non-compliance with the Grievance Rules. In 13 cases the aggrieved employees withdrew their grievances before they could be finalised. A total of 178 cases were pending due to incomplete information provided by departments.
Labour Relations (LR) Research		Strategic Partners Donors Private Sector Public Sector at Large Tertiary Institutions The Press	Complaints Monitoring Monitoring of LR Trends Identification of Problems Grievance Rules Updates Published Reports	Data on grievances is continuously updated, leading to Monthly Reports and Six-monthly Reports. This data has been incorporated into the Annual Report on Grievance Trends. A draft Report on the Management of Poor Performance was also produced.
Promotion of sound Labour Relations	Executing Authorities Heads of Departments Strategic Partners Donors Organised Labour	Portfolio Committee Legislatures Strategic Partners Donors Private Sector Public Sector at Large Tertiary Institutions The Press	Compliance with Section 195 of the Constitution, 1996 Adoption of Contemporary Good Practice Approached Hands-on Initiatives	A successful Labour Relations Conference was co-hosted with the PSCBC. Presentations on the Role of Labour Relations Officers were made to the following Forums: <ul style="list-style-type: none"> - Gauteng - KwaZulu-Natal - Western Cape - Mpumalanga - Free State - Northern Cape
Reporting in terms of Section 196 of the Constitution, 1996	Portfolio Committee Legislatures Executing Authorities Heads of Departments		Tabling of Published Reports Presentations Distribution of Reports	A presentation on the Role of Labour Relations Officers was made to the Eastern Cape Legislature. A presentation on the Role of Labour Relations Officers was made to the Parliamentary Public Service and Administration Portfolio Committee.
Public Service Labour Relations Conference hosted	Public servants Organized Labour Departments	Academia Strategic Partners Consultative Forums	Labour Relations Conference successfully hosted and report produced	A successful first bi-annual Labour Relations Conference was hosted.
Reports and advice based on investigations conducted	Cabinet Legislatures Departments	Executing Authorities Whistleblowers Officials Media reports (Own Accord)	Reports with findings and recommendations finalized within set targets	64 Desk-top audits and 17 full scale investigations were finalised during the financial year.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Secretariat Services on Heads of Department Evaluation	Cabinet Legislature Executives HoDs		Evaluations to be conducted according to the framework for evaluation of HoDs and guidelines for the 2005/2006 financial year set by the PSC	33 National and Provincial HoDs were evaluated for the 2005/2006 financial year. An analysis on the implementation of the HoD Evaluation Framework was completed and submitted to Cabinet.
Monitoring, evaluate and advise on performance agreements of HoD's			Performance agreements of HoDs assessed and filed	25 National and 60 Provincial HoDs filed their performance agreements for 2005/2006.
Monitor, evaluate and advise on practices impacting on Public Service Leadership	Departments HoD's Executives Legislatures		Report with findings and recommendations	A review on compliance with the performance agreement system by senior managers in the Eastern Cape was conducted and a draft report prepared.

Table 1.2 - Consultation arrangements with customers

Type of arrangement	Actual customers	Potential customers	Actual achievements
Meetings with stakeholders to explain Public Service Commission (PSC) and discuss their expectations of PSC	The Executive Departments Legislatures Public servants Complainants	Consultative Forums Institutions of Democracy Organised Labour Strategic Partners Public	Stakeholders informed about the work of the PSC and its contribution to public administration.
Extensive engagement on terms of reference of projects, and conclusion of project on findings and recommendations	Executives Legislatures Departments	Executives Legislatures Departments	Engagement by the Executive on PSC Reports.
Guidelines widely distributed to all stakeholders. Continuous formal and informal engagement of all stakeholders by the Office to ensure smooth implementation of the HoD Evaluation Framework	The Executive Departments Legislatures HoD's	The Executive Departments Legislatures HoD's	Stakeholders involved in the HOD Evaluation Process were engaged through ongoing correspondence and reports.

Table 1.3- Service delivery access strategy

Access Strategy	Actual achievements
Grievances of public servants are dealt with departmentally. When the grievance is not resolved to the officer's satisfaction the matter may be referred to the PSC for investigation. In addition, the Commission plans to increase access by ensuring that all employees, departments, provincial administrations, organised labour and other stakeholders have access to the Commission's grievance rules which were gazetted on 29 February 2000.	189 grievances referred to PSC were finalized during the 2006/2007 financial year.
Telephonic or written requests addressed to the Commission at its Office in Pretoria (head office) and regional offices. Reports and other published material are accessible to all stakeholders through a variety of media, e.g. print and internet and distributed to relevant stakeholders.	PSC reports were published and tabled in Parliament and Provincial Legislatures. They were also distributed to other PSC stakeholders. Press releases were issued to members of the media. In addition, media briefings were held to inform journalists about the contents of some of the reports.
Depending on capacity of the Office, the Commission undertakes projects on request.	Ad hoc projects / investigations were undertaken on request after extensive engagement on terms of reference. At the end of each investigation, the findings were submitted to executing authorities for consideration.
<p>Reports are also presented to Legislatures' portfolio committees at their behest.</p> <p>Letters are written to all Executing Authorities outlining the process and advising them on what steps to take in complying with the requirements of the HoD Evaluation Framework. Continuous telephone contact with departments to ensure the smooth implementation of the Framework.</p> <p>Reports are also presented to Cabinet and the Legislature's portfolio committees.</p>	<p>Requests of portfolio committees for presentations were met.</p> <p>33 HoDs were evaluated during the 2005/2006 financial year.</p> <p>A report on the implementation of the HoD Evaluation Framework was presented to Cabinet and the Portfolio Committee.</p>
Members of the public are able to report suspected acts of corruption in the Public Service through the National Anti-Corruption Hotline.	As at March 2007, a total of 4726 cases have been generated by the National Anti-Corruption Hotline. Of these, 2689 relate to corruption whilst 1199 cases related to complaints around service delivery.

Table 1.4 – Service information tool

Types of information tool	Actual achievements
In order to ensure wider accessibility, PSC reports are distributed to stakeholders.	All PSC reports are distributed to all stakeholders in accordance with the distribution strategy. The reports are also accessible on the PSC website (www.psc.gov.za).

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual achievements
All complaints are recorded and responded to within the allocated time frames.	Complaints with substance, including anonymous ones, are either referred to the relevant institutions, namely the Independent Complaints Directorate; the Auditor-General; the Human Rights Commission; etc. or investigated within set targets in accordance with the Procedure for conducting Public Administration Investigations by the PSC. Terms of reference and project proposals contained strict time-frames.
Complaints from the public are referred to the Public Protector:	The PSC and the Public Protector (PP) has entered into a Memorandum of Understanding (MoU) with regard to the handling of complaints emanating from the public. According to the MoU, the PSC refers complaints emanating from the public to the PP for investigation. The PP provides the PSC with feedback on the status of complaints referred to them.
The Guidelines contain a grievance mechanism for HoD's not satisfied with the process or its outcomes.	No grievances have been brought to the attention of the PSC for the 2006/2007 evaluation cycle.

3.2 Expenditure

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

Table 2.1 – Personnel costs by programme, 2006/2007

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	28 761	568	356	50 795	128
2. I&HRR	17 800	15	2 767	24 084	79
3. M&E	14 926	54	2 053	20 991	66
Theft and losses	0	0	0	0	0
TOTAL	61 487	637	5 176	95 870	273

Table 2.2 – Personnel costs by salary bands, 2006/2007

Salary Bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total Personnel Expenditure	Number of Employees
Lower skilled (Levels 1-2)	181	0,29	181	61 487	1
Skilled (Levels 3-5)	3 360	5,46	69	61 487	49
Highly skilled production (Levels 6-8)	7 095	11,54	139	61 487	51
Highly skilled supervision (Levels 9-12)	20 510	33,36	301	61 487	68
Senior management (Levels 13-16)	30 341	49,35	572	61 487	53
TOTAL	61 487	100	277	61 487	222

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

Table 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2006/2007

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total Personnel Cost (R'000)
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	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	17 811	61,93	843	2,93	280	0,97	771	2,68	28 761
Programme 2	11 741	65,96	156	0,88	105	0,59	559	3,14	17 800
Programme 3	9 711	65,06	0	0	225	1,51	464	3,11	14 926
TOTAL	39 263	63,86	999	1,61	610	0,99	1 794	2,92	61 487

Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2006/2007

Salary Bands	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)	66	0,11	0	0	0	0	0	0	182
Skilled (Levels 3-5)	2 406	3,91	151	0,25	27	0,04	156	0,25	3 368
Highly skilled production (Levels 6-8)	5 005	0,14	207	0,34	58	0,09	403	0,66	7 130
Highly skilled supervision (Levels 9-12)	14 362	23,36	641	1,04	195	0,32	590	0,96	20 722
Senior management (Levels 13-16)	17 424	28,34	0	0	330	0,54	645	1,05	30 085
TOTAL	39 263	63,86	999	1,61	610	0,99	1 794	2,92	61 487

3.3 Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

Table 3.1 – Employment and vacancies by programme, 31 March 2007

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1. Programme 1	113	105	7,08	0
2. Programme 2	67	60	10,45	0
3. Programme 3	61	57	6,56	0
TOTAL	241	222	7,88	0

Table 3.2 – Employment and vacancies by salary bands, 31 March 2007

Salary Band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	1	1	0	0
Skilled (Levels 3-5) Permanent	52	49	5,77	0
Skilled (Levels 3-5) Temporary	0	0	0	0
Highly skilled production (Levels 6-8)	57	51	10,53	0
Highly skilled supervision (Levels 9-12)	75	68	9,33	0
Senior Management (Levels 13-16) Permanent	56	53	5,36	0
TOTAL	241	222	7,88	0

Table 3.3 – Employment and vacancies by critical occupation, 31 March 2007

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related, Permanent	2	2	0	0
Cleaner, Permanent	1	1	0	0
Switchboard Operator, Permanent	1	1	0	0
Communication and information related Permanent	2	1	50	0
Finance and economics related, Permanent	1	1	0	0
Financial and related professionals, Permanent	7	7	0	0
Financial Clerks, Permanent	6	5	16,67	0
Food Services Aid, Permanent	0	0	0	0
Head of Department	1	1	0	0
Housekeepers, laundry and related workers, Permanent	0	0	0	0
Human Resources & organisation dev related, Permanent	30	29	3,33	0
Human Resources clerks, Permanent	8	6	25	0
Human Resources related, Permanent	42	37	11,90	0
Information Technology, Permanent	0	0	0	0
Language practitioners interpreters & other	0	0	0	0
Other Communication related, Permanent	0	0	0	0
Library related personnel, Permanent	3	3	0	0
Driver, Permanent	1	1	0	0
Logistical support personnel, Permanent	6	6	0	0
Material recording and Transport clerks, Permanent	4	3	25	0
Messengers, Permanent	1	1	0	0
Other administrative and related clerks, Permanent	2	2	0	0
Other administrative policy and related officers, Permanent	2	2	0	0
Other information technology personnel, Permanent	6	6	0	0
Others occupations, Permanent	0	0	0	0
Chairperson: PSC	1	1	0	0

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Deputy Chairperson: PSC	1	1	0	0
Member: PSC	12	12	0	0
Secretaries, Permanent	50	45	10	0
Secretaries, Temporary	0	0	0	0
Security officers, Permanent	11	11	0	0
Security officers, Temporary	0	0	0	0
Senior Managers, Permanent	40	36	10	0
TOTAL	241	222	7.88	0

The information in each of the above cases reflects the vacancy rate situation as at 31 March 2007. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

3.4 Job Evaluation

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

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

Table 4.1 – Job Evaluation, 1 April 2006 to 31 March 2007

Salary Band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number % of posts evaluated	
Lower skilled (Levels 1-2)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	52	3	5,77	2	3,85	0	0
Highly skilled production (Levels 6-8)	57	2	3,51	1	1,75	0	0
Highly skilled supervision (Levels 9-12)	75	2	2,67	1	1,33	0	0
Senior Management Service Band A	31	2	6,45	1	3,23	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	14	0	0	0	0	0	0
Senior Management Service Band D	4	0	0	0	0	0	0
TOTAL	241	9	3,73	5	2,07	0	0

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

Table 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2006 to 31 March 2007

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	2	0	1	0	3
TOTAL	2	0	1	0	3

Employees with a disability

0

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

Table 4.3

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2006/ 2007

None

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

Table 4.4 – Profile of employees whose salary levels exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR I.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 changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2).

Table 5.1 – Annual turnover rates by salary band for the period 1 April 2006 to 31 March 2007

Salary Band	Number of employees per band as on 1 April 2007	Appointments and transfers into the Office	Terminations and transfers out of the Office	Turnover rate
Lower skilled (Levels 1-2) Permanent	1	0	0	0
Lower skilled (Levels 1-2) Temporary	0	0	0	0
Skilled (Levels 3-5) Permanent	49	18	8	16,33
Highly skilled production (Levels 6-8) Permanent	51	9	11	21,57
Highly skilled supervision (Levels 9-12) Permanent	68	10	8	11,76
Senior Management Service Band A Permanent	30	0	2	6,67
Senior Management Service Band B Permanent	5	1	1	20
Senior Management Service Band C Permanent	14	0	0	0
Senior Management Service Band D	4	0	0	0
Senior Management Service Band D Temporary	0	0	0	0
TOTAL	222	38	30	13,51

Table 5.2 – Annual turnover rates by critical occupation for the period 1 April 2006 to 31 March 2007

Occupation	Number of employees per occupation as on 1 April 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	2	0	0	0
Cleaner, Permanent	1	0	0	0
Switchboard Operator, Permanent	1	1	0	100
Communication and Information related Permanent	1	1	1	100
Finance and economics related, Permanent	1	0	0	0
Financial and related professionals, Permanent	7	1	2	28,57
Financial Clerks, Permanent	5	1	0	20
Human Resources & organisation dev related, Permanent	29	3	4	13,79
Human Resources clerks, Permanent	6	0	0	0
Messenger	1	1	0	100

Human Resources related, Permanent	37	8	3	8,11
Library related personnel, Permanent	3	1	0	33,33
Logistical support personnel, Permanent	6	2	3	50
Material recording and Transport clerks, Permanent	3	0	0	0
Driver	1	0	0	0
Other administrative and related clerks, Permanent	2	0	0	0
Other administrative policy and related officers, Permanent	2	0	0	0
Other information technology personnel, Permanent	6	2	2	33,33
Others occupations, Permanent	0	0	0	0
Rank: Unknown, Permanent	0	0	0	0
Secretaries, Permanent	46	15	11	23,91
Secretaries, Temporary	0	0	0	0
Security officers, Permanent	11	1	1	9,09
Security officers, Temporary	0	0	0	0
Senior Managers, Permanent	37	1	3	8,11
Head of Department	0	0	0	0
Chairperson: PSC	1	0	0	0
Deputy Chairperson: PSC	1	0	0	0
Member: PSC	12	0	0	0
TOTAL	222	38	30	13,51

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

Table 5.3 – Reasons why staff are leaving the Office

Termination Type	Number	% of total	% of total employment
Death	1	12,50	0,45
Resignation, Permanent	6	75	2,70
Expiry of contract, Permanent	0	0	0
Retirement	0	0	0
Ill-health Retirement	1	12,50	0,45
Other, Permanent	0	0	0
TOTAL	8	100	3,60

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2007	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative related	2	1	50	2	100
Cleaner	1	0	0	1	100
Switchboard Operator	1	0	0	0	0
Communication and Information related	1	0	0	1	100
Finance and economics related	1	0	0	0	0
Financial and related professionals	7	2	28,57	3	42,86
Financial Clerks	5	1	20	3	60
Head of Department & DDG's	4	2	50	1	25
Human Resources & organisation dev related	29	3	10,34	9	31,03
Human Resources clerks	6	0	0	3	50
Human Resources related	37	4	10,81	10	27,03
Library related personnel	3	0	0	3	100
Logistical support personnel	6	2	33,33	4	66,67
Material recording and Transport clerks	3	0	0	2	66,67

Messengers	1	0	0	0	0
Other administrative and related clerks	2	0	0	1	50
Other administrative policy and related officers	2	0	0	2	100
Other information technology personnel	6	1	16,67	0	0
Others occupations	0	0	0	0	0
Rank, Unknown	0	0	0	0	0
Secretaries	46	4	8,70	16	34,78
Security officers	11	8	72,73	2	18,18
Senior Managers	33	4	12,12	15	45,45
Chairperson: PSC	1	0	0	0	0
Deputy Chairperson: PSC	1	0	0	0	0
Member: PSC	1	0	0	0	0
Driver	1	0	0	0	0
TOTAL	222	32	14,41	78	35,14

Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2007	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)	1	0	0	1	100
Lower skilled (Levels 1-2) Temporary	0	0	0	0	0
Skilled (Levels 3-5)	49	12	24,49	14	28,57
Highly skilled production (Levels 6-8)	51	7	13,73	27	52,94
Highly skilled supervision (Levels 9-12)	68	7	10,29	17	25
Senior Management (Levels 13-16)	53	6	11,32	19	35,85
TOTAL	222	32	14,41	78	35,14

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 2007

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior managers	27	3	3	5	10	1	0	4	53
Middle Managers	28	4	1	7	21	1	1	5	68
Administrative/-Clerks	13	0	1	1	29	1	1	5	51
Service and Sales workers, Permanent	16	0	0	0	30	3	0	0	49
Elementary occupations	1	0	0	0	0	0	0	0	1
TOTAL	85	7	5	13	90	6	2	14	222

Employees with disabilities	0	0	0	1	1	0	0	0	2
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Table 6.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	11	1	0	2	3	1	0	0	18
Senior Management	16	2	3	3	7	0	0	4	35
Professionally qualified and ex- perienced specialists and mid- management	28	4	1	7	21	1	1	5	68
Skilled technical and academi- cally qualified workers, junior management, supervisors, fore- man and superintendents	13	0	1	1	29	1	1	5	51
Semi-skilled and discretionary decision making	16	0	0	0	30	3	0	0	49

Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
TOTAL	85	7	5	13	90	6	2	14	222

Table 6.3 - Recruitment for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	3	0	1	0	0	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	2	0	0	0	4
Semi-skilled and discretionary decision making	2	0	0	0	10	1	1	0	14
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	7	0	1	0	12	1	1	0	22

Employees with disabilities	0	0	0	0	1	0	0	0	1
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Table 6.4 - Promotions for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (15-16)	0	0	0	1	0	1	0	0	2
Senior Management (13-14)	2	1	0	0	0	0	0	1	4
Professionally qualified and experienced specialists and mid-management (9-12)	5	0	0	1	1	0	0	0	7

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors (7-8)	1	0	0	0	3	0	1	1	6
Semi-skilled and discretionary decision making (4-6)	10	0	0	0	3	0	0	0	13
Unskilled and defined decision making (1-3)	0	0	0	0	0	0	0	0	0
TOTAL	18	1	0	2	7	1	1	2	32

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 6.5 - Terminations for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	3	0	0	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	0	0	0	1	2
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	1	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	4	0	0	0	2	0	0	2	8

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 6.6 - Disciplinary action for the period 1 April 2006 to 31 March 2007

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

Table 6.7 - Skills development for the period 1 April 2006 to 31 March 2007

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers (13-16)	16	1	3	2	7	1	0	4	34
Professionally qualified and experienced specialists and middle management (9-12)	21	2	1	5	16	1	1	4	51
Skilled technical, junior management and supervisors (7-8)	8	0	0	0	15	1	0	1	25
Semi-skilled workers (4-6)	2	0	0	0	8	1	0	0	11
Elementary occupations (1-3)	1	0	0	0	0	0	0	0	1
TOTAL	48	3	4	7	46	4	1	9	122

Employees with disabilities	0	0	0	0	0	0	0	0	0
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3.7 Performance Rewards

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

Table 7.1 – Performance Rewards by race, gender, and disability, 1 April 2006 to 31 March 2007

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	31	85	36,47	518	16 709
Female	32	89	35,96	419	13 093
Asian					
Male	3	5	60	110	36 666
Female	1	2	50	22	22 000
Coloured					
Male	4	7	57,14	114	28 500
Female	4	6	66,67	90	22 500
White					
Male	9	12	75	260	28 888
Female	11	14	78,57	231	21 000
Employees with a disability	1	2	50	8	0
TOTAL	96	222	43,24	1 773	18 468

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

Salary Bands	Beneficiary Profile				
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower skilled (Levels 1-2)	1	1	100	7	7 000
Skilled (Levels 3-5)	15	49	30,61	74	4 933
Highly skilled production (Levels 6-8)	30	51	58,82	277	9 233
Highly skilled supervision (Levels 9-12)	31	68	45,59	761	24 548
TOTAL	77	169	45,56	1 119	14 532

Table 7.3 – Performance Rewards by critical occupations, 1 April 2006 to 31 March 2007

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Senior Managers	19	53	35,85	655	34 473
Professionally qualified and experienced specialists and middle management	31	68	45,59	761	24 548
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	30	51	58,82	277	9 233
Semi-skilled and discretionary decision making	15	49	30,61	74	4 933
Unskilled and defined decision making	1	1	100	7	7 000
TOTAL	96	222	43,24	1 774	18 479

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

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	15	30	50	508	33 866	6,67
Band B	1	5	20	29	29 000	100
Band C	2	14	14,29	62	31 000	50
Band D	1	4	25	56	56 000	100
TOTAL	19	53	35,85	655	34 473	5,26

3.8 Foreign Workers

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

Table 8.1 – Foreign Workers, 1 April 2006 to 31 March 2007, by salary band

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

Table 8.2 – Foreign Worker, 1 April 2006 to 31 March 2007, by major occupation

Major Occupation	1 April 2007		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% change
Professionals and managers	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

3.9 Leave utilisation for the period 1 January 2006 to 31 December 2006

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

Table 9.1 – Sick leave, 1 January 2006 to 31 December 2006

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-3)	0	0	0	0	0	0	0
Skilled (Levels 4-6)	153	88,2	31	20,8	5	32	135
Highly skilled production (Levels 7-8)	245	76,3	35	23,5	7	85	187
Highly skilled supervision (Levels 9-12)	309	82,8	49	32,9	6	285	256
Senior management (Levels 13-16)	166	81,9	33	22,1	5	347	136
TOTAL	873	82,3	148	99,3	6	749	714

Table 9.2 – Disability leave (temporary and permanent), 1 January 2006 to 31 December 2006

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)	3	100	1	8,3	3	1	3
Skilled production (Levels 6-8)	52	100	3	25	17	18	52
Highly skilled supervision (Levels 9-12)	28	100	6	50	5	24	28
Senior management (Levels 13-16)	7	100	2	16,7	4	13	7
TOTAL	90	100	12	100	8	56	90

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

Table 9.3 – Annual Leave, 1 January 2006 to 31 December 2006

Salary Bands	Total days taken	Average per employee	Employment
Lower skilled (Levels 1-2)	23	23	1
Skilled Levels (3-5)	609	14	43
Highly skilled production (Levels 6-8)	1 047	18	59
Highly skilled supervision (Levels 9-12)	1 384	19	74
Senior management (Levels 13-16)	1 075	20	55
TOTAL	4 138	17	242

Table 9.4 – Capped leave, 1 January 2006 to 31 December 2006

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2006	Total number of capped leave available at 31 December 2006	Number of employees as at 31 December 2006
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled Levels (3-5)	7	7	40	440	11
Highly skilled production (Levels 6-8)	18	4	28	735	26
Highly skilled supervision (Levels 9-12)	28	6	55	2 546	46
Senior management (Levels 13-16)	8	4	70	2 646	38
TOTAL	61	5	53	6 367	121

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

Table 9.5 – Leave payouts for the period 1 April 2006 to 31 March 2007

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2006/07 due to non-utilisation of leave for the previous cycle	34	1	34 000
Capped leave payouts on termination of service for 2006/07	46	3	15 333
Current leave payout on termination of service for 2006/07	0	0	0
TOTAL	80	4	20 000

3.10 HIV/AIDS & Health Promotion Programmes

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

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

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Mr HA Maluleke Director: Human Resource Management and Development
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		27 Employment Equity Consultative Forum Members
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		The programme aims to: <ul style="list-style-type: none"> • Encourage and assist employees to overcome personal problems affecting their work performance negatively; • Provide an effective framework for wellness promotion and preventative services; • In so far as it is possible to provide a reasonable, confidential and professional counselling service to all employees and their immediate families within the context of issues affecting the employee in order to enhance and sustain the quality of life; • Enhance performance and maintain high productivity levels of all employees; • Establish a working relationship with other departments and stakeholders who are involved in employee wellness; • Prevent unnecessary absenteeism and low productivity caused by social, physical and psychological factors; and • Allow supervisors to manage their human resources in an objective and consistent manner;

4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 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 Ms PT Khumalo – Head Office Ms P Mafihlo – Head Office Mr M Dolamo – Head Office Mr JS Hartzenberg – Head Office Ms PC Nkosi – Head Office Ms JH Human – Head Office Ms LC Qithi – Free State Ms RO Mmutle – North West Ms DN Shazi – Head Office Ms MM Poto – Head Office Ms LT Mgagula – KwaZulu-Natal Ms MV Rhawana – Eastern Cape Ms AR Chauke – Limpopo Ms L Dlamini – Northern Cape Ms C Gunn – Head Office Ms DE Botma – Head Office Ms GL Kunene – Head Office Ms AM Dunga – Western Cape Mr AM Dandu - Gauteng
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√	1. HIV/AIDS Policy and Programme 2. Recruitment and Selection Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√	HIV/AIDS Policy and Programme
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√	None so far; however, the Office did implement its Employee Assistance Programme with effect from 1 July 2005.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√	HIV/AIDS Programme Employee Assistance Programme

3.11 Labour Relations

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

Table 11.1 – Collective agreements, 1 April 2006 to 31 March 2007

Total collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2006 to 31 March 2007

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	2	40
Verbal warning	0	0
Written warning	1	20
Final written warning	1	20
Suspended without pay	1	20
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
TOTAL	5	100

Table 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Contravention of Security Policy	1	50
Telephone Policy	1	50
TOTAL	2	100

Table 11.4 – Grievances lodged for the period 1 April 2006 to 31 March 2007

	Number	% of Total
Number of grievances resolved	2	100
Number of grievances not resolved	0	0
TOTAL	2	100

Table 11.5 – Disputes lodged with Councils for the period 1 April 2006 to 31 March 2007

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
TOTAL	0	0

Table 11.6 – Strike actions for the period 1 April 2006 to 31 March 2007

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

Table 11.7 – Precautionary suspensions for the period 1 April 2006 to 31 March 2007

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	62
Cost (R'000) of suspensions	14 037

3.12 Skills development

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

Table 12.1 - Training needs identified for the period 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2007	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
Deputy Chairperson	Male	1	0	0	0	0
	Female	0	0	0	0	0
Commissioners	Male	1	0	0	0	0
	Female	3	0	0	0	0
Director-General	Male	9	0	0	0	0
	Female	1	0	0	0	0
Deputy Director-General	Male	0	0	0	0	0
	Female	0	0	0	0	0
Chief Directors	Male	3	0	4	0	4
	Female	3	0	7	0	7
Directors	Male	2	0	4	0	4
	Female	8	0	17	0	17
Deputy Directors	Male	22	0	20	0	20
	Female	19	0	17	0	17
Assistant Directors	Male	23	0	19	0	19
	Female	5	0	21	0	21
Principal/ Chief State Administration Officers	Male	11	0	13	0	13
	Female	3	0	4	0	4
Senior/State Accountants	Male	9	0	9	0	9
	Female	4	0	12	0	12

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training needs identified at start of reporting period			
			Learner ships Identified	Skills Programmes & other short courses	Other forms of training	Total
Accounting Clerk	Male	0	0	0	0	0
	Female	0	0	0	0	0
Chief Personnel Officer	Male	3	0	2	0	2
	Female	0	0	0	0	0
Principal Personnel Officer	Male	1	0	4	0	4
	Female	1	0	3	0	3
Personnel Officer	Male	1	0	3	0	3
	Female	2	0	10	0	10
Provisioning Administration Officer	Male	1	0	3	0	3
	Female	0	0	0	0	0
Provisioning Administration Clerk	Male	2	0	3	0	3
	Female	3	0	3	0	3
Document Clerk	Male	1	0	3	0	3
	Female	1	0	2	0	2
Communication Officer	Male	0	0	0	0	0
	Female	0	0	0	0	0
Registry Clerk	Male	2	0	5	0	5
	Female	1	0	0	0	0
Administrative Secretary	Male	0	0	0	0	0
	Female	41	0	20	0	20
Telecom Operator	Male	0	0	0	0	0
	Female	1	0	0	0	0
Library Assistant	Male	0	0	0	0	0
	Female	1	0	2	0	2
Administration Clerk	Male	0	0	0	0	0
	Female	0	0	0	0	0

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training needs identified at start of reporting period			
			Learner ships Identified	Skills Programmes & other short courses	Other forms of training	Total
General Aid	Male	1	0	0	0	0
	Female	1	0	0	0	0
Typist	Male	2	0	0	0	0
	Female	0	0	0	0	0
Cleaner	Male	0	0	0	0	0
	Female	0	0	0	0	0
State Administration Officer	Male	1	0	0	0	0
	Female	7	0	0	0	0
Administration Officer	Male	1	0	6	0	6
	Female	2	0	0	0	0
Assistant Administration Officer	Male	0	0	0	0	0
	Female	0	0	0	0	0
Messenger	Male	0	0	0	0	0
	Female	0	0	0	0	0
Chief Accounting Clerk	Male	1	0	0	0	0
	Female	0	0	0	0	0
Human Resource Practitioners	Male	1	0	0	0	0
	Female	3	0	5	0	5
PC Specialist	Male	1	0	2	0	2
	Female	1	0	0	0	0
Security Administration/ Security Officer	Male	1	0	0	0	0
	Female	1	0	4	0	4
Sub Total	Male	9	0	4	0	4
	Female	112	0	125	0	125
	Male	110	0	104	0	104
TOTAL		222		229		229

Table 12.2 - Training provided for the period 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Senior officials and managers	Female	15	0	12	0	12
Technicians and associate professionals	Male	38	0	22	0	22
	Female	28	0	22	0	22
Clerks	Male	40		29	0	29
	Female	69	0	26	0	26
Elementary occupations	Male	31	0	10	0	10
	Female	0	0	0	0	0
Sub Total	Male	1	0	1	0	1
	Female	112	0	60	0	60
	Male	110	0	62	0	62
TOTAL		222	0	122	0	122

3.13 Injury on duty

The following tables provide basic information on injury on duty.

Table 13.1 – Injury on duty, 1 April 2006 to 31 March 2007

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

3.14 Utilisation of Consultants

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

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

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

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

Table 14.3 - Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Value for money	3	6	(GTZ) 560 509
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand

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

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that worked on the project
Value for money	Human Sciences Research Council	N/A	1 female



CHAPTER 4: REPORT OF THE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2007.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and meets at least two times per annum as per the approved Audit Committee Charter. During the year under review three meetings were held.

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Prof H de Jager (Chair) (External)	3
Mrs Z Musamirapamwe (appointed January 2007) (External)	1
Mr D Mbatha (External)	2
Mr V Magan (appointed January 2007) (External)	1
Mr D N Maphumulo (CFO)	3

The Accounting Officer, Auditor-General, National Treasury and Internal Audit were invited to the meetings and attended all the meetings.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulations 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee charter, has

regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The Audit Committee charter was revised during the year to ensure relevance.

The effectiveness of internal control

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

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

In line with the PFMA requirements, and the Public Service Commission internal Audit Charter, Internal Audit continued during the review period to provide the Audit Committee and management with independent assurances that internal controls were appropriate and effective for those areas examined in terms of the Audit Committee-approved coverage plan, based on the risk assessment. The performance of the internal audit function was externally and internally assessed during the period under review. Where shortcomings were identified the audit committee is satisfied that appropriate steps were taken to rectify the aspects identified.

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

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and

issued by the Accounting Officer and the Office during the year under review.

Evaluation of financial statements

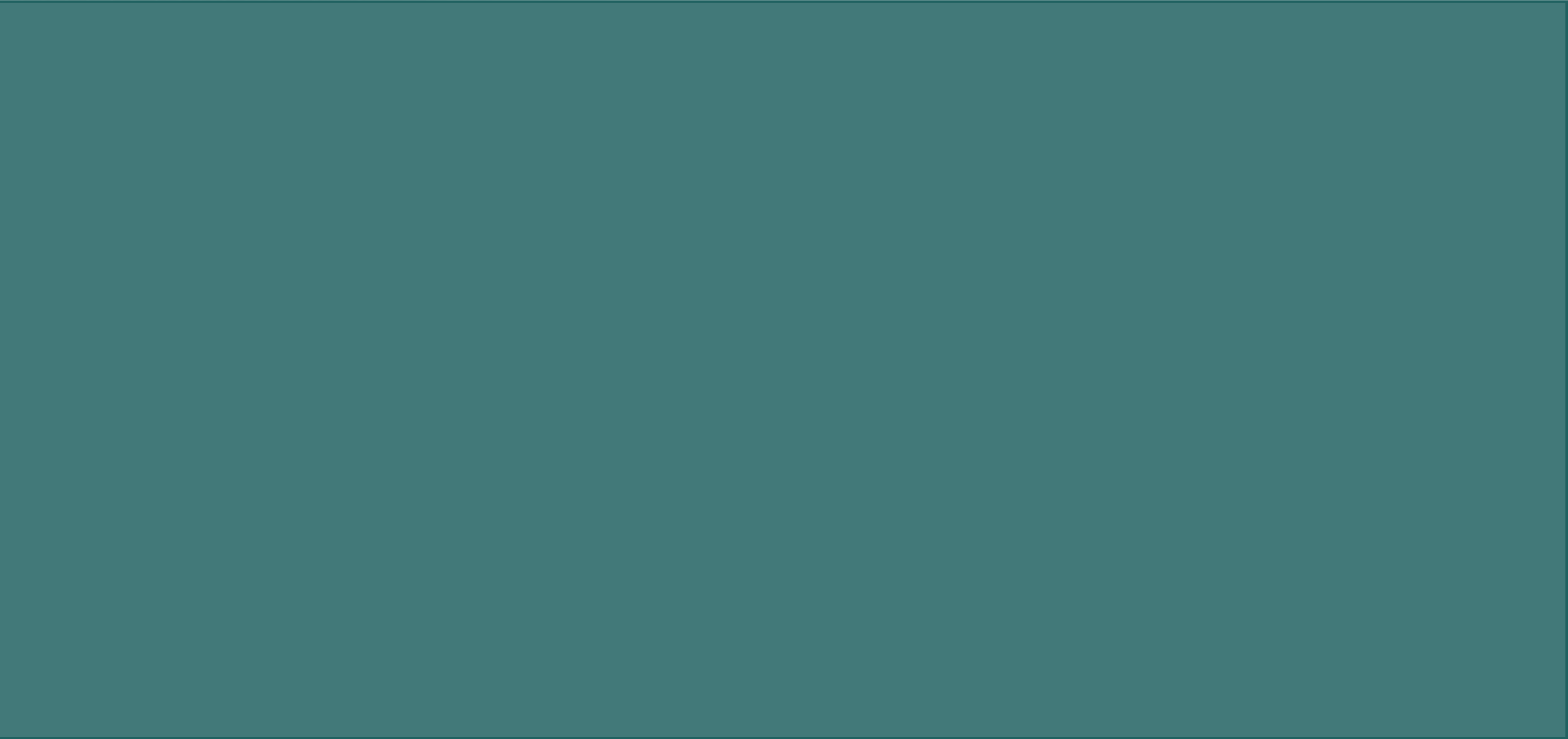
The Audit Committee has:

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

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



CHAIRPERSON OF THE AUDIT COMMITTEE
DATE: 31 AUGUST 2007



CHAPTER 5: ANNUAL FINANCIAL STATEMENTS

Report of the Accounting Officer	106
Report of the Auditor-General	111
Accounting Policies	113
Appropriation Statement	118
Notes to the Appropriation Statement	123
Statement of Financial Performance	124
Statement of Financial Position	125
Statement of Changes in Net Assets	126
Cash Flow Statement	127
Notes to the Annual Financial Statements	128
Disclosures Notes to the Annual Financial Statements	135
Annexure 1A	139
Annexure 1B	140
Annexure 1C	141
Annexure 1D	142
Annexure 2A	142
Annexure 3	143

5.1 REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2007

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

1.1.1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

For the financial year 2006/2007, the Public Service Commission's (PSC) Vote 11 received R97 003 000 from National Treasury. No additional amount was allocated in the Adjustments Estimate. The surplus on the budget for the 2006/2007 financial year was R935 122. This represents 0.96% of the total budget allocation for 2006/2007. An amount of R527 000 has been requested for roll-over to the 2007/2008 financial year for the funding of projects which could not be completed during the 2006/2007 financial year as originally planned.

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

- Management of poor performance in the Public Service
- Review of the Grievance Rules
- Report on Grievance Resolutions in the Public Service
- Draft Annual Report on grievance resolutions in Public Service
- Analysis of labour relations trends in the Public Service
- Investigation of complaints lodged and requests emanating from:
 - The Commission (proactively)
 - Executing Authorities
 - Public Servants
- Report on financial misconduct for the 2005/2006 Financial period

- Trend analysis on public administration investigations
- Report on Gender Mainstreaming
- Report on the employee assistance programmes in the Public Service
- Report on analysis of financial disclosures of senior managers
- Report on the management of conflicts of interest
- Report on the annual activities of the National Anti-Corruption Forum
- Monitoring the effectiveness of the National Anti-Corruption Hotline
- Assessment of professional ethics in the Free State
- Reports evaluating department's adherence to the Constitutional principles for public administration
- Consolidated Monitoring and Evaluation Report for the 2005/2006 research cycle
- A draft analysis of the implementation of the PSC recommendations
- Review on the state of compliance with the performance agreement requirements by Senior Management Service members in the Eastern Cape
- Pilot the organisational performance assessment
- Evaluation of the Batho Pele Principle of Access and Redress
- Citizen Satisfaction Surveys conducted in three departments

1.1.2 SERVICES RENDERED BY THE PSC

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

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

1.1.3 CAPACITY CONSTRAINTS AND IMPROVEMENTS

At the request of the Minister of Home Affairs, a support intervention was conducted from July to December 2006 in the Department of Home Affairs to address critical issues in the management and functioning of the Department. The Director-General of the OPSC was subsequently appointed leader of the combined technical team responsible for conducting the intervention at Home Affairs. Other team members were from the National Treasury and the Department of Public Service and Administration. This support intervention placed a fair amount of strain on the resources of the PSC.

The capacity constraints must be seen against the greater demands that are placed on the PSC, as the custodian of good governance, to advise and introduce innovative approaches to public administration. Through the years the PSC has built a reputation for its ability to conduct high quality and analytical research, sound investigative audits and reviews as well as for its promotion of sound public administration practices. With such recognition has come an increase in requests for advice and support. These requests are of a diverse nature and cover the full extent of the PSC's broad mandate that is inclusive of a Public Service with more than one million employees. Despite this increase in demand, there has not been a concomitant increase in the budget. The increasing demands for the PSC's advice and support in all areas of its mandate, is placing considerable strain on its resources.

The PSC has reached a critical point where the operationalization of its mandate has broadened. It can no longer sustain service delivery with the current staff capacity and skills accommodated in the current approved establishment. It would particularly be important to increase the resource base of the PSC in such a manner that additional human resources can be acquired. The total staff complement of the PSC is only 222. Per capita the PSC therefore has approximately one staff member for every 4 300 public servants. Significantly more work needs to be done in the area of advocacy and promotional activities. The PSC has done much research work, and yet its ability to disseminate and model best

practice has been hampered by its resource constraints. Conferences such as the recent Labour Relations, South African Monitoring and Evaluation Association (SAMEA) and Human Resources poignantly reflect the need for active engagement with stakeholders if attitude and behaviour are to be influenced through the PSC's work. There is a need to refine its engagement strategy with its key stakeholders.

1.1.4 UTILISATION OF DONOR FUNDS

During the financial year the PSC received an amount of R200 000 from the German Agency for Technical Co-operation (GTZ), and R100 000 from the Department for International Development, to fund the co-hosting of the Inaugural South African Monitoring and Evaluation Conference in Johannesburg. An amount of R18 946 was also received from the University of Sussex, in the United Kingdom, for a refund on an air ticket for attending a conference on the Current Challenges for Development Evaluation which were held in London.

An advance of R41 160 was also received during the previous financial year from the Common Wealth Secretariat to pay for one PSC Commissioner to attend the International Institute of Administrative Sciences (IIAS) 3rd International Conference on Transparency of Better Governance in Mexico. An amount of R20 580 was utilised in the 2005/2006 financial year. The balance of R20 580 was utilised in the 2006/2007 financial year.

The availability of donor funds has significantly improved the ability of the PSC to deliver on its mandate taking into consideration the limited financial resources at its disposal.

1.1.5 TRADING ENTITIES AND PUBLIC ENTITIES

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

1.1.6 ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

The PSC has not made any transfer payments to any

organisation during the period under review.

1.1.7 PUBLIC /PRIVATE PARTNERSHIPS (PPP)

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

1.1.8 CORPORATE GOVERNANCE ARRANGEMENTS

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

Public Service Commission Plenary

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

Executive Committee

The Executive Committee (EXCO) comprises Pretoria based Commissioners, one Provincially-based Commissioner attending a six-monthly rotational basis and the Executive Management of the OPSC. It meets fortnightly to consider and make operational decisions within the parameters of the policy framework including ad hoc projects. These are subsequently ratified at full plenary where all the Commissioners are present.

Specialist Teams

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

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

Executive Management Committee

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

Management Committee

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

1.1.9 DISCONTINUED ACTIVITIES


No activities were discontinued during the period under review.

1.1.10 NEW OR PROPOSED ACTIVITIES

The PSC will on its own accord conduct an audit into the granting of performance awards in two provincial departments in all provinces and two national departments for the period 2003 to 2006. This is a follow-up to the findings of an audit conducted by the PSC at the departments of Correctional Services, Home Affairs and Labour at the request of SCOPA which raised concerns regarding how performance awards are managed by departments.

The PSC will gazette rules for the management of conflict of interest through the financial disclosure framework. This will deepen analysis of financial disclosures and ensure that Executing Authorities are appropriately advised on possible conflicts of interest.

The PSC has noted with concern that there are perceptions suggesting that public servants tend to be highly indebted and that this in turn not only impacts on their well being but also poses a risk for public administration. The PSC, will therefore, conduct an investigation into the impact of Micro-Lending and Garnishee Orders on Public Servants and implications for the Public Service. In carrying out



this investigation, the PSC will look at the extent to which public servants have been served with garnishee orders as a result of indebtedness to micro-lenders, and provide comment on the ethical considerations of public servants who have been served with garnishee orders as a result of indebtedness to micro-lenders.

Through its investigations, the PSC has observed that procurement transactions that fall under the R200 000 threshold are susceptible to abuse. In this regard, applicable departmental procurement processes are usually not adhered to, thus resulting in irregular expenditure, fraud or corruption. In order to establish the extent of this non compliance and to advise on appropriate interventions, the PSC will on own accord, conduct an 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.

Given the importance of human resources to the effective functioning of the Public Service, the PSC will on own accord, conduct an evaluation of selection process applied by departments and develop a human resource management self assessment instruments for use by departmental human resource components.

The PSC will also continue with the roll out of its transversal Monitoring and Evaluation (M and E) System to establish whether departments comply with the values and principles of public administration contained in the Constitution. Additional M and E information will also be generated through Citizens Satisfaction Surveys, an evaluation of the poverty reduction programme of government, and an assessment of the Feeding Scheme Programme of the Provincial Departments of Education in Limpopo and the Eastern Cape.

Given the importance of ensuring a culture of accounting for performance in the Public Service, the PSC will also continue to facilitate the evaluation of the performance of Heads of Department. This has been supplemented by the implementation of an organizational performance assessment template aimed at linking organizational and individual performance of HoDs. The template was piloted at selected national and provincial departments

during the 2005/2006 financial period and will be rolled out to other departments in 2007/2008.

It is imperative for government to retain its competent HoDs and ensure stability within Public Service leadership. During this new financial year, the PSC will therefore conduct an assessment of the turn-over rate of HoDs and its impact on service delivery in the Public Service. This assessment will seek to amongst others, establish the extent of the turn-over rate of HoDs in the Public Service, the reasons for the existing turn-over rates and its impact on the ability of departments to deliver on their mandates.

Other pertinent public service leadership issues that the PSC will evaluate are the use of Performance Agreements as a performance management tool, and the payment of performance incentives to HoDs whose performance has not been assessed. The PSC will also produce a report analysing key public service leadership issues that emanate from the deliberations of panels that evaluate the performance of HoDs.

1.1.11 ASSET MANAGEMENT

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

An asset management team, comprising of the Directorate: Financial and Procurement Management, was established to handle the following asset management functions:

- Development and implementation of an Asset Management Strategy
- Development of a draft Asset Management Policy by revising the existing Asset Management Policy
- Ensuring the adherence to Asset Management reporting requirements
- Ensuring that officials are sufficiently trained on Asset Management processes and systems within the PSC

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

- Asset Management Strategy
- Acquisition Plan
- Disposal Plan
- Draft Asset Management Policy by revising the existing Asset Management Policy

1.1.12 EVENTS AFTER THE REPORTING DATE

There were no material events that occurred after 31 March 2007.

1.1.13 PERFORMANCE INFORMATION

The PSC continued to timeously submit quarterly information required by National Treasury on the achievements on Estimates of National Expenditure (ENE) outputs. This information is subjected to a strict quality assurance process through the management structures of the PSC.

All other reports and documentation related to financial or human resource matters were prepared and submitted timeously to the relevant parties.

1.1.14 SCOPA RESOLUTIONS

There were no SCOPA resolutions for the PSC.

1.1.15 OTHER

- Inventory balances on hand at year end amounts to R 338 317.55.
- The valuation method used per item is either on the lower of cost or the nett realisable value.
- The costing method used for inventory disclosed is weighted average cost (WAC).
- There are no material facts or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.

APPROVAL

The annual financial statements set out on pages 106 to 143 have been approved by the Accounting Officer:



MS OR RAMSINGH
DIRECTOR-GENERAL
DATE: 31 MAY 2007

5.2 REPORT OF THE AUDITOR-GENERAL

TO PARLIAMENT ON THE FINANCIAL STATEMENTS
AND PERFORMANCE INFORMATION OF VOTE NO.
11 - PUBLIC SERVICE COMMISSION FOR THE YEAR
ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Public Service Commission which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 106 to 143.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

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

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Public Service Commission as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, and in the manner required by the PFMA.

OTHER MATTERS

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

10. Internal control**Control activities****Information systems**

An information systems audit of the user account management of the BAS, PERSAL and LOGIS transversal system was completed in March 2007. The most significant weaknesses identified were the following:

- The processes followed to create new user accounts and to amend the rights of existing users were not adequate and had not been formally documented and approved.
- The PERSAL controller profiles had not been assigned to designated officials to ensure accountability for actions taken using these powerful accounts.
- The PERSAL controllers' sessions were not timed out after a period of inactivity to prevent unauthorised access to unattended sessions.
- The LOGIS controller and one BAS user had access to incompatible system rights.

11. Performance audit reports issued during the year

An audit was performed at all national departments to determine employees who are Directors of companies or members of close corporations that did business with the department where the person is employed as well as with other departments. No cases were found where employee related companies did business with Public Service Commission.

12. Delay in finalisation of audit

Due to the national public sector strike action during June 2007 the Auditor-General had to delay the finalisation of the audit of affected departments. As a result, the Auditor-General's consistency review process of the audit reports could only be conducted subsequent to 31 July 2007, the consequence of which was a delay in the finalisation of the audit of this department for the 2006/07 financial year.

OTHER REPORTING RESPONSIBILITIES**Reporting on performance information**

13. I have audited the performance information as set out on pages 21 to 62.

Responsibilities of the accounting officer

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

Responsibility of the Auditor-General

15. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007.

16. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgment.

17. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

18. No findings came to the fore.

APPRECIATION

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



B WHEELER FOR AUDITOR-GENERAL
PRETORIA

28 AUGUST 2007



AUDITOR-GENERAL

5.3 ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2007

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

5.3.1 Presentation of the Financial Statements

Basis of preparation

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

Presentation currency

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

Rounding

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

Comparative figures

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

Comparative figures - Appropriation Statement

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

5.3.2 Revenue

Appropriated funds

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

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

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

Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

Sales of goods and services other than capital assets

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

Interest, dividends and rent on land

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

Sale of capital assets

The proceeds received on sale of capital assets are

recognised in the statement of financial performance when the cash is received.

Financial transactions in assets and liabilities

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

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

Forex gains are recognised on payment of funds.

Gifts, donations and sponsorships (transfers received)

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

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

Local and foreign aid assistance

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

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

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

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised

as payables in the statement of financial position.

CARA Fund assistance

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

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

5.3.3 Expenditure

Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance¹.

All other payments are classified as current expense. Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

Short term employee benefits

Short term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

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

Long-term employee benefits

Termination benefits

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

Post employment retirement benefits

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

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

Goods and services

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

Interest and rent on land

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

Financial transactions in assets and liabilities

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

Forex losses are recognised on payment of funds.

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

Unauthorised expenditure

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

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

Fruitless and wasteful expenditure

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

Irregular expenditure

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

Transfers and subsidies

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

Expenditure for capital assets

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

5.3.4 Assets

Cash and cash equivalents

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

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

Prepayments and advances

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

Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

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

Inventory

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

Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the

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

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 25 and 26 reflect the total movement in the asset register for the current financial year.

5.3.5 Liabilities

Payables

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

Lease commitments

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

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

Accruals

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

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

Contingent liabilities

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

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

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

Contingent liabilities are included in the disclosure notes.

Commitments

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

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

5.3.6 Net Assets

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.

5.3.7 Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

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

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

APPROPRIATION PER PROGRAMME

2006/07								2005/06	
	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	47,307	-	2,098	49,405	49,260	145	99.7%	39,361	39,224
Transfers and subsidies	58	-	4	62	47	15	75.8%	101	100
Payment for capital assets	1,582	-	345	1,927	1,667	260	86.5%	2,574	2,568
2. Investigations and Human Resource Reviews									
Current payment	24,923	-	-704	24,219	24,079	140	99.4%	23,226	23,098
Transfers and subsidies	20	-	-	20	13	7	65.0%	53	48
Payment for capital assets	-	-	-	-	-	-	-	-	-
3. Monitoring and Evaluation									
Current payment	23,099	-	-1,743	21,356	20,991	365	98.3%	20,743	19,643
Transfers and subsidies	14	-	-	14	11	3	78.6%	48	44
Payment for capital assets	-	-	-	-	-	-	-	-	-
Subtotal	97,003	-	-	97,003	96,068	935	99.0%	86,106	84,725
TOTAL	97,003	-	-	97,003	96,068	935	99.0%	86,106	84,725
Reconciliation with Statement of Financial Performance									
Add:									
Prior year unauthorised expenditure approved with funding				-				-	
Departmental receipts				163				243	
Local and foreign aid assistance received				319				482	
Actual amounts per Statement of Financial Performance (Total Revenue)				97,485				86,831	
Add:									
Local and foreign aid assistance					240				461
Actual amounts per Statement of Financial Performance (Total Expenditure)					96,308				85,186

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

APPROPRIATION PER ECONOMIC CLASSIFICATION

	2006/07							2005/06	
	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	63,056	-	-1,429	61,627	61,487	140	99.8%	57,229	57,008
Goods and services	32,273	-	1,080	33,353	32,672	681	98.0%	26,101	24,903
Financial transactions in assets and liabilities	-	-	-	-	171	-171	-	-	54
Transfers and subsidies									
Provinces and municipalities	66	-	1	67	43	24	64.2%	181	171
Foreign governments and international organisations	26	-	3	29	28	1	96.6%	21	21
Payments for capital assets									
Machinery and equipment	1,582	-	345	1,927	1,667	260	86.5%	1,574	2,553
Software and other intangible assets	-	-	-	-	-	-	-	1,000	15
TOTAL	97,003	-	-	97,003	96,068	935	99.0%	86,106	84,725

DETAIL PER PROGRAMME 1 - ADMINISTRATION FOR THE YEAR ENDED 31 MARCH 2007

	2006/07							2005/06	
Programme per subprogramme	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	12,592	-	424	13,016	12,956	60	99.5%	11,817	11,798
Transfers and subsidies	14	-	-	14	8	6	57.1%	29	29
I.2 Management									
Current payment	4,705	-	-149	4,556	4,533	23	99.5%	5,296	5,262
Transfers and subsidies	30	-	4	34	29	5	85.3%	31	31
I.3 Corporate Services									
Current payment	30,010	-	1,823	31,833	31,771	62	99.8%	22,248	22,164
Transfers and subsidies	14	-	-	14	10	4	71.4%	41	40
Payment for capital assets	1,582	-	345	1,927	1,667	260	86.5%	2,574	2,568
TOTAL	48,947	-	2,447	51,394	50,974	420	99.2%	42,036	41,892

	2006/07							2005/06	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	28,892	-	-76	28,816	28,761	55	99.8%	26,612	26,551
Goods and services	18,415	-	2,174	20,589	20,340	249	98.8%	12,749	12,664
Financial transactions in assets and liabilities	-	-	-	-	159	-159	-	-	9
Transfers and subsidies									
Provinces and municipalities	32	-	1	33	19	14	57.6%	80	79
Foreign governments and international organisations	26	-	3	29	28	1	96.6%	21	21
Payments for capital assets									
Machinery and equipment	1,582	-	345	1,927	1,667	260	86.5%	1,574	2,553
Software and other intangible assets	-	-	-	-	-	-	-	1,000	15
TOTAL	48,947	-	2,447	51,394	50,974	420	99.2%	42,036	41,892

DETAIL PER PROGRAMME 2 - INVESTIGATIONS & HUMAN RESOURCE REVIEWS

FOR THE YEAR ENDED 31 MARCH 2007

	2006/07							2005/06	
Programme per subprogramme	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 Improvements									
Current payment	6,118	-	-132	5,986	5,962	24	99.6%	6,391	6,342
Transfers and subsidies	5	-	-	5	4	1	80.0%	15	15
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.2 Public Administration Investigations									
Current payment	9,956	-	-21	9,935	9,883	52	99.5%	9,576	9,532
Transfers and subsidies	7	-	-	7	6	1	85.7%	23	21
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.3 Professional Ethics and Human Resource Reviews									
Current payment	8,849	-	-551	8,298	8,234	64	99.2%	7,259	7,224
Transfers and subsidies	8	-	-	8	3	5	37.5%	15	12
TOTAL	24,943	-	-704	24,239	24,092	147	99.4%	23,279	23,146

	2006/07							2005/06	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	18,002	-	-165	17,837	17,800	37	99.8%	16,055	15,997
Goods and services	6,921	-	-539	6,382	6,274	108	98.3%	7,171	7,095
Financial transactions in assets and liabilities	-	-	-	-	5	-5	-	-	6
Transfers and subsidies									
Provinces and municipalities	20	-	-	20	13	7	65.0%	53	48
TOTAL	24,943	-	-704	24,239	24,092	147	99.4%	23,279	23,146

DETAIL PER PROGRAMME 3 - MONITORING AND EVALUATION

FOR THE YEAR ENDED 31 MARCH 2007

	2006/07							2005/06	
Programme per subprogramme	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	8,618	-	237	8,855	8,596	259	97.1%	7,814	7,138
Transfers and subsidies	5	-	-	5	4	1	80.0%	18	16
3.2 Leadership and Performance Improvement									
Current payment	5,607	-	-939	4,668	4,624	44	99.1%	5,097	4,967
Transfers and subsidies	4	-	-	4	3	1	75.0%	13	12
3.3 Service Delivery and Quality Assurance									
Current payment	8,874	-	-1,041	7,833	7,771	62	99.2%	7,832	7,538
Transfers and subsidies	5	-	-	5	4	1	80.0%	17	16
TOTAL	23,113	-	-1,743	21,370	21,002	368	98.3%	20,791	19,687

	2006/07							2005/06	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	16,162	-	-1,188	14,974	14,926	48	99.7%	14,562	14,460
Goods and services	6,937	-	-555	6,382	6,058	324	94.9%	6,181	5,144
Financial transactions in assets and liabilities	-	-	-	-	7	-7	-	-	39
Transfers and subsidies to:									
Provinces and municipalities	14	-	-	14	11	3	78.6%	48	44
TOTAL	23,113	-	-1,743	21,370	21,002	368	98.3%	20,791	19,687

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

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

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

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

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

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

4.1	PER PROGRAMME	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
		R'000	R'000	R'000	%
	Programme 1 - Administration	51,394	50,974	420	0.8
		Saving due to vacant posts that are in the process of being filled. The under spending to the amount of R 327 000 on goods and services and capital expenditure will be requested to be rolled over for the purchase and installation of the centralised Backup Library.			
	Programme 2 – Investigations and Human Resource Reviews	24,239	24,092	147	0.6
		Saving due to vacant posts that are in the process of being filled and printing of reports that will be finalised in the next financial year.			
	Programme 3 – Monitoring and Evaluation	21,370	21,002	368	1.7
		Saving due to vacant posts that are in the process of being filled and the project on the Evaluation of Government's Poverty Reduction Programme that will be finalised in the next financial year. Roll-over of funds will be requested for the amount of R200 000.			

PER ECONOMIC CLASSIFICATION	R'000
Current expenditure:	
Compensation of employees	140
Goods and services	681
Financial transactions in assets and liabilities	-171
Transfers and subsidies:	
Provinces and municipalities	24
Foreign governments and international organisations	1
Payments for capital assets:	
Machinery and equipment	260

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2007

REVENUE

Annual appropriation
Departmental revenue
Local and foreign aid assistance

TOTAL REVENUE

EXPENDITURE

Current expenditure
Compensation of employees
Goods and services
Financial transactions in assets and liabilities
Local and foreign aid assistance

Total current expenditure

Transfers and subsidies

Expenditure for capital assets
Machinery and equipment
Software and other intangible assets

Total expenditure for capital assets

TOTAL EXPENDITURE

SURPLUS FOR THE YEAR

Reconciliation of Surplus for the year
Voted Funds
Departmental Revenue
Local and foreign aid assistance

SURPLUS FOR THE YEAR

Note	2006/07 R'000	2005/06 R'000
1	97,003	86,106
2	163	243
3	319	482
	97,485	86,831
4	61,487	57,008
5	32,672	24,903
6	171	54
3	240	461
	94,570	82,426
7	71	192
8	1,667	2,553
8	-	15
	1,667	2,568
	96,308	85,186
	1,177	1,645
12	935	1,381
13	163	243
3	79	21
	1,177	1,645

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		3,315	1,255
Cash and cash equivalents	9	2,816	9
Prepayments and advances	10	4	8
Receivables	11	495	1,238
TOTAL ASSETS		3,315	1,255
LIABILITIES			
Current liabilities		3,218	1,108
Voted funds to be surrendered to the Revenue Fund	12	935	483
Departmental revenue to be surrendered to the Revenue Fund	13	9	34
Bank overdraft	14	-	534
Payables	15	2,174	36
Local and foreign aid assistance unutilised	3	100	21
TOTAL LIABILITIES		3,218	1,108
NET ASSETS		97	147
Represented by:			
Recoverable revenue		97	147
TOTAL		97	147

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2007

Recoverable revenue

Opening balance
Transfers
Debts recovered (included in departmental receipts)
Debts raised
Closing balance

TOTAL

Note	2006/07 R'000	2005/06 R'000
	147	210
	-50	-63
	-101	-99
	51	36
	97	147
	97	147

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts		97,485	85,933
Annual appropriated funds received	1.1	97,003	85,208
Departmental revenue received		163	243
Local and foreign aid assistance received	3	319	482
Net increase in working capital		2,885	-515
Surrendered to Revenue Fund		-671	-1,647
Current payments		-94,570	-82,426
Transfers and subsidies paid		-71	-192
Net cash flow available from operating activities	16	5,058	1,153

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for capital assets		-1,667	-2,568
Net cash flows from investing activities		-1,667	-2,568

CASH FLOWS FROM FINANCING ACTIVITIES

Decrease in net assets		-50	-63
Net cash flows from financing activities		-50	-63
Net decrease in cash and cash equivalents		3,341	-1,478
Cash and cash equivalents at the beginning of the period		-525	953
Cash and cash equivalents at end of period	17	2,816	-525

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

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 2005/06
	R'000	R'000	R'000	R'000
Administration	51,394	51,394	-	42,035
Investigations & Human Resource Reviews	24,239	24,239	-	23,146
Monitoring and Evaluation	21,370	21,370	-	20,027
Total	97,003	97,003	-	85,208

2. Departmental revenue to be surrendered to revenue fund

	Note	2006/07 R'000	2005/06 R'000
Sales of goods and services other than capital assets	2.1	36	36
Interest, dividends and rent on land	2.2	12	14
Financial transactions in assets and liabilities	2.3	115	193
Total revenue collected		163	243
Departmental revenue collected		163	243

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	33	36
Administrative fees	33	36
Sales of scrap, waste and other used current goods	3	-
Total	36	36

2.2 Interest, dividends and rent on land and buildings

Interest	12	14
Total	12	14

2.3 Financial transactions in assets and liabilities Nature of recovery

Receivables	86	144
Stale cheques written back	5	-
Other Receipts including Recoverable Revenue	24	49
Total	115	193

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

3. Local and foreign aid assistance

3.1 Assistance received in cash: Other

Foreign

Opening Balance

Revenue

Expenditure

Current

Closing Balance

Total assistance

Opening Balance

Revenue

Expenditure

Current

Closing Balance

Analysis of balance

Local and foreign aid unutilised

Closing balance

Note

2006/07
R'000

2005/06
R'000

21

-

319

482

240

461

240

461

100

21

21

-

319

482

240

461

240

461

100

21

100

21

100

21

4. Compensation of employees

4.1 Salaries and Wages

Basic salary

Performance award

Service Based

Compensative/circumstantial

Periodic payments

Other non-pensionable allowances

Total

39,263

36,419

1,779

1,558

102

264

1,358

963

-

1

12,077

11,090

54,579

50,295

4.2 Social contributions

4.2.1 Employer contributions

Pension

Medical

Bargaining council

Total

5,108

4,731

1,794

1,976

6

6

6,908

6,713

Total compensation of employees

61,487

57,008

Average number of employees

222

210

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

Note	2006/07 R'000	2005/06 R'000
5. Goods and services		
Advertising	396	207
Attendance fees (including registration fees)	637	294
Bank charges and card fees	20	19
Bursaries (employees)	110	79
Communication	2,158	2,375
Computer services	2,498	2,610
Consultants, contractors and special services	5,215	3,721
Courier and delivery services	231	179
Drivers' licences and permits	11	21
Entertainment	212	258
External audit fees	5.1 1,301	1,112
Equipment less than R5000	679	954
Government motor transport	14	-
Inventory	5.2 2,537	2,108
Legal fees	16	1
Maintenance, repairs and running costs	618	172
Municipal Services	794	-
Leases	6,340	401
Personnel agency fees	501	510
Photographic services	-	2
Plant flowers and other decorations	1	2
Resettlement costs	82	366
Subscriptions	136	273
Owned leasehold property expenditure	682	442
Travel and subsistence	5.3 6,367	7,976
Venues and facilities	1,116	821
Total	32,672	24,903
5.1 External audit fees		
Regulatory audits	877	703
Other audits	424	409
Total	1,301	1,112
5.2 Inventory		
Domestic consumables	45	47
Parts and other maintenance material	-	8
Stationery and printing	2,492	2,053
Total	2,537	2,108

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

5.3 Travel and subsistence

	Note	2006/07 R'000	2005/06 R'000
Local		4,546	6,908
Foreign		1,821	1,068
Total		6,367	7,976

6. Financial transactions in assets and liabilities

Material losses through criminal conduct		20	29
-Theft	6.3	20	29
Other material losses written off	6.1	30	25
Debts written off	6.2	121	-
Total		171	54

6.1 Other material losses written off

Nature of losses

Non arrival charges		3	1
Car accidents		19	6
Cancellation fees		3	5
Insurance cover		-	6
24 Hour emergency service		-	2
Other		5	5
Total		30	25

6.2 Debts written off

Nature of debts written off

Accommodation and Air Travel		121	-
Total		121	-

6.3 Details of theft

Data Projector		-	29
Laptops		20	-
Total		20	29

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

7. Transfers and subsidies

Provinces and municipalities	Annexure 1A	43	171
Foreign governments and international organisations	Annexure 1B	28	21
Total		71	192

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

8. Expenditure for capital assets

	Note	2006/07 R'000	2005/06 R'000
Machinery and equipment	26	1,667	2,553
Software and other intangible assets		-	15
Computer software	27	-	15
Total		1,667	2,568

9. Cash and cash equivalents

Consolidated Paymaster General Account		2,807	-
Cash on hand		9	9
Total		2,816	9

10. Prepayments and advances

Travel and subsistence		4	8
Total		4	8

11. Receivables

		2006/07				2005/06
	Note	LESS THAN ONE YEAR	ONE TO THREE YEARS	OLDER THEN THREE YEARS	TOTAL	TOTAL
Staff debtors	11.1	135	61	40	236	126
Other debtors	11.2	31	47	7	85	379
Intergovernmental receivables	Annexure 4	159	-	15	174	733
Total		325	108	62	495	1,238

11.1 Staff Debtors

Salary		116	9
Bursary		73	83
Other		30	6
Travel and subsistence		17	28
Total		236	126

11.2 Other debtors

Salary deductions		-	9
Other		85	370
Total		85	379

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

Note	2006/07	2005/06
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12. Voted funds to be surrendered to the Revenue Fund

Opening balance		483	1,410
Transfer from Statement of Financial Performance		935	1,381
Voted funds not requested/not received	12.1	-	-898
Paid during the year		-483	-1,410
Closing balance		935	483

12.1 Voted funds not requested/not received

Funds to be rolled over	-	675
Funds not to be requested	-	223
	-	898

13. Departmental revenue to be surrendered to the Revenue Fund

Opening balance	34	28
Transfer from Statement of Financial Performance	163	243
Paid during the year	-188	-237
Closing balance	9	34

14. Bank overdraft

Consolidated Paymaster General Account	-	534
Total	-	534

15. Payables – current

	Notes	30 Days	30+ Days	2006/07 Total	2005/06 Total
Advances received	15.1	-	2,152	2,152	-
Other payables	15.2	22	-	22	36
Total		22	2,152	2,174	36

15.1 Advances received

National Anti-Corruption Programme - DPSA	2,152	-
	2,152	-

15.2 Other payables

Income tax deductions	22	35
Pension fund	-	1
Total	22	36

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

Note

2006/07

2005/06

16. Net cash flow available from operating activities

Net surplus as per Statement of Financial Performance	1,177	1,645
Add back non cash/cash movements not deemed operating activities	3,881	-492
Increase in receivables – current	743	-663
Increase in prepayments and advances	4	122
Increase in payables – current	2,138	26
Expenditure on capital assets	1,667	2,568
Surrenders to Revenue Fund	-671	-1,647
Voted funds not requested/not received	-	898
Other non-cash items	-	-1,796
Net cash flow generated by operating activities	5,058	1,153

17. Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General account	2,807	-534
Cash on hand	9	9
Total	2,816	-525

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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

18. Contingent liabilities

		Note	2006/07	2005/06
Liable to	Nature			
Motor vehicle guarantees	Employees	Annexures 3A	423	289
Housing loan guarantees	Employees	Annexures 3A	237	341
Total			660	630

19. Commitments

Current expenditure

Approved and contracted	2,765	1,883
Approved but not yet contracted	-	4
	<u>2,765</u>	<u>1,887</u>

Capital expenditure

Approved and contracted	279	31
Approved but not yet contracted	-	-
	<u>279</u>	<u>31</u>

Total Commitments	3,044	1,918
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20. Accruals

Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	1,372	7	1,379	126
Total	1,372	7	1,379	126

Listed by programme level

Programme 1: Administration	859	67
Programme 2: Investigations & Human Resource Reviews	245	29
Programme 3: Monitoring and Evaluation	275	30
	<u>1,379</u>	<u>126</u>

21. Employee benefits

Leave entitlement	950	630
Thirteenth cheque	1,791	1,605
Performance awards	1,114	1,500
Capped leave commitments	6,113	6,018
Total	9,968	9,753

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

22. Lease Commitments

22.1 Finance leases

2006/2007

Not later than 1 year

Later than 1 year and not later than 5 years

Total present value of lease liabilities

2005/2006

Not later than 1 year

Later than 1 year and not later than 5 years

Total present value of lease liabilities

LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
R'000	R'000	R'000	R'000
-	-	52	52
-	-	210	210
-	-	262	262
-	-	85	85
-	-	224	224
-	-	309	309

The lease for photocopiers has been reclassified as a Finance Lease in accordance with the National Treasury Practice note 5 of 2006/07. Comparatives have been restated.

23. Key management personnel

* Political Office Bearers

Officials

Level 15 to 16

Level 14

Total

No. of Individuals	2006/07 R'000	2005/06 R'000
14	10,243	9,764
4	3,046	2,804
8	2,038	3,099
	15,327	15,667

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

24. Provisions

Potential irrecoverable debts

Other debtors

Total

-	221
-	221

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

25. Tangible Capital Assets

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

	OPENING BALANCE	CURRENT YEAR ADJUSTMENTS TO PRIOR YEAR BALANCES	ADDITIONS	DISPOSALS	CLOSING BALANCE
	COST R'000	COST R'000	COST R'000	COST R'000	COST R'000
MACHINERY AND EQUIPMENT	6,236	753	1,673	919	7,743
Transport assets	676	49	-	-	725
Computer equipment	3,736	1,526	884	871	5,275
Furniture and office equipment	1,239	-1,203	682	7	711
Other machinery and equipment	585	381	107	41	1,032
TOTAL TANGIBLE ASSETS	6,236	753	1,673	919	7,743

25.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	CASH	NON-CASH	(CAPITAL WORK IN PROGRESS CURRENT COSTS)	RECEIVED CURRENT, NOT PAID (PAID CURRENT YEAR, RECEIVED PRIOR YEAR)	TOTAL
	COST R'000	FAIR VALUE R'000	COST R'000	COST R'000	COST R'000
MACHINERY AND EQUIPMENT	1,667	-	-	6	1,673
Computer equipment	884	-	-	-	884
Furniture and office equipment	676	-	-	6	682
Other machinery and equipment	107	-	-	-	107
TOTAL	1,667	-	-	6	1,673

25.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	SOLD (CASH)	NON-CASH	TOTAL	CASH RECEIVED ACTUAL
	COST R'000	FAIR VALUE R'000	COST R'000	COST R'000
MACHINERY AND EQUIPMENT	-	919	919	
Computer equipment	-	871	871	-
Furniture and office equipment	-	7	7	-
Other machinery and equipment	-	41	41	-
TOTAL	-	919	919	-

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

25.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	3,699	2,572	35	6,236
Transport assets	676	-	-	676
Computer equipment	1,939	1,826	29	3,736
Furniture and office equipment	499	746	6	1,239
Other machinery and equipment	585	-	-	585
TOTAL TANGIBLE ASSETS	3,699	2,572	35	6,236

26. Intangible Capital Assets

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

	OPENING BALANCE	CURRENT YEAR ADJUST-MENTS TO PRIOR YEAR BALANCES	ADDITIONS	DISPOSALS	CLOSING BALANCE
	COST R'000	COST R'000	COST R'000	COST R'000	COST R'000
Computer software	78	-15	-	-	63
TOTAL INTANGIBLE ASSETS	78	-15	-	-	63

26.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
	COST R'000	COST R'000	COST R'000	COST R'000
Computer software	63	15	-	78
TOTAL	63	15	-	78

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2005/06
	DIVISION OF REVENUE ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
RSCL: CACADU DISTRICT	-	-				100.0%			100.0%	4
RSCL: MOTHEO DISTRICT	-	-				100.0%			100.0%	5
RSCL: EHLANZENI DISTRICT	-	-				100.0%			100.0%	4
RSCL: FRANCES BAARD DISTRICT	-	-				100.0%			100.0%	3
RSCL: CAPRICORN DISTRICT	-	-				100.0%			100.0%	3
RSCL: TSHWANE METROPOLITAN	-	-	34	34	34	100.0%	34	34	100.0%	137
RSCL: GREATER JHB METROPOLITAN COUNCIL	-	-				100.0%			100.0%	4
RSCL: CAPE METROPOLITAN COUNCIL	-	-				100.0%			100.0%	4
RSCL: ZULULAND DISTRICT	-	-				100.0%			100.0%	3
RSCL: CENTRAL DISTRICT	-	-				100.0%			100.0%	4
	-	-	43	43	43		43	43		171

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1B

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION ACT
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
CAPAM	21	-	-	21	21	100%	18
IPMA	3	-	-	3	3	100%	3
AAPAM	4	-	-	4	4	100%	-
Total	28	-	-	28	28		21

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1C

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
The Commonwealth	ILAS 3 rd International Conference on Transparency for Better Governance	21	-	21	-
German Technical Co-operation (GTZ)	SAMEA Conference	-	200	200	-
DFID	SAMEA Conference	-	100	-	100
University of Sussex	Current Challenges for Development Evaluation	-	19	19	-
Subtotal		21	319	240	100
Received in kind					
SA Management and Development Institute	Accelerated Development Programme	-	264	264	-
German Technical Co-operation (GTZ)	Evaluation of the implementation of the Batho Pele principle of access and redress	-	273	273	-
	Evaluation of gender mainstreaming initiatives in the public service	-	156	156	-
	Evaluation of the implementation of the policy framework on managing HIV/AIDS in the workplace	-	390	390	-
	Envisa Communications	-	52	52	-
	Investigation into Poor Performance in the public service	-	635	635	-
	Information Knowledge Management (IKM) System	-	245	245	-
	Conflict of Interest	-	60	60	-
	Anti Corruption Guidelines	-	122	122	-
	Evaluation of the implementation of the Batho Pele principle Value for Money	-	423	423	-
	Training Needs for SMS	-	580	580	-
	Management, staff costs and overheads	-	750	750	-
	Miscellaneous, workshops	-	500	500	-
Subtotal		-	4,450	4,450	-
Total		21	4,769	4,690	100

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1D

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07 R'000	2005/06 R'000
Paid in cash		
1st South African Monitoring and Evaluation Association (SAMEA) Conference - South African Monitoring and Evaluation Association	50	-
10 th Annual National Public Service Trainers Conference - SA Management and Development Institute	70	-
TOTAL	120	-

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2006	GUARANTEES DRAW DOWNS DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED/ RELEASED DURING THE YEAR	CURRENCY REVALUATIONS	CLOSING BALANCE 31 MARCH 2007	GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2007	REALISED LOSSES NOT RECOVERABLE
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
STANNIC	Motor vehicles	-	289	269	135	-	423	-	-
		-	289	269	135	-	423	-	-
	Housing								
ABSA		-	62	-	-	-	62	-	-
FNB		-	96	-	50	-	46	-	-
NEDCOR		-	42	-	-	-	42	-	-
OLD MUTUAL		-	78	-	30	-	48	-	-
STANDARD		-	63	-	24	-	39	-	-
		-	341	-	104	-	237	-	-
Total		-	630	269	239	-	660	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

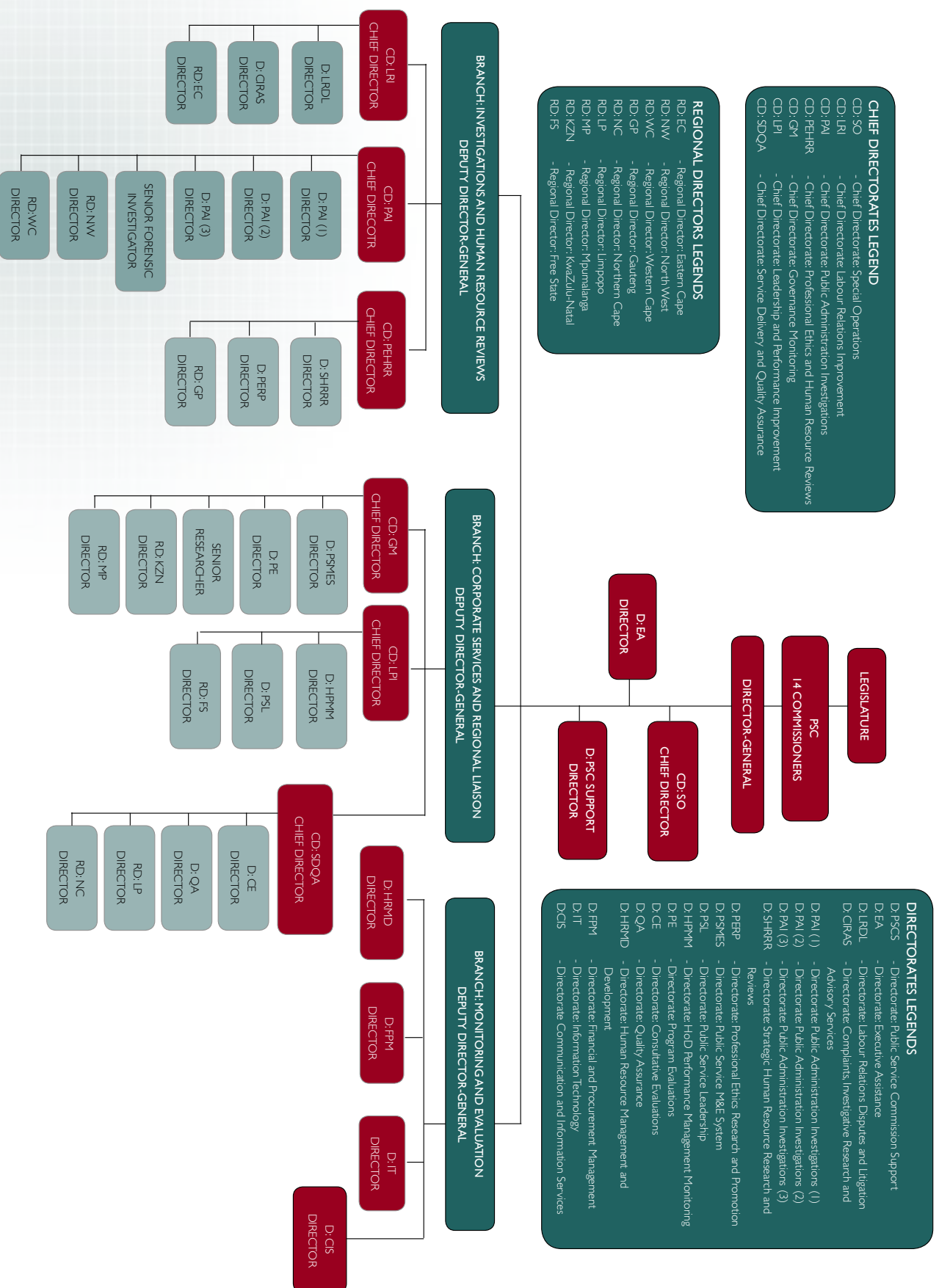
FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 3

INTER-GOVERNMENTAL RECEIVABLES

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000
Department						
Provincial Administration: Western Cape	-	-	3	3	3	3
Department of Traditional and Local Government: KwaZulu-Natal	-	-	2	2	2	2
Department of Education: Eastern Cape	-	-	10	10	10	10
Department of Education: KwaZulu-Natal	-	699	-	-	-	699
Department of Public Transport, Roads and Works	-	-	-	19	-	19
Department of Sports and Recreation	-	-	40	-	40	-
Department of Correctional Services	-	-	40	-	40	-
Department of Home Affairs	-	-	23	-	23	-
Provincial Administration: Gauteng	-	-	26	-	26	-
Department of Social Development	-	-	30	-	30	-
TOTAL	-	699	174	34	174	733

PUBLIC SERVICE COMMISSION - ORGANISATIONAL STRUCTURE









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