



Learn Grow Serve

ANNUAL REPORT
2014 | 2015



school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA



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National School of Government
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT 2014 | 2015 FINANCIAL YEAR

VOTE NO: 12 A



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Mr Nathi Mthethwa, MP

Minister for Public Service and Administration (Acting)

I have the honour of submitting the Annual Report of the National School of Government (NSG) covering the period from 1 April 2014 to 31 March 2015. The Annual Report is being submitted as prescribed in terms of the Public Finance Management Act, 1999 (Act No 1 of 1999) as amended by Act No 29 of 1999.



Prof. Richard M Levin

Accounting Officer

31 August 2015



PART A

General Information



PART A: GENERAL INFORMATION

1.1 DEPARTMENT GENERAL INFORMATION

The National School of Government (the NSG) is currently located in the City of Tshwane Municipality, in the suburb of Sunnyside. It is located within a precinct that houses other national government departments such as the Department of Trade and Industry. This is the main office of the NSG and a significant portion of training sessions is undertaken in training facilities within these premises.

| | |
|----------------------------|---|
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The Accounting Officer of the National School of Government is also the Information Officer in terms of the Promotion of Access to Information Act, and can be contacted as follows:

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Principal: National School of Government

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In terms of the current institutional configuration, the Executive Management members of the NSG and their contact details are reflected below: The Executive Management Committee is chaired by the Principal.

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1.2 LIST OF ABBREVIATIONS/ACRONYMS

| | |
|--------------|---|
| AGSA | Auditor-General of South Africa |
| AMDP | Advanced Management Development Programme |
| AO | Accounting Officer |
| BBBEE | Broad Based Black Economic Empowerment |
| BB2E | Breaking Barriers to Entry |
| CFO | Chief Financial Officer |
| DPME | Department of Planning, Monitoring and Evaluation |
| DPSA | Department of Public Service and Administration |
| EMDP | Emerging Management Development Programme |
| EU | European Union |
| GRAP | Generally Recognised Accounting Practice |
| HEIs | Higher Education Institutions |
| HOD | Head of Department |
| IIC | Independent Individual Contractor |
| MPAT | Management Performance Assessment Tool |
| MTEF | Medium Term Expenditure Framework |
| PPP | Public Private Partnerships |
| PSC | Public Service Commission |
| NSG | National School of Government |

| | |
|---------------|---|
| NYDA | National Youth Development Agency |
| PALAMA | Public Administration Leadership and Management Academy |
| PFMA | Public Finance Management Act |
| RCB | Regional Capacity Building |
| SCM | Supply Chain Management |
| SDIF | Service Delivery Improvement Framework |
| SDIP | Service Delivery Improvement Plan |
| SDOT | Service Delivery and Organisational Transformation |
| SITA | State Information Technology Agency |
| SMME | Small Medium and Micro Enterprises |
| TR | Treasury Regulations |
| TTA | Training Trading Account |

Mr Nathi Mthethwa, MP

**Minister for
Public Service and
Administration (Acting)**



“By continuing the struggle for a better life for all, especially the poor and the working class, for which he committed his entire life ”

I.3 FOREWORD BY THE MINISTER

My presentation of the 2014/15 Annual Report of the National School of Government is a tribute in acknowledgement of the legacy left behind by the late Honourable Collins Chabane – my friend, colleague, comrade and most definitely one of the greatest leaders that our beloved country has ever produced. His untimely death on 15 March 2015 robbed the nation, our government and the Public Service & Administration portfolio of a strategist and humble servant leader who had so much more to offer. Delivering the eulogy at the funeral of the late Minister Chabane, President Jacob Zuma implored the nation to honour the memory of late Minister Chabane “by continuing the struggle for a better life for all, especially the poor and the working class, for which he committed his entire life”. May the soul of this great fighter rest in peace, and may his legacy live on!

The 2014/15 Annual Report of the National School of Government (NSG) is the first report following the commencement of our fifth administration cycle under the ruling party of the African National Congress (ANC) and the first since the launch of the School in October 2013. The thought process in development of plans for this reporting period was therefore greatly informed by the electoral mandates that this government received in preparation for the successful national and provincial elections held on 7 May 2014 and the imperatives in making a successful shift from PALAMA to the NSG.

In his inauguration speech after being sworn-in for his second term as the President of the Republic of South Africa, President Zuma acknowledged the processes of renewal, reconstruction and development over the past 20 years, noting that while a lot has been done, much more remains to be done as “the triple challenges of poverty, inequality and unemployment continue to affect the lives of many people”. The President marked this term of government as an entrance to the second phase of our transition, which will involve the implementation of radical socio-economic policies and programmes over the next five years and bring about change that will come about through far-reaching

interventions. As Cabinet and government, we also adopted the Medium Term Strategic Framework (2014-2019), which provides 14 outcomes for achievement by government, all of which are in line with the National Development Plan.

When the late Minister Chabane presented the budget for the portfolio to the National Assembly on 17 July 2014, he pointed out that, in responding to the National Development Plan, we must build the skills base for both now and the future, contribute towards employment creation and ensure that public sector workplaces become training spaces where entrants are adequately supported in order to develop their skills for employment within the public service or the private sector. The launch of the National School of Government, as part of the reforms in the public service, was to further respond to skills challenges raised in the National Development Plan.

During this financial year, the National School of Government provided learning and development opportunities across the public service, providing mandatory and demand-driven programmes based on a curriculum framework of 146 programmes and courses. These are provided in the four broad streams of Leadership, Management, Administration and Induction. These programmes contribute to the priority areas also identified in the late Minister's budget speech, to mention; giving public servants opportunities to reflect on our constitutional mandate in order to deliver public services that are governed by democratic values and principles, making improvements in the management of discipline, develop necessary competencies for departments to source and appoint high quality people, realisation of deliverables in the social contract between citizens, the State and public servants, and overall, transforming the public service into an effective service delivery machine.

One of the flagship mandatory programmes, as per a ministerial directive, is the Compulsory Induction Programme (CIP). As different from the public service induction programme that was offered prior to the introduction of the CIP, the latter is an accredited programme. The implementation of this programme requires more

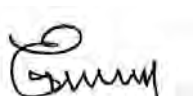
rigorous processes and role players combining trainers, assessors, moderators and other regulatory measures to be met in compliance with requirements set by the Public Service Sector Education and Training Authority (PSETA) and the Qualification Council for Trades and Occupations (QCTO). During this financial year, the NSG developed a strategy to address bottlenecks in the implementation of the CIP, including the elimination of backlogs by training and developing public servants to form a pool of trainers, assessors and moderators across departments, as well as entering into Service Level Agreements (SLAs) with Provincial Academies and other colleges to include the CIP in their course offerings.

In fulfilling the role assigned to me from 16 March 2015 as the caretaker Minister for Public Service and Administration, I have the privileged task of guiding our public service to new heights of professionalised service delivery. I firmly believe that the National School of Government has established a good foundation towards professionalising the public service and the challenge is for all public servants to make an effort in unleashing their true potential and make their work relevant to the needs of the ordinary South Africans.

At the end of this financial year, the former Principal of the National School of Government, Prof. Lekoa Mollo, completed his five-year term as Accounting Officer of this institution. His strategic leadership, especially during the times of institutional transformation towards the establishment of the National School of Government is acknowledged. His attributes have accorded him an opportunity to serve this government in a new role as a member of the diplomatic corps.

Since June 2015, Prof. Richard M Levin took office as the new Principal of the School. I would like to also take this opportunity in wishing Prof. Levin well in this position and look forward to his four year term in office making contributions towards professionalising the public service.

Finally, I wish to place on record my appreciation to Ms Ayanda Dlodlo, Deputy Minister for Public Service and Administration, who continues to provide strategic guidance on matters of the MPSA portfolio, especially those of the NSG in her active engagements with the management of the School.



Mr Nathi Mthethwa, MP

Minister for Public Service and Administration (Acting)

Executive Authority of NSG

Ms Ayanda Dlodlo, MP**Deputy Minister for
Public Service and
Administration**

“ We need to change our bureaucratic patterns of thinking and our attitudinal behaviour towards meeting the expectations of the citizenry ”

I.4 STATEMENT BY THE DEPUTY MINISTER

In 2014 South Africans went to the polls to usher in the fifth administration inspired by the good stories of 20 years of freedom and democracy. For the Public Service and Administration this meant another five years of responding to the indomitable task of guiding our public service to new heights of professionalised service delivery. In responding thereto, we have identified key focus areas which we believe significantly influence the trajectory of the policy direction and future for public administration. The common factor across these focus areas is a need for a citizen-centred cadre who is responsive, timeous and courteous in the execution of their duties, therefore deepened professionalisation of the public service.

When we presented our budget vote for the 2014/15 financial year to the National Assembly on 17 July 2014, we outlined how we planned to respond to the challenge of creating skilled public servants who are committed to the public good and capable of consistently delivering high quality services. This commitment is also based on our understanding of priorities as set out in the National Development Plan (NDP). The NDP informs the strategy and focus of the NSG, in particular its Chapter 13 which places emphasis on enhancing the capacity of public servants and oversight institutions at all levels to perform effectively. In line with this, leadership programmes focus on contributing towards a stable political-administrative interface through leadership workshops and the legislatures capacity building programme targeting members of parliament and legislatures.

Another area of focus has been to improve mechanisms promoting ethical behaviour in the public service. As a result, the School has programmes on ethics and anti-corruption targeting public servants at large and those with responsibilities primarily focused on the implementation of fraud prevention and anti-corruption activities in their departments. In addressing the need for sufficient technical and specialist professional skills, focus has been on training programmes that develop competencies for implementation of efficient and effective management and operations systems. In this regard, and to



mention a few, focus has been on procurement and accountability measures as well as coordination of inter-departmental activities. In addition to these, the NSG has worked closely with the Department of Planning, Monitoring and Evaluation (DPME) to rollout training towards enhancing monitoring and evaluation capabilities within departments.

We are further guided by the imperatives set out in the Public Administration Management Act, assented to by President Jacob Zuma in December 2014. The Act directs that the three spheres of government must improve intra-and inter-governmental relations towards providing seamless service delivery to all citizens, no matter where they are in the country.

The National School of Government, working in close partnership with the Department of Public Service and Administration (DPSA), has been entrusted with the responsibility of deepening professionalisation of the public service through targeted capacity building programmes that institutionalise Batho Pele, ethics, and generate knowledge centred on acquired relevant technical competencies. We are driving a campaign to continually instil the Batho Pele values in all public servants, especially our frontline staff. The genetic make-up of the public service of today must consist of men and women with impeccable ethical conduct, including a high work ethic, displaying high morale, humility and pride, associated with being a loyal public servant. Our administrative culture must create an organisational culture, which embeds a civic culture reflective of an Ubuntu value system.

The National School of Government has been positioned to provide capacity development and training programmes customised for the public sector in order to meet our ideals for reviving our Batho Pele strategies going forward. Programmes such as the Compulsory Induction Programme and Khaedu training bear testimony to this positioning of the School. We need to change our bureaucratic patterns of thinking and our attitudinal behaviour towards meeting the expectations of the citizenry.

In pursuit of making the public service a career of choice, further work is done with the DPSA towards piloting a formal graduate recruitment scheme to support the

departments in attracting and developing young talents. Assessment mechanisms to building confidence in recruitment processes will also be under review from 2015/16 onwards. This will be in tandem with improvements on mentoring and coaching programmes currently offered by the NSG.

During the 2014/15 period, the institution continued to pursue strategic partnerships instrumental in strengthening key international capacity building programmes. I would like to take this opportunity to acknowledge the role played by Professor Mollo during his five year tenure. Throughout his leadership, the NSG succeeded in rolling out programmes efficiently whilst maintaining high governance standards. I wish him well in his new role within the diplomatic corps.

Finally, I take this opportunity to once again pay tribute to our late Minister for Public Service and Administration, Mr Collins Chabane. Minister Chabane's untimely demise came at the time when we were negotiating to train a 'critical mass' of decision makers in an effort to improve on leadership, management and policy training for South Africa's public servants. This initiative was as a result of Minister's appreciation that the NSG offerings needed to be strengthened through benchmarking and leveraging on international best practise. Minister Chabane was a visionary, pragmatist and a unifying force whose life was a true embodiment of the principles of Batho Pele.

As the Ministry of Public Service and Administration family, we remain committed to carry on his legacy and his vision of a better life for all South Africans underpinned by people centred governance.

Ms Ayanda Dlodlo, MP

Deputy Minister for Public Service and Administration

REMEMBERING MINISTER COLLINS CHABANE

The late Mr Collins Chabane
Minister for Public Service
and Administration



In early hours of the morning of 15 March 2015, the nation woke up to the news of the tragic passing of the late Minister Chabane. All in government and outside government, in South Africa and outside South Africa shared the loss in admiration of a life that was unreservedly dedicated to the service of this country and the people of this country, stern yet with a humble demeanour.

At the helm of the Public Service and Administration portfolio, he gave priority to all that set out to better ways of serving the public and making sure that public servants do their work diligently and with dedication. Though having served this portfolio for only one year, he left behind a vision to associate proudly with and to learn from!

Minister Chabane's humble, unassuming yet fiercely competent style provides us with a role model for pursuing excellence in the discipline and practice of education and learning of the public service.

Let us remember the massive contribution he made to constructing the processes, systems and culture of education and learning in the public service.

FROM THE ACTING MINISTER...

"My presentation of the 2014/15 Annual Report of the National School of Government is a tribute in acknowledgement of the legacy left behind by the late Honourable Collins Chabane – my friend, colleague, comrade and most definitely one of the greatest leaders that our beloved country has ever produced. His untimely death on 15 March 2015 robbed the nation, our government and the Public Service & Administration portfolio of a strategist and humble servant leader who had so much more to offer."

Acting Minister for Public Service and Administration: Mr Nathi Mthethwa, MP

FROM THE DEPUTY MINISTER...

"I take this opportunity to once again pay tribute to our late Minister for Public Service and Administration, Mr Collins Chabane. Minister Chabane's untimely demise came at the time when we were negotiating to train a 'critical mass' of decision makers in an effort to improve on leadership, management and policy training for South Africa's public servants. Minister Chabane was a visionary, pragmatist and a unifying force whose life was a true embodiment of the principles of Batho Pele."

Deputy Minister for Public Service and Administration: Ms Ayanda Dlodlo, MP

FROM THE NSG PRINCIPAL...

"The 2014/15 Annual Report is being presented at a time when the NSG, the MPSA portfolio of institutions, our government and certainly the country still mourns the untimely loss of Mr Collins Chabane, who served as the Minister for Public Service and Administration. Minister Chabane has certainly left a vacuum in the public service leadership and political dialogue but his legacy of commitment, passion to serve and humility will certainly live on."

NSG Principal: Prof. Richard Levin

REMEMBERING MINISTER COLLINS CHABANE





Prof. Richard M Levin

Accounting Officer



“The triple challenges of poverty, inequality and unemployment continue to affect the lives of many people”

1.5 REPORT OF THE ACCOUNTING OFFICER

1.5.1 Introduction

The 2014/15 Annual Report for the NSG is an account on performance within the first year of the fifth democratic electoral cycle of government. In his inauguration speech after being sworn in for his second term as the President of the Republic of South Africa, President Jacob Zuma acknowledged the processes of renewal, reconstruction and development over the past 20 years, noting that, while a lot has been done, much more remains to be done as “the triple challenges of poverty, inequality and unemployment continue to affect the lives of many people”. The President marked this term of government as an entrance to the second phase of the country’s transition, which will involve the implementation of radical socio-economic policies and programmes over the next five years and bring about change through far-reaching interventions.

The Medium Term Strategic Framework (2014-19) provides 14 outcomes for achievement by the government, all of which are in line with the National Development Plan (NDP). The official launch of the NSG on 21 October 2013 and its repositioning seek to support the imperatives of the developmental agenda. We embrace the NDP and recognise the role for the NSG at the forefront of learning and development in the public service.

1.5.2 Overview of the operations of the NSG

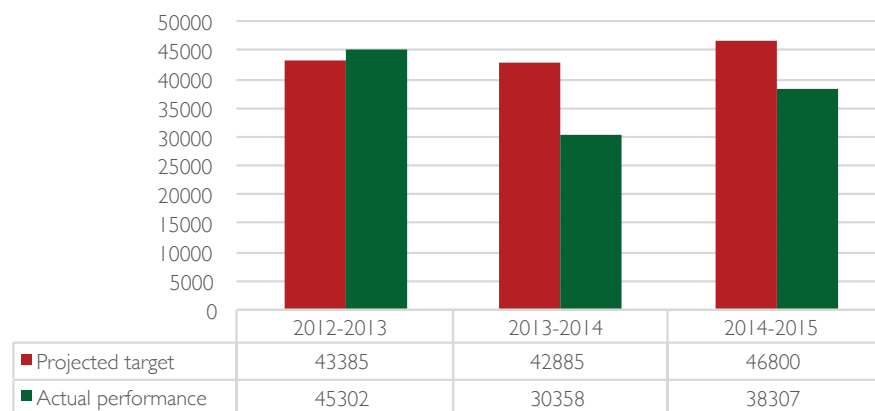
The 2014/15 Annual Report is an account of organisational performance, financial management, corporate governance and human resources oversight. The five-year strategic plan and the annual performance plan (2014/15), as tabled in Parliament, were developed against the backdrop of the launch of the NSG in October 2013.

The training delivery model is based on the following:

- Training programmes are developed and rolled out in the four main streams of leadership, management, administration and induction
- The institution makes use of an outsourced model to roll out training, in the form of partnerships and contractual agreements with higher education institutions (HEIs), independent individual contractors and private institutions, and the use of existing public servants
- The institution provides training on a cost-recovery basis, in accordance with tariffs determined by National Treasury (NT).

During this financial year, the NSG trained 38 307 persons across all offerings of the institution. This is an 82% achievement against the set training target for this financial year, and reflects of organisational stability, post changes from the Public Administration Leadership and Management Academy (PALAMA) to the NSG.

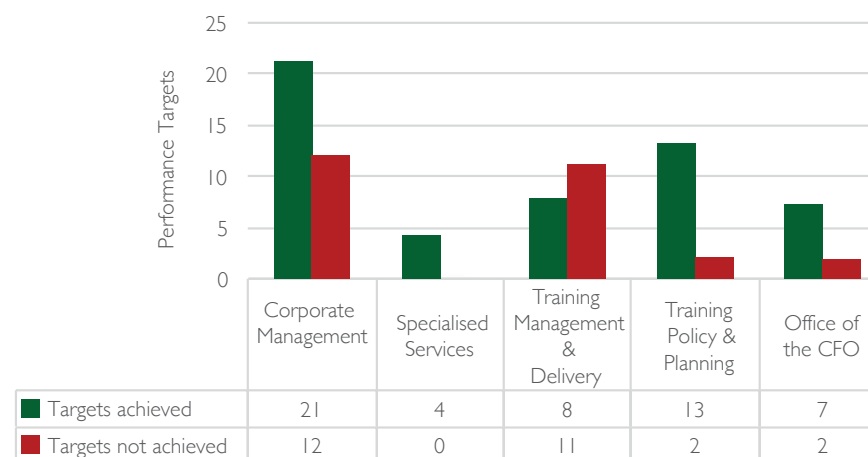
Graph 1: Number of persons trained: three-year performance



A total of 55 key performance targets were set out in the 2014/15 annual performance plan, 23 of which were achieved. Some 43 additional performance targets were set

for the branches, which were also monitored quarterly. Of these, 24 were achieved. A synopsis of branch performance is as follows:

Graph 2: Performance Status per Branch



Summary of improvement areas:

- NSG policy development involves long processes preceding approval and implementation. Many policies are in final draft stage awaiting approval for implementation.
- Decisions depending on legislative provisions and other factors in the transformation of PALAMA to the establishment of the NSG have a bearing on the finalisation of the long-term strategy of the institution. Therefore, plans for facilities improvement could not be finalised as anticipated at the beginning of the reporting period.
- A moratorium was placed on filling of vacancies linked to the changeover from PALAMA to the NSG, resulting in high vacancy rates. During the latter part

of the financial year, this moratorium was lifted and processes are currently underway to fill vacancies.

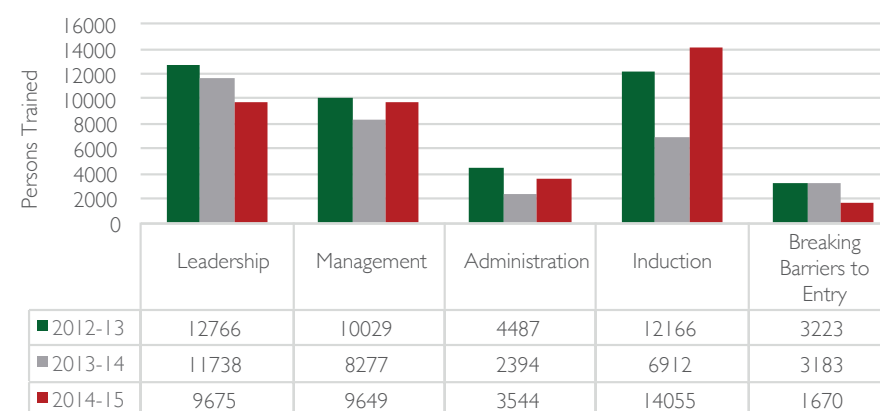
- Debt recovery remains high priority, with departments still not paying for services rendered, in spite of measures to follow up payments. A circular has been issued to all departments, stipulating 'no payment no training' from 2015/16.
- The rollout of Compulsory Induction Programme (CIP) training and the 'Breaking barriers to entry' programme has posed a significant challenge, particularly given the backlog from the implementation of the ministerial directive from the previous financial year. To offset this, the NSG needs additional capacity and resources, a strategy for which will be effected in 2015/16.
- The NSG is addressing the assessment results of the MPAT through management improvement plans. Areas such as the Service Delivery Improvement Plan (SDIP), however, require additional capacity to implement, and improve overall institutional ratings.

The completion of the CIP pilot training in the previous financial year allowed the NSG to review the programme in this financial year. Given that the CIP is accredited, it has required rigorous processes and additional roleplayers other than trainers, such as assessors and moderators. Regulatory measures must be put in place that comply with the requirements of the Public Service Sector Education and Training Authority (PSETA) and the Qualification Council for Trades and Occupations (QCTO). No funding was received for the introduction of the CIP since August 2012. The NSG designed, developed and registered the programme, and trained the trainers, all of which contributed to a drop in numbers trained during the previous financial year. During this year, the NSG developed a strategy to address bottlenecks and eliminate backlogs through training and developing public servants as CIP trainers, assessors and moderators, as well as entering into service level agreements (SLAs) with provincial academies and other colleges to offer the CIP.

Other programmes, particularly those in the leadership and management streams, continued to be rolled out.

The graph below compares the different training streams over a three-year financial period, illustrating the performance of the institution.

Graph 3: Training per stream: three-year performance



* Majority of persons trained for Induction completed the 1st 5 day module

Significant Events that took place during the 2014/15 financial year

- The NSG, without a provincial partner, hosted a very successful Public Sector Trainers' Forum (PSTF) conference from 24 to 26 November 2014, which was attended by close on 500 local and international speakers and delegates. Awards were presented to the best-performing training facilitators and institutions.
- Executive Development Programme (EDP) certification ceremonies were held in partnership with training rollout partner HEIs during April and May 2014. In total, 128 managers were awarded the Certificate in Executive Leadership



after successfully completing six core modules (Vaal University of Technology: 56; North West University: 36; Nelson Mandela Metropolitan University: 36).

- The NSG convened a series of one-day workshops for senior managers in the public service, facilitated by an internationally renowned visiting scholar, Prof Al Gini. This experience was a culmination of inter-institutional collaborations in public sector leadership.
- The NSG worked with the University of Fort Hare to develop budget formulation and budget analysis courses. The development is underway of an amended version of the EDP linked to an appropriate postgraduate diploma registered by the South African Qualifications Authority (SAQA) on the National Qualifications Framework (NQF).
- The NSG was selected as the preferred service provider by the HAWKS division of the South African Police Service (SAPS) to train 245 officials in supply chain management (SCM), contract management, inventory and storage management, project management, detection and combating bid rigging and strategic human resource (HR) planning. Furthermore, a partnership was established with NT and R500 000 committed for the training rollout of Standard Chart of Accounts and Economic Reporting Format (SCOA&ERF) for practitioners.
- The NSG attended the State of the Public Service in Africa (SOPSA) project meeting and training workshop in Dakar, Senegal (26 to 31 May 2014), contributing to the development and creation of a workable methodology for this African Union research project. SOPSA is under the auspices of the African Union and is implemented by the African Management Development Institutes Network (AMDIN) whose activities are coordinated through the NSG in its capacity as AMDIN Secretariat. The note verbal from the African Union Commission confirms South Africa as one of 12 countries in the continent nominated to complete the implementation of the SOPSA project. South Africa

was the first to come up with a draft report tabled at the AMDIN general meeting in November 2014.

- The NSG played a key role contributing to the success of Public Service Month by developing the *Khaedu* Deployment Toolkit, and briefing deployment facilitators and team members in Free State, Limpopo, KwaZulu-Natal and North West as well as teams from national departments.
- A training-of-trainers session was conducted from 11 to 14 November 2014 on the United Nations Department of Economic and Social Affairs (UNDESA) toolkit on disability for Africa in support of the implementation of the Convention on the Rights of Persons with Disabilities (CRPD). This was followed by engagements with key stakeholders about the customisation of the generic UNDESA toolkit for persons with disabilities for the South African environment.
- Initial work has been undertaken to set norms and standards to shape and influence pre-service learning and development programmes that prepare officials to enter the public service. This includes the establishment of a national programme to ensure consistency of new employee induction and orientation to the public service. CIP trainers, assessors and moderators, have been trained and SLAs are now in place with provincial academies and other colleges to include the CIP in their course offerings.
- Impact of learning studies have been introduced to evaluate whether training and development programmes have been undertaken adequately to meet competency needs and to contribute to improved performance. Three studies were done in this financial year as part of NSG research and monitoring and evaluation work. Initially, such studies have been done using NSG programmes. Lessons from these studies will inform an approach for assessment of training in the public service using programmes provided by the NSG or external providers.

- A comprehensive programme review research project was completed in December 2014 on the success of the legislature's capacity building programme. This review was undertaken by the NSG, WITS University and the legislative sector. The review was a quantitative and qualitative analysis in meetings with stakeholders across the country. The research results indicate that the capacity building programme was very successful and provides a basis for the development and rollout of future capacity building projects for legislatures. The research report will be published. Building on lessons learnt during the process, the NSG is developing an induction programme for new Members of Provincial Legislature (MPLs) and Members of Parliament (MPs).
- NSG is committed to supporting government initiatives and policy implementation. Under the youth-oriented programmes rolled out in 2014/15, 1 670 rural unemployed graduates benefited from the NSG joint initiative with the Department of Rural Development and Land Reform. To support the government process on 'ill health retirement' cases in the public service, from October 2014, the NSG began to retrain health retirement officers. To improve job evaluation processes, it began to train job-evaluation practitioners. This training is key in orientating officials to the new evaluation system to be introduced in the public service – "Evaluate", which replaces "eQuate".

1.5.3 Overview of Financial Results of the NSG

The department operates a trading account for its training operations. It submits separate financial statements for the NSG Training Trading Account (TTA), a trading entity established in terms of the Public Finance Management Act (PFMA), Act No 1 of 1999, as amended. The statements for the vote account are prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP). To achieve full compliance with accrual accounting requirements, the prescribed financial accounting system of the trading entity is supplemented by additional manual procedures.

Vote Account

The full budget appropriation for 2014/15 was R138.5 million, a marginal increase from the R131.9 million allocations received in 2013/14. A saving of R4.6 million was realised in 2014/15.

**Table 1: Departmental Receipts**

| DEPT. RECEIPTS | 2014/15 | | | 2013/14 | | |
|---|-----------|-------------------------|-------------------------|-----------|-------------------------|-------------------------|
| | ESTIMATE | ACTUAL AMOUNT COLLECTED | (OVER/UNDER) COLLECTION | ESTIMATE | ACTUAL AMOUNT COLLECTED | (OVER/UNDER) COLLECTION |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Sales of goods and services other than capital assets | 65 | 30 | (35) | 65 | 27 | (38) |
| Interest, dividends and rent on land | 0 | 50 | 50 | 0 | 36 | 36 |
| Sales of capital assets | 0 | 31 | 31 | 0 | 0 | 0 |
| Transactions in financial assets and liabilities | 0 | 0 | 0 | 18 | 35 | 17 |
| Total | 65 | 111 | 46 | 83 | 98 | 15 |

Total revenue increased by R0.013 million, from R0.098 million (2013/14) to R0.111 million, as a result of interest, dividends and rent on land and sales of capital assets.

Course fees are determined on a cost-recovery basis in accordance with Treasury Regulation 19.5.2. The tariffs are assessed annually and revised as necessary as part of the on-going NSG financial status reviews and in accordance with Treasury Regulation 19.5.3.

Course fees were last revised at the end of 2010/11, which reduced course fees to improve course affordability. The course fee tariffs structure is currently being reviewed and will be finalised in 2015/16.

Table 2: Programme Expenditure

| PROGRAMME NAME | 2014/15 | | | 2013/14 | | |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/UNDER EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/UNDER EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 82 911 | 78 293 | 4 618 | 82 922 | 85 622 | (2 700) |
| Public Sector Organisational and Staff Development | 55 597 | 55 597 | | 49 000 | 49 000 | 0 |
| Total | 138 508 | 133 890 | 4 618 | 131 922 | 134 622 | (2 700) |

Total expenditure of R133.8 million for 2014/15 and spending patterns compared to 2013/14 are summarised as follows:

Programme 1. Administration: Due to salary adjustments, compensation of employees for the vote-funded staff component of the NSG increased by 1.9%, from R36.2 million (2013/14) to R36.9 million. The cost of goods and services decreased by 23.6%, from R47.9 million (2013/14) to R36.6 million. This was as a result of the implementation of NT cost-cutting measures and reduction in costs for ministerial advisory task team consultants. Expenditure on capital assets increased by 207%, from R1.3 million to R4.2 million due to replacement of aging non-compatible computer hardware.

Programme 2. Public Sector Organisational and Staff Development: The transfer of funds from vote to the TTA increased by 13.3%, from R49 million (2013/14) to R55.5 million.

TTA

TTA statements are prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP). To achieve full compliance with accrual accounting

requirements, the prescribed financial accounting system of the trading entity is supplemented by additional manual procedures.

Total revenue (including the transfer of funds from the vote appropriation) decreased by R8.3 million – 5.3%, from R158.1 million (2013/14) to R149.8 million. Income from course fees decreased by 14.4%, from R102.1 million (2013/14) to R87.3 million. Transfer funds from vote to TTA increased by R6.5 million, from R49.0 million (2013/14) to R55.5 million.

Total expenditure in the TTA decreased by R9.1 million, from R157.9 million (2013/14) to R148.8 million. This was mainly attributable to:

- A decrease in operating expenses from R99.7 million to R87.3 million mainly due to low numbers of training interventions.
- An increase of 5.2% in employee compensation, from R58.2 million to R61.4 million. The increase was inflation related and also accounts for vacancies filled during the year.

The TTA closed the 2013/14 year with a surplus of R0.2 million and the 2014/15 year with a surplus of R1 million.



Virement/rollovers

No virement was requested during the financial year under review.

Irregular expenditure

Irregular expenditure of R420 000 was condoned, as the department did not suffer any financial loss. The irregularities resulted from non-adherence to the procurement approval process for deviations. Henceforth, the NSG will ensure that all officials are aware of and adhere to supply chain processes and regulations.

Public private partnerships (PPPs)

The NSG did not enter into any PPP contracts during 2014/15.

Discontinued activities/activities to be discontinued

No major or strategic activities were budgeted for and discontinued during the financial year.

New or proposed activities

No new activities were started or proposed during the year under review.

Supply chain management

All official assets were captured in the asset register and the register complies with the minimum requirements set by NT. To strengthen asset management and minimise the risk of loss of assets, quarterly asset verifications are conducted and reports presented to the Executive Management Committee.

All inventory opening and closing balances, together with movements for the year, are reflected in the annexure on inventory, which fully discloses all stores and inventories. The inventory on hand, based on the weighted average-costing method, was R0.135 million at 31 March 2015, compared to R0.129 million at 31 March 2014. Inventory consists mainly of stationery, printing supplies and maintenance material.

Gifts and donations received in kind from non-related parties

The NSG received neither gifts nor donations with disclosure value above R350.

Table 3: Sponsorships received for the PSTF conference

| COMPANY | SPONSORSHIPS RECEIVED | DISTRIBUTION | ESTIMATED RAND VALUE |
|----------------------------|--|---|-----------------------------|
| Diners Club | 40 bottles of table beverages | Conference delegates and NSG employees celebrating long service | $R45 \times 40 = R1\ 800$ |
| Travel with Flair | Cash | PSTF mobile application | R10 000 |
| Rand Water | 500 water bottles | Conference delegates | $R6 \times 500 = R3\ 000$ |
| Nedbank | 20 books | Conference speakers | $R155 \times 20 = R3\ 100$ |
| PWC | 400 mugs | Conference delegates | $R11 \times 400 = R4\ 400$ |
| First Technology | 3 mobile devices (tablets) | Conference delegates competition | $R3500 \times 3 = R10\ 500$ |
| Shereno Printers | Printing (nametags, lanyards, programme) | Conference delegates | R600 |
| Cambridge University Press | 20 dictionaries | Conference speakers | $R650 \times 20 = R13\ 000$ |
| GIZ | Air ticket and accommodation | International speaker | R52 000 |

A gift register is kept and updated monthly. Gift registration reminder notices are also issued to staff.

Exemptions and deviations from NT

No exemptions from the PFMA or Treasury Regulations, or deviations from the financial reporting requirements, were requested for the current and/or prior financial year.

Events after the reporting date

The NSG is not aware of any events subsequent to the year-end that might require adjustment of the stated figures.

Other

The report addresses no other material fact or circumstances that may have an effect on the understanding of the financial state of affairs.

Acknowledgements and appreciation

The 2014/15 Annual Report is being presented at a time when the NSG, the MPSA portfolio of institutions, the government and the country still mourns the untimely loss of Mr Collins Chabane, who served as the Minister for Public Service and Administration. Minister Chabane has certainly left a vacuum in the public service leadership and political dialogue, but his legacy of commitment, passion to serve and humility will live on. I would like to express my appreciation to the Acting Minister for Public Service and Administration, Mr Nathi Mthethwa, whose wealth of experience assisted the portfolio, and certainly the NSG, to navigate through this difficult period towards stability. I would also like to express my appreciation to Deputy Minister Ayanda Dlodlo for her continued support and guidance as we strive to deliver on our mandate and performance priorities. During this financial year, she has robustly engaged the leadership of the NSG.

At year-end, the employment contract of Prof Mollo, Principal of the NSG, came to an end, after he had served as Accounting Officer for five years. This annual report is testament to the organisation's performance under his leadership, and I wish him well in his future endeavours.

As the Accounting Officer of the NSG, I am encouraged to continue this journey, supported by a team of executives and staff committed to carrying out the NSG's mandate.

Conclusion

The NDP remains our beacon as we navigate the challenges of efficient public service delivery. I remain confident that the NSG's positioning as a training institution of the government will continue to professionalise those in the public service.

Approval and Sign off

The Annual Financial Statements of Vote 11(a) and the Annual Financial Statements of the Training Trading Account were approved by the Accounting Officer. These statements are set out on pages 157-209 and 215-245 of this report.



Prof. Richard M Levin

Accounting Officer

31 August 2015

I.6 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the Annual Report are consistent
- The Annual Report is complete, accurate and is free from any omissions
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by NT
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by NT
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance of the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2015.

Yours faithfully



Prof. Richard M Levin

Accounting Officer

31 August 2015

1.7 STRATEGIC OVERVIEW

There is a notable change in the vision, mission and values of the department this year, in line with the change in strategic focus from PALAMA to the NSG.

The model and strategy of the NSG enhance previous efforts to establish effective learning and development in the public sector. The NSG arises from recognition of the need for a strategic shift, enabling the government to:

- Use learning and development to improve the functioning of public sector organisations and their achievement of policy goals through a relevant learning and development strategy,
- Influence education, training and development to ensure that the scope, focus and quality of programmes and services are relevant to the needs of the public sector, rather than playing a limited role delivering fragmented training based on ad hoc requests
- Shape each cohort entering the public sector to ensure optimal cohesiveness and the common understanding, values and abilities necessary for a consistently professional, responsive, capable and developmental public service orientation
- Target causes not symptoms, employing diagnostic analysis as an intervention-building management capacity, which will provide the NSG with a solid foundation for relevant programmes and services
- Ensure all public organisations use available learning and development resources strategically, based on a coherent, evaluable needs-based strategy not driven by *ad hoc* demands.

The NSG strategy is designed to focus available resources on priority needs that will impact on improved performance, based on an understanding of the root causes of both successes and problems. It is developmental; designed to further strengthen the capacity for strategic diagnostic analysis and for managing and evaluating learning and

development across senior leadership and within each organisation. This will enable the NSG to design programmes and services that are relevant to priority needs and to continuously improve its programmes and services based on effective planning and evaluation of learning and development by public sector organisations.

In a further significant strategic shift, the NSG recognises that it, alone, cannot improve performance. It needs to establish strong strategic partnerships with other roleplayers responsible for ensuring and supporting the on-going improvement of the public sector, in its functioning, outcomes and impact.

Partnerships of various kinds will be essential to the NSG as it seeks to strategically influence learning and development, to establish norms and standards, and to ensure relevant, high-quality and responsive programmes and support services to the public sector. In some instances, its functional responsibilities will be carried out through partners.

The NSG will maintain a strategic partnership with the other 'centre of government' departments responsible for ensuring and enabling the effective functioning of the public sector. It will work with the accounting officers as well as the line managers and officials in each department who are responsible for ensuring that individual, team and organisational capacity is in place. It will work with the centre of government departments to enable the senior leadership of the public service to drive public sector performance improvement through coherent frameworks and support as well as access to relevant learning and development programmes and services. It will ensure that all public sector organisations are able to identify learning and development needs and evaluate whether programmes and services adequately meet these needs. These partnerships will ensure that the NSG is able to meet the strategic learning and development needs of the public sector and continuously address them based on evaluative feedback.



Finally, the NSG will not duplicate learning and development programmes and services already available. It will establish strong partnerships with internal and external providers of learning and development programmes for the public sector to ensure that the focus, scope and quality are adequate and relevant.

Vision

The NSG aims to contribute to establishing a capable, professional and responsive public service that is committed to, and has institutionalised, the values and policies of a developmental state. This would be a public service that delivers services that address poverty and inequality.

Mission

The NSG will be responsible for learning and development programmes in a uniform public sector with the objective of developing a professional, responsive and capable public sector; driven by the imperative of a developmental state. A culture and ethos of service will be imbued throughout the public sector; meeting the expectations of stakeholders and communities, and based on policy commitments of government.

Values

Three core values will define the NSG. These are **learn, grow, and serve**.

Capacity for **learning** is an essential foundation for South Africa's development, and this value will find expression in the NSG. The NSG will assist public organisations to continuously improve outcomes and impact by institutionalising effective and reliable learning. As the ultimate purpose of all the NSG's learning and development programmes and services is improved performance of public sector institutions, there will be an organisational development focus in every aspect of design, development and delivery, ensuring that capacity issues are approached holistically, developmentally and systematically.

With learning there is **growth**. The content of learning and development will be socially and politically progressive, national in character; but supported by and reflective of the needs and challenges of local contexts. Learning programmes will be designed to be dynamic and developmental; and to ensure that public servants can access relevant knowledge and develop critical, reflective, analytical and problem solving skills that will enable them to be responsive to the needs and demands that confront the public sector. Thus, a key feature of NSG programmes and services will be their relevance. The NSG's research and knowledge management support services will ensure that public servants are able to contribute to the ongoing development of policy-relevant knowledge through their own learning and development process.

Serving and a professional, responsive service-orientation are central to a developmental state. The NSG will emphasise partnerships, consultation and engagement in the development of a national learning and development strategy, with the objective of developing collective leadership for a uniform professional and capable public service, imbued with a culture and ethos of service. The NSG will be grounded in the democratic ethos and values of the South African Constitution and contribute to institutionalising the values and principles of public service it outlines.

These include the following:

- Accountability
- Integrity
- Respect
- Consistency
- Excellence
- Fairness

- Social justice

The work of the NSG will be shaped by the following foundational values

- Lead by example
- Achieve excellence through collaboration
- Innovate continuously
- Provide flexible, responsive and needs-driven services

1.8 LEGISLATIVE AND OTHER MANDATES

1.8.1 Constitutional Mandate

Chapter 10, Section 195(1) of the Constitution sets out basic values and principles governing public administration as follows:

Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:

- A high standard of professional ethics must be promoted and maintained.
- Efficient, economic and effective use of resources must be promoted.
- Public administration must be development-oriented.
- Services must be provided impartially, fairly, equitably and without bias.
- People's needs must be responded to, and the public must be encouraged to participate in policy-making.
- Public administration must be accountable.
- Transparency must be fostered by providing the public with timely, accessible and accurate information.
- Good human resource management and career-development practices must be cultivated to maximise human potential.

- Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.

1.8.2 Legislative and other Mandates

Presidential Proclamation no 46 of 2013, signed on 21 October 2013, brings to existence the NSG as a Schedule 1 national department replacing PALAMA, gives effect to amendments to the Public Service Act (PSA), 1997, and re-designates the Director-General of the department as the Principal of the School.

The current legislative mandate for the NSG is derived from Section 4 of the PSA, which states:

- There shall be a training institution listed as a national department (in Schedule 1).
- The management and administration of such institution shall be under the control of the Minister.
- Such institution:
 - shall provide such training or cause such training to be provided or conduct such examinations or tests or cause such examinations or tests to be conducted as the head of the institute may, with the approval of the Minister; decide or as may be prescribed as a qualification for the appointment or transfer of persons in or to the public service;
 - may issue diplomas or certificates or cause diplomas or certificates to be issued to persons who have passed such examinations.

The responsibilities of the NSG are carried out in partnership with other departments and statutory bodies and in compliance with all applicable legislation, including the following legislation:

- a. Basic Conditions of Employment Act, 75 of 1997
- b. Broad-Based Black Economic Empowerment Act, 53 of 2003
- c. Employment Equity Act, 55 of 1998
- d. Labour Relations Act, 66 of 1995
- e. Preferential Procurement Policy Framework Act, 97 of 2000
- f. Promotion of Access to Information Act, 95 of 2000
- g. Public Finance Management Act, 1 of 1999
- h. Skills Development Act, 97 of 1988
- i. Treasury and DPSA Guidelines

Notable in the legislative developments in this reporting period is that the President of the Republic of South Africa, Mr Jacob Zuma, assented the Public Administration Management Act on 19 December 2014. The Act provides for the establishment of the NSG, with a mandate of promoting the progressive realisation of the values and principles governing public administration and enhancing the quality, extent and impact of the development of human resource capacity in institutions – through education and training. Initial analysis has begun towards the development of regulations to support the implementation of the Act to determine mechanism to align the NSG with the provisions of the Public Administration Management Act.

1.8.3 Policy Mandates

The NDP informs the strategy and focus of the NSG, and guides the NSG to contribute to outcomes 5, 9 and 12 of the 14 key outcomes identified and agreed to by Cabinet in 2014 through enhancing the capacity of public servants at all levels to perform effectively and to be more responsive to citizens:

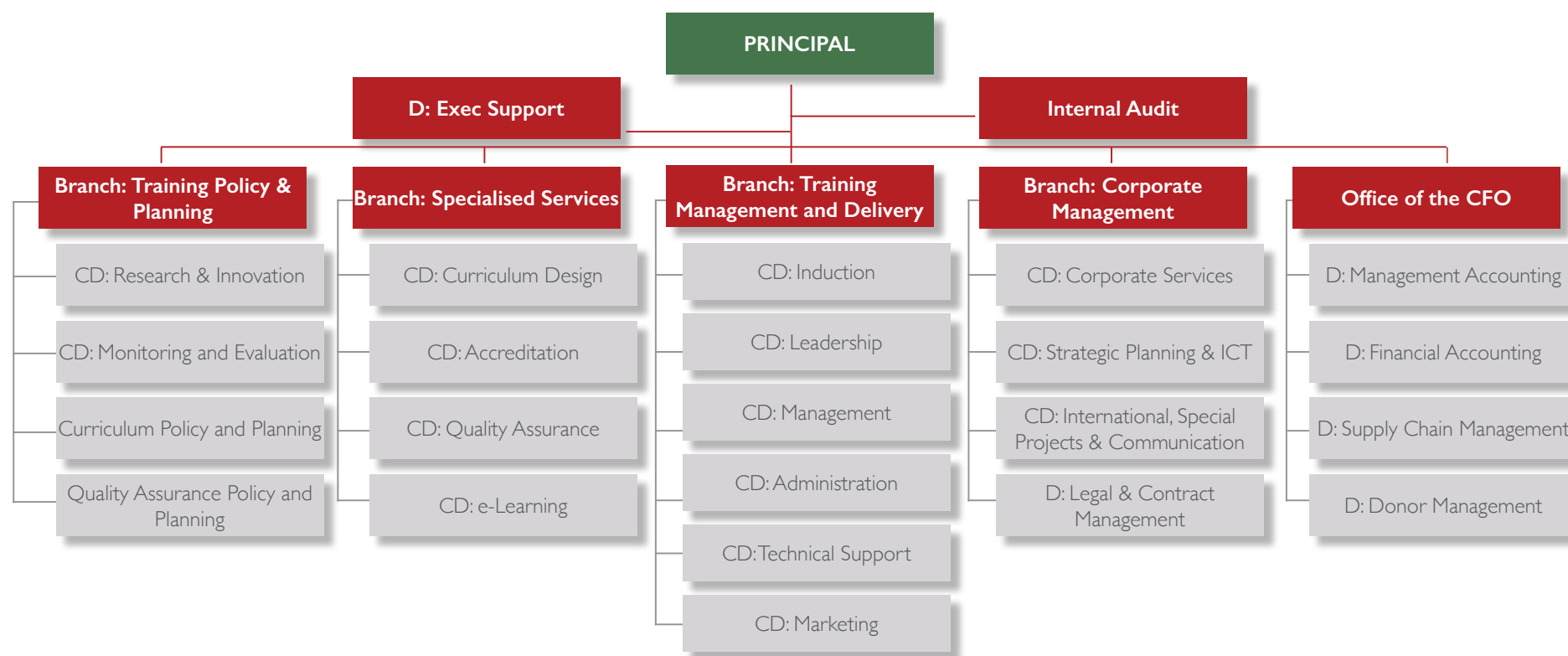
Outcome 5: A skilled and capable workforce to support an inclusive growth path

Outcome 9: A responsible, accountable, effective and efficient local government system

Outcome 12: An efficient, effective and development-oriented public service

1.9 ORGANISATIONAL STRUCTURE

The organisational structure of the NSG is based on the management transitional structure approved by the Minister in 2013. All active posts in the structure are funded, while the Training Policy and Planning sub-programme has posts still to be created. The only active chief directorates in this sub-programme are Research and Innovation, as well as Monitoring and Evaluation. Additional line functions, as planned earlier, are still inactive subject to final profiling of the curriculum policy and planning, quality assurance policy and planning, NSG norms and standards functions, , and approval of funding to resource the NSG strategy inclusive of these line functions.



I.10 ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the Minister:

Table 4: Entities reporting to the Minister

| NAME OF ENTITY | LEGISLATIVE MANDATE | FINANCIAL RELATIONS | NATURE OF OPERATIONS |
|----------------|---------------------------------------|---|---|
| DPSA | Public Service Act, 1994 (as amended) | NSG budget allocation transferred through the DPSA | Policy development and enforcement in the public service |
| CPSI | Public Service Act, 1994 (as amended) | Contractual, based on programmes jointly implemented | The CPSI is an initiative of the MPSA, established to identify, support and nurture innovation in the public sector with a view to improving service delivery |
| GEMS | Medical Schemes Act, 1998 | Contractual, based on administration of employee members' medical aid contributions | Restricted membership to a medical scheme for public service employees |

The Public Service Commission (PSC) is an independent oversight body established in terms of the Constitution, although it derives its budget support from the allocation passed through the MPSA.

Changes have been made in entities reporting to the Minister for Public Service and Administration. Following the 2014 national and provincial elections and appointment of a new Cabinet, the State President reconfigured the ministries. As per Proclamation 47 of 2014, dated 12 July 2014, the administration, and powers and functions entrusted by the SITA Act were transferred from the MPSA to the Minister of Telecommunications and Postal Services.

PART B

Performance Information





PART B: PERFORMANCE INFORMATION

2.1 PRE-DETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management.

Refer to pages 154-156 of the Report of the Auditor-General, covered as Part E: Financial Information.

2.2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.2.1 Service Delivery Environment

The performance of the NSG is based on the 2014/15 annual performance plan (APP), as was approved by the MPSA and tabled in Parliament in July 2014. The strategic plan document approved in 2013 guided the work of the department from the beginning of the financial year to the time of the approval of the 2014/15 APP. The new business strategy for the NSG was not finalised in 2014 as envisaged, due to delays in finalisation of new funding arrangements to match this strategy. However, this allowed preparations for possible significant changes from the implications on the implementation of the PAM Act.

The business model of the NSG is summarised as follows:

- In-house capacity to undertake training needs analyses; the design and development of curriculum; quality assurance and accreditation of programmes; liaison with accrediting bodies; training logistics and records management; monitoring and evaluation of training interventions
- Outsourced training delivery model through use of IICs, HEIs and private training providers

- Cost-recovery approach to training delivery based on a prescribed cost-tariff and revenue managed through the TTA
- Training provided in four streams - leadership, management, administration and induction.

The NSG does not operate under transversal arrangement. As such, it is not mandatory for government departments to procure training services from it or through it. It shares space with several training providers, including private training providers, HEIs and sector-specific government training institutions. It is, however, mandatory that all departments set aside 1% of payroll budget for personnel training and development to be used as the departments see fit across different roleplayers.

The NSG contact centre is the front end of all training delivery processes and issuing of quotations for training requests. In this financial year, a service contract with the State Information Technology Agency (SITA) increased call centre capacity.

The NSG has also entered into SLAs with government departments that require special programmes and that have annual training plans for which the majority of training is to be done by the NSG. This will streamline implementation of annual training plans for the departments and the NSG.

The NSG prides itself on the successful continuation of its partnership with the Speakers Forum, through which it delivers the LCBP to members of Parliament and Provincial Legislatures.

In support of the DPSA's Ethics and Integrity Framework, the NSG has placed strong emphasis on good governance and ethics in the public service, as a direct response to calls to fight against corruption. A special programme has been introduced for ethics and integrity officers.

The NSG is committed to the continuous rollout of the Breaking Barriers to Entry Programme, an orientation training programme that prepares interns and unemployed graduates for public service employment. From its inception in 2010/11, the programme has been fully funded by the NSG. In subsequent years, other departments have sponsored learners, which increase the learners' possibility of short- or full-term employment. The programme is also suitable for those doing internship service in government departments.

The NSG has undertaken MPAT assessments and implemented improvement plans as part of its internal audit processes.

Highlights for this financial year are summarised in the Accounting Officer's report in pages 19-28 of this report.

Training-related challenges in this financial year

- The rollout of the CIP was very slow. Engagements with departmental officials and provincial academies assisted in developing a strategy to unblock issues relating to lack of budgets and delivery capacity. An in-depth analysis was concluded of the current resources, business processes and requirements of the current business workflow with the purpose of providing an end-to-end training system using the CIP as the benchmark.
- The NSG training management system has to be stabilised because of its age and incompatibility with latest hardware and software. New server infrastructure has been acquired to support the system and mitigate data loss risk. Alternatives to the current programming system are being investigated and will be implemented in 2015/16.
- Investment had to be made to secure additional bandwidth capacity.
- With increased e-learning programmes, the e-learning ICT environment had to be improved to enable the delivery of training and management of learner

evidence and the assessment process throughout the e-learning training cycle.

- Internet facilities had to be improved so that the website could be used as the primary means of communication with the public. Improvements included an online training reservation system that will cater for the anticipated mass CIP applications and the ongoing training administration tool, which includes an interactive calendar of NSG training schedules.
- Late payments for training. Robust debt recovery methods were implemented, but did not yield the desired results. A pre-payment plan is being considered, particularly for departments with old debt.

2.2.2 Service Delivery Improvement Plan

The Constitution of the Republic of South Africa (1996) envisages a public service that will promote a high standard of professional ethics, be development oriented, be accountable, and maximise human potential. It envisages the building of the human capacity of the state by establishing uniform and high entrance requirements and standards, emphasising professionalism, discipline and commitment to serve; and ensuring adequate numbers of personnel to ensure delivery. The Constitution specifies principles that must underpin public administration and public service. It defines public administration as "all spheres of government, organs of state and public enterprises (governed by the democratic values and principles enshrined in the Constitution)" (RSA Constitution: 1996 111-112). It defines public service as a public space "within public administration", which must promote and maintain "a high standard of professional ethics". Such professional ethics entail "efficient, economic and effective use of resources" as well as "impartial, fair, equitable" provision of services.

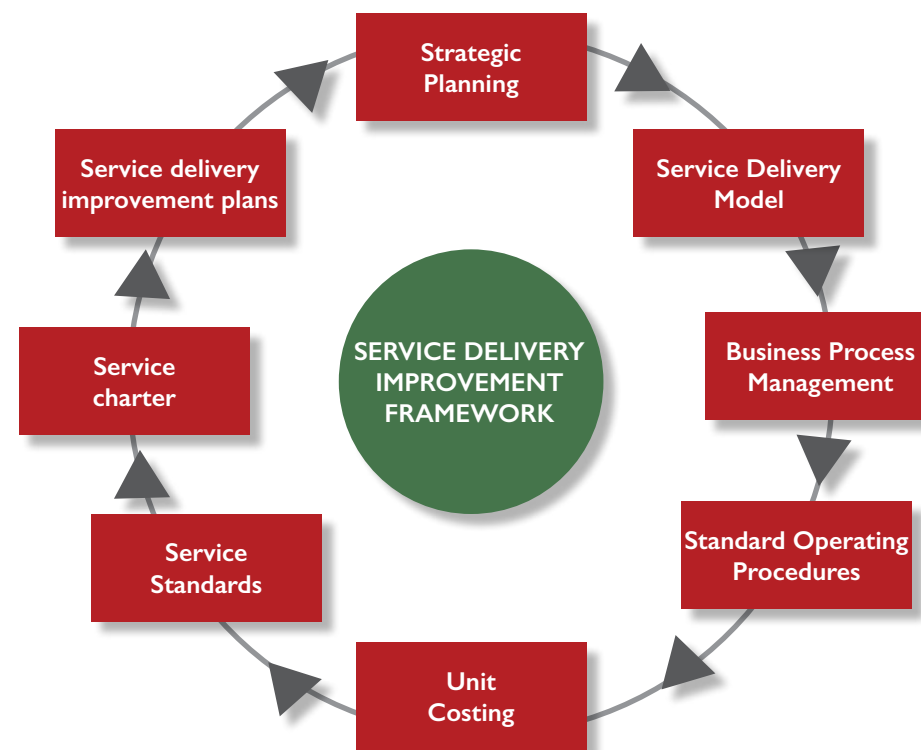
To transform public service delivery, the 1997 White Paper on Transforming Public Service Delivery provided the following eight principles:

- i. Consultation: Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered
- ii. Service standards: Citizens should be told what level and quality of public services they will receive so that they are aware of what to expect
- iii. Access: All citizens should have equal access to the services to which they are entitled
- iv. Courtesy: Citizens should be treated with courtesy and consideration
- v. Information: Citizens should be given full, accurate information about the public services they are entitled to receive
- vi. Openness and transparency: Citizens should be told how departments are run, how much they cost, and who is in charge
- vii. Redress: If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic and positive response
- viii. Value for money: Public services should be provided economically and efficiently to give citizens the best possible value for money.

The NSG has developed a SDIF, which seeks to improve NSG service delivery. The NSG is committed to making a difference in overall public sector performance, and it is, therefore, incumbent on it to put in place mechanisms that improve institutional performance and service delivery.

According to the DPSA Service Delivery and Organisational Transformation (SDOT) framework, the following activities seek to support improved service delivery in public service departments:

Figure 1: Service Delivery Improvement Framework



To ensure that NSG service delivery improvement initiatives are successful, certain critical success factors must be in place:

- An effective human resource management and development strategy to ensure that there is efficient turnaround time in the filling of positions, and that all NSG employees are skilled and developed in their functional areas to ensure expediency in service delivery
- Supportive internal policies and guidelines to encourage innovation and creativity in the undertaking of activities, but which also support efficiency and economy in the use of resources
- An ICT and infrastructure plan that provides a conducive working environment
- Committed organisational leadership that drives service delivery improvement.

The NSG has developed a draft service delivery charter, which it sees as a significant instrument for improving service delivery. Through a service charter, service recipients should have as much information as possible about the services they receive, response times, and standards set for services. The charter will set out the performance standards of the organisation, and what service recipients can expect. Service standards will be included, which will enable service recipients to set an appropriate level for service delivery expectations. Service delivery can be improved through feedback from service recipients, but only when recipients know what standards to expect.

The *Batho Pele* White Paper requires public service departments to set and publish precise and measurable standards for the level and quality of services they will provide. These standards should be reviewed continuously to ensure relevance.

The *Batho Pele* principle requires that complaints should be handled and a positive response submitted to the complainant. The nature and extent of complaints vary and the process of resolution of complaints can extend from an informal resolution

to a formal investigation (including disciplinary and criminal action). Complaints can include poor/non-response to services and/or queries, improper conduct (including sexual misconduct or verbal/physical abuse), prejudices (including race, gender, language, ethnicity and sexual orientation), fraud, corruption and other criminal acts. Legislation and departmental policies exist to manage these issues and the policy on complaints handling management (CHM) must be read in conjunction with these.

To ensure adherence to all *Batho Pele* principles in a manner that promotes public service excellence, the NSG has to develop a CHM. Staff and contracted service providers must demonstrate a commitment towards handling complaints effectively and efficiently and meeting the expectations of the complainant.

The CHM must be fair to the complainant and the entity or individual against whom the complaint is made. It should:

- Judge all complaints based on facts and merit, and treat each complaint seriously
- Show respect, courtesy, confidentiality and sensitivity to the complainant
- Deal with complaints decisively and within established timelines
- Allow a fair process of investigation, including disclosures of interest, and ensure that all parties are treated fairly
- Consider basic constitutional rights and applicable legislative frameworks such as access to information
- Maintain proper and documented records of all complaints, to ensure accountability and transparency
- Provide avenues of review and redress, where necessary

All recipients of NSG services must be encouraged to make use of the CHM system. NSG employees and contracted providers must be trained to deal with telephone calls, written correspondence and challenging behaviour of service recipients to avoid complaints.

The NSG CHM system will require:

- Development of a formal policy on CHM, which will determine the nature and extent of complaints to be managed
- Establishment of a complaints office and identification of staff to manage complaints
- Establishment and maintenance of a database of all complaints received and managed.

Table 5: Main services and standards

| MAIN SERVICES | BENEFICIARIES | CURRENT/ACTUAL STANDARD OF SERVICE | DESIRED STANDARD OF SERVICE | ACTUAL ACHIEVEMENT |
|--|--|--|--|---|
| Conduct a training needs analysis (TNA) to determine the training needs of the public service | National and provincial departments Municipalities Other organs of state | Determination of TNA process undertaken with client institutions | Undertake three TNA processes | TNA data was analysed for four interventions and eight TNA reports were compiled on interventions |
| Design and development of curriculum (including customisation of programmes, particularly for use in partner countries) | National and provincial departments Municipalities Other organs of state | Progress in the design and development of curriculum towards ensuring quality and relevant training delivery | Design, develop and/or review curriculum of four programmes/ courses | Designed, developed, and/or reviewed six programmes/ courses |
| Quality assurance of all programmes and courses | National and provincial departments Municipalities Other organs of state | Progress in the quality assurance of curriculum towards ensuring quality and relevant training delivery | Quality assure six programmes and courses | Six programmes quality assured |
| Facilitation of training provision (eg issuing quotations, appointing training facilitators, assessors and moderators, issuing certificates) | National and provincial departments Municipalities Other organs of state | Number of learners registered to undertake training programmes | 46 800 persons to be trained in all training offerings | 38 307 persons trained in all training offerings |
| Monitor and evaluate all programmes and courses | National and provincial departments Municipalities Other organs of state | Assessment of application of learning by learners in the workplace | Two application of learning study conducted | Three studies completed |

**Table 6: Batho Pele arrangements with beneficiaries (consultation, access etc)**

| CURRENT/ACTUAL ARRANGEMENTS | DESIRED ARRANGEMENTS | ACTUAL ACHIEVEMENTS |
|--|---|---|
| Undertake monitoring and evaluation of all programmes and courses to determine levels of satisfactions | 100% coverage of all programmes and courses, with inputs being reported to training stream managers | 100% coverage of all programmes and courses, with inputs being reported to training stream managers |
| Ensure that all learners have access to training venues and facilities | Ensure that all learners have access to training venues and facilities | All training venues and facilities are determined to ensure that the training venues and facilities are conducive |

Table 7: Service delivery information tool

| CURRENT/ACTUAL INFORMATION TOOLS | DESIRED INFORMATION TOOLS | ACTUAL ACHIEVEMENTS |
|--|---|--|
| Updated training calendar to inform learners about all programmes and courses | Efficient and up-to-date training calendar that is accessible to learners | The training calendar is updated and made available on the NSG website for easy access |
| Efficient contact centre responding to enquiries about training programmes and courses | Ensure that all learners have access to the contact centre | The contact centre is fully functional and accessible. Processes are underway to review the current system configuration to improve the service. |

Table 8: Complaints mechanism

| CURRENT/ACTUAL INFORMATION TOOLS | DESIRED INFORMATION TOOLS | ACTUAL ACHIEVEMENTS |
|---|---|--|
| Undertake monitoring and evaluation of all programmes and courses to address levels of complaints | 100% coverage of all programmes and courses, with inputs being reported to training stream managers | 100% coverage of all programmes and courses, with inputs being reported to training stream managers |
| No formal complaints management system | Put in place a formal complaints management mechanism | The draft SDIF makes provision for a CHM system and this will be developed in the new financial year |

2.2.3 Organisational Environment

The NSG has set a tone for good corporate governance, as is reflected in the unbroken history of unqualified audits received since the establishment of PALAMA. Operational policies and procedures are in place to govern all key operations. All compliance reports are prepared and a monitoring procedure has been introduced to assess all areas of compliance in the organisation. Annual engagements have been held with the Portfolio Committee on Public Service and Administration, during which the department presented its annual plans and annual report. A session was dedicated to briefing the committee on NSG programmes, projects and collaboration with other institutions.

The department carried out its mandate under capacity pressures in the year 2014/15 given the additional programmes it had to introduce and service delivery improvements it set for itself while it contended with the moratorium on filling its vacancies - a measure introduced in anticipation of the finalisation of its new organisational structure. The moratorium was lifted in August 2014.

The department revised its human resource management delegations to align with the delegations framework issued by the Minister for Public Service and Administration in the reporting period.

In ensuring diligent implementation of the performance management and development system (PMDS), workshops were held and the performance management cycle completed, with 92% of SMS members signing their performance agreements on time. Outstanding agreements were due to long ill-health leave or unresolved disputes pertaining to the agreements.

The NSG also invested in training and development of its own employees, implementing training activities in line with its workplace skills plan (WSP) and budget.

To ensure employee wellbeing, the NSG implements an employee health and wellness programme and monitors its environment to ensure compliance to environmental wellness and safety standards.

2.2.4 Key Policy Developments and Legislative Changes

The Public Administration Management Act was signed by the President in December 2014. The Act promotes the basic values and principles governing the public administration referred to in section 195(1) of the Constitution. Specific clauses in this legislation seek to, *inter alia*, establish the NSG; provide for capacity development and training; provide for the use of information and communication technologies in the public administration; and provide for the Minister to set minimum norms and standards for public administration.

The Act includes sections that provide for the NSG to be established as an HEI contemplated in the Higher Education Act, 1997 (Act No 101 of 1997); promote the progressive realisation of the values and principles governing public administration; and enhance the quality, extent and impact of the development of human resource capacity in institutions. The Act also provides that the Minister may direct that the successful completion of specified education, training, examinations or tests as a prerequisite for specified appointments or transfers; and that compulsory training be instituted to meet development needs of any category of employees.

The finalisation of supporting regulations for the Act is a priority and work on this has begun under the guidance of the Minister for Public Service and Administration.



2.3 STRATEGIC OUTCOME ORIENTED GOALS

In finalising its strategic plans tabled in 2014 the NSG set for itself the following strategic outcome-oriented goals.

Table 9: Strategic outcome oriented goals

| 1 | A fully established, well-functioning and high performing NSG responding to the developmental agenda of the State |
|----|---|
| 2 | A well-resourced funding mechanism that supports financial viability and sustainability for NSG activities |
| 3 | Human resource capacity with sufficient capabilities to respond adequately to the strategic imperatives of the NSG |
| 4 | Effective learning and development opportunities in the public sector, supported by credible quality assurance processes and centrally managed, uniform norms and standards |
| 5 | Well-structured and effective strategic national and international partnerships, which influence and enhance public sector learning and development interventions |
| 6 | Enhanced marketing and visibility of NSG products and services |
| 7 | Improved quality and levels of performance of public sector institutions through strategic diagnosis and targeted interventions |
| 8 | Accessible knowledge resource centre for evidence-based learning and development, with well researched, reliable and relevant materials |
| 9 | Adequate and effective curricula, programmes and services |
| 10 | Strengthened and stabilised political-administrative interface in the public sector through a framework of specifically designed programmes |
| 11 | Effective implementation of in-service learning and development across the public sector |
| 12 | Dedicated attention to the present and future needs of a professional and responsive public sector. |

2.4 PERFORMANCE INFORMATION BY PROGRAMMES

2.4.1 Programme I: Administration

Purpose:

Programme I facilitates the overall management of the School and provides for organisational support services enabling the Principal, branch heads and all employees in the NSG to carry out their responsibilities within an effective governance system. The responsibilities of this programme include providing administrative, legal, human resources and financial management services across the department. Important are an oversight support service, which monitors and evaluates organisational activities; advisory services for risk management, regulatory compliance as well as co-ordinated measures to support international and special projects.

Programme I comprises of the following sub-programmes:

- Office of the Principal, which includes the Office of the Chief Financial Officer, and the Internal Audit (outsourced function)
- Corporate Management includes Corporate Services; Strategic Planning and ICT Management; International, Special Projects and Communications; as well as Legal, Contract Management and Compliance.

Strategic objectives

- Forge international strategic partnerships aligned to South Africa's foreign policy framework to develop, implement and monitor international capacity development initiatives
- Improve workplace and operational facilities to support the achievement of the organisational objective

- Promote effective corporate governance practice and professional ethics
- Improve human resources planning and organisation design
- Ensure effective organisational performance planning and reporting measures

Performance indicators and targets

The key performance indicators of this programme, aligned to the above strategic objectives, relate to:

- Reviewing policy related to international capacity development
- Facilitating bi- and multilateral programmes
- Monitoring SLAs with outsourced facilities management and logistics services providers
- Reviewing the plan for additional facilities
- Training and developing NSG employees
- Up-skilling competencies of employees to match the organisational competency framework
- Managing compliance to HR prescripts, including submission of HRD plans and reports
- Reviewing functional structure to align with the five-year strategic plan
- Implementing organisational planning and reporting framework
- Assessing NSG's performance through the MPAT, and compiling a report and improvement plan

Sub-programme I: Office of the Principal

The Office of the Principal is the highest executive office in the NSG. The Principal, as Accounting Officer of the School, must lead and provide strategic vision and direction; orchestrate activities and create harmony within the department; and allocate resources. The Principal also undertakes strategic communication with key stakeholders,



including Parliament and the media. The Principal must also lead the organisational change and transformation agenda, whilst ensuring adherence to good corporate governance practices, and financial viability and sustainability of the trading entity of the School. The Office of the Principal must also contribute to strategic and intellectual discourse on capacity building in the public service, domestically and internationally. These responsibilities also include forging strategic international partnerships, mobilising resources from the donor community, and facilitating the School's engagement in the global knowledge exchange network through mutually beneficial partnerships with institutions on the African continent and around the world.

Office of the Chief Financial Officer

The core function of the Office of the Chief Financial Officer is to provide overall management of the financial affairs of the School. The sub-programme provides services to support planning, controlling and monitoring financial performance targets through its units, namely supply chain management, financial management and reporting, and management accounting. This also covers the establishment and continuous improvement of effective systems for the management and safeguarding of NSG assets.

Internal Audit

The core function of the Internal Audit Unit is to provide independent, objective assurance and consulting services designed to add value and improve NSG's operations. It helps the NSG to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Internal Audit Unit, therefore, assists the Principal, as Accounting Officer, in maintaining efficient and effective controls by evaluating administrative procedures and control measures to determine their effectiveness and efficiency, thereby developing recommendations for enhancements and improvements needed. Internal Audit has

an administrative reporting line to the Corporate Management sub-programme. Risk management is also supported through Internal Audit.

Sub-programme 2: Corporate Management

This sub-programme has the following business units;

- Strategic Planning and ICT Management
- Corporate Services
- International, Special Projects and Communication
- Legal and Contract Management

Flowing from the above service areas, the core function of the corporate management sub-programme is to provide strategy and planning services; human resource management services; information and communication technology; legal advisory services; security services; and office support and auxiliary services. The branch will ensure that there is administrative efficiency in the final transition towards the establishment of the NSG. The branch also contributes to the strategic and intellectual discourse on capacity building in the public service domestically and internationally as well as public communication in support of the public relations and the School's brand positioning. This responsibility includes undertaking strategic communication with key stakeholders, including Parliament and the media, forging strategic international partnerships, mobilising resources from the donor community, and facilitating the School's engagement in the global knowledge exchange network through mutually beneficial partnerships with institutions on the African continent and around the world.

This branch is also responsible for the management of outsourced functions, namely employee health and wellness, internal audit, facilities management and ICT services. The outsourcing of these functions enhances and provides a more efficient and modern provision of specialised services to the School.

Table 10: Performance by Sub-programme: Corporate Management

| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|---|--|--|--|---|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Establish and maintain policies, operating procedures and reporting standards for effective organisational management and compliance with legislation, policy and good governance frameworks and principles | Number of prioritised new departmental policies developed or existing departmental policies reviewed, and approved for implementation by 31 March 2015 | A total of 21 policies developed and/or awaiting approval. These policies cover the corporate management branch (HR, ICT, organisational performance, facilities and logistics, finance) | 21 Policies to be developed/reviewed and approved for implementation | Of the target of 21 policies developed/ reviewed, 15 were approved in this financial year namely: (1) Revised Organisation Performance Management (final draft); (2) Complaints Management Policy (3) Communication Policy Diversity Management (approved) (4) Safety, Health, Environment Quality (SHEQ) (approved) (5) Adult Basic Education and Training (ABET) (approved) (6) Special leave (approved) (7) Recruitment and Selection (approved) | Annual performance target not achieved | Extensive policy work was undertaken by the organisation, but not all policies were approved/ finalised due to delays in the transition process and dependence on the approved strategy for the NSG |



| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|-------------------------------------|-----------------------|----------------------------|------------------------|---|---|----------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | | | | (8) Termination and Transfer Procedure Manual (approved) (9) HR Delegations from MPSA to Principal (approved) (10) Job Access Disability (approved) (11) Revised Special Leave Policy (revised) (12) Dress Code SOP (approved). (13) Working Hours and Remunerative Overtime Policy (approved) (14) Records Management Policy (final draft) (15) Office Accommodation Policy (final draft) (16) Revised Fraud anti-corruption policy (final draft) (17) Whistle Blowing Policy (final draft) | | |

| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|-------------------------------------|--|---|---|--|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | | | | (18) Contract Management Function and Procedure Manual (approved) (19) Banking/Cash Management Policy (final draft) (20) Expenditure Management policy (final draft) (21) ICT Security Policy (approved) These policies cover the Corporate Management Branch and office of the CFO | | |
| | Terms of reference for NSG management structures , and HR and financial delegations in line with the approved organisational structure | HR delegations were not finalised, and terms of references for the management structures were being developed/ reviewed | Review management structures and HR and financial delegations | Financial delegations revised and HR delegations aligned to the new delegations framework approved by the Minister in 2014 | Annual performance target achieved | No deviation was made from the planned target |



| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|--|---|---|---|---|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Ensure effective organisational performance planning and management in line with set service delivery standards and reporting measures | Performance monitoring reports developed and assessed quarterly, and submitted to the executive authority within prescribed timelines | Processes for quarterly reporting were effectively implemented. Additional processes such as performance evidence verification and quality assurance were also implemented. | Implement and monitor organisational performance planning and reporting framework | Processes for quarterly reporting were effectively implemented. Process for performance evidence verification and quality assurance was also implemented. | Annual performance target achieved | No deviation was made from the planned target |
| | | The NSG maintains a compliance calendar to manage planning and reporting Policy on organisational performance management revised and currently awaiting approval. | | The NSG maintains a compliance calendar to manage the planning and reporting cycle | | |

| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|--|--|---|---|---|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Increased MPAT rating and unqualified audit on performance information | During this financial year, the NSG scored an overall assessment of 77%. Management improvement plans developed and implemented | MPAT results with overall score not less than four; 90% of scores at level four; Unqualified audits | As at 30 May 2015 final MPAT 1.4 results were not released by DPME, but improvements made in 11 sub-KPAs compared to prior year results | Annual performance target not achieved | As at 30 May 2015 results against final report cannot be measured, DPME has not released 2014 MPAT report |
| Determine and implement efficient infrastructure and facilities planning strategy reviewed annually to support the growth plan and activities of the NSG | NSG ICT enterprise architecture plan approved with resourced implementation plan for improved to support e-learning, registry, monitoring and evaluation | Enterprise architecture document developed (draft) | NSG ICT enterprise architecture plan approved with resourced implementation plan for each year ICT environment | Enterprise architecture proposal being developed. The process had to begin with the development of the ICT strategy and implementation plan, which has been finalised | Annual performance not target achieved | Insufficient funding for this project. Proposal for donor funding has been submitted to two donor assistance programmes |
| | NSG office and operating equipment facilities improvement plan approved with resource implementation plan for each year | New facility plan not approved in view of transition from PALAMA to NSG and non-approval of NSG strategy | NSG office and operating equipment facilities improvement plan approved with resource implementation plan for each year | Facilities improvement plan not yet approved | Annual performance target not achieved | Draft incorporating inputs from NSG strategic planning workshop and NT cost-cutting deliberations developed and resubmitted for delegated authority's approval |



| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|---|--|--|--|---|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Determine and implement efficient human resource planning strategy and make appropriate appointments for adequate expertise and capacity to build confidence in the NSG | Reduced percentage vacancy rate in the NSG by 31 March 2015 to 10% | The vacancy rate at 31 March 2014 was 13.2%. A conditional moratorium on the filling of vacancies resulted in posts not being filled. | Approved organisational structure aligned to strategic plan | As on 31 March 2015 vacancy rate was 15.4% above 10%. | The annual performance target achieved | No changes to the current transitional management structure. Focus placed on filling of vacancies following lifting of moratorium |
| | Time taken to fill vacancies measured from date of employee exit to appointment | New performance target | Vacancies filled within four months from date of employee exit | 5/35 (14.2%) posts filled: 35 filled within stipulated time 35 not within the stipulated time | Annual performance target not achieved | Vacancies not filled timeously due to delays in short listing and interview processes |
| | Percentage of NSG employees trained and developed to upskill competencies measured quarterly | Total of 80 (51%) employees' competencies were matched to competency framework | Up-skill competencies of 80% of employees to match organisational competency framework | 82% (127/154) employees trained and developed to up-skill competencies | Annual performance target achieved | No deviation made from the planned target |

| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|--|---|---|--|--|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Establish international partnerships to strategically support learning and development programmes, services to meet key capacity development needs | Policy guidelines on partnerships and agreements developed, approved and implemented by 31 March 2015 | Official Development Assistance (ODA) Policy and standard operating procedure (SOP) for implementation of international funded capacity-building programmes submitted for approval A travel guideline for international travel was also developed. | Develop and implement policy guidelines on partnerships and agreements | ODA Policy final draft in approval stage | Annual performance target not achieved | Policy consultation process internally and with external partners took longer than planned |
| | Number of international capacity-building programmes facilitated by the NSG by 31 March 2015 | Bilateral and multilateral facilitations between: SA – South Korea; SA – France; and SA –Germany. RCB projects were conducted with Rwanda; Burundi, South Sudan and Canada in different environments | Facilitate three bi- and multilateral programmes | International partners identified (France, Ireland and Latvia) and linkages established with EU Dialogue Facility Project support. A case study project undertaken by the NSG Research Unit is as a result of this support | Annual performance target achieved | No deviation was made from the planned target |



| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|--|--|--|--|---|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | | | | International guest speakers (Kenya and England) identified and facilitated a management seminar on performance management at the NSG on 27 November 2014 and also participated at the PSTF conference as guest speakers, The NSG hosted a conference attended by 20 African countries that attended the AMDIN Council and Biannual Meeting in South Africa | | |
| Develop and implement a research-based marketing and communication strategy and plan | Communication strategy and plan developed, approved and implemented by 31 March 2015 | Five-year communication strategy developed for consultation and approval | Develop and implement the communication strategy and annual plan in line with NSG strategy | Draft communication strategy is still in consultative process | Annual performance not target achieved | No strategy was implemented during the reporting under review |

Table I I: Additional Performance Information of Sub-Programme Performance not contained in the APP

| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|--|---|--|---|---|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Establish and maintain policies, operating procedures and reporting standards for effective organisational management and compliance with legislation, policy, and good governance frameworks and principles | Number of approved internal audit projects fully implemented by 31 March 2015 | All planned internal projects as per the internal audit plan for 2013/14 carried out | Implement seven internal audit projects | Audit Committee and Internal Audit charter revised and approved All projects implemented with the exception of two: (training management and change management) were replaced by Computer Assisted Audit Tools (CAATs) and Intellectual Property (IP) audit, which are being implemented | Annual performance target achieved | No deviation made from the planned target |
| | Effective management of NSG strategic risks by 31 March 2015 | Final risk assessment and risk reprioritisation not conducted | Undertake quarterly assessment of organisational risk management plan and risk register | Risk assessment done. Phase 2 of action plan implementation for Strategic Risk Register (SRR) 60% complete. It contains: risk rating and action plans development with the facilitator and the risk owners. | Annual performance target achieved | Risk Management Action Plan (RMAP) to be presented at the next Risk Committee meeting. |



| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|-------------------------------------|--|---|--|--|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | | | | Two branches have not done phase two consultations with the risk management facilitator SSR was finalised in November. The register has not been adopted by the Risk Management Committee. RMAP annual report completed and submitted to Internal Audit, to be presented at the next Risk Committee meeting. An additional ad-hoc assignment completed (IT risk register rating) | | |
| | Number of Audit Committee and RMC meetings convened by 31 March 2015 | Six Audit Committee, three Risk Management Committee and Risk Management workshops held | Convene at least four Audit Committee and our Risk Management meetings | Quarterly Audit Committee meetings held: (May 2014, June 2014, July 2014, September 2014, February 2015) RCM held (July 2014, September 2014, January 2015) | Annual performance target achieved | No deviation was made from the planned target |

| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|-------------------------------------|---|--|---|--|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Monitor implementation of the Auditor General's audit findings and recommendations by 31 March 2015 | New performance target for this financial year | Effective implementation of the Auditor General's findings and recommendation through monitoring of the Management Improvement Plan (MIP) | <p>The MIP report was approved by the DG after presentation of the final Auditor General (AG) report. Internal Audit conducted a follow-up audit on 26 AG findings and 13 (50%) were adequately addressed, seven findings were partially addressed (27%), three (11.5%) were not addressed and three (11.5%) are still pending, with an implementation date beyond this reporting period</p> <p>MIP was updated with Internal Audit's follow-up recommendations and additional management action plans</p> | Annual performance target not achieved | Follow-up conducted and two findings were not implemented during 2014/15, but will be carried over |



| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|-------------------------------------|--|--|--|---|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Relevant and quality responses to parliamentary questions | During the year, 16 parliamentary questions were responded to within the stipulated period and submitted to the Ministry | Provide relevant and quality responses to parliamentary questions to the Ministry within three working days of date of receipt | NSG responded to all 19 parliamentary questions received. The questions related to NSG programmes, institutional transformation and expenditure on matters, such as advertising | Annual performance target achieved | No deviation made from the planned target |
| | Percentage organisational contracts vetted and contract life cycle monitored | Six contracts vetted within the eight working days | All organisational contracts vetted within six working days and contract life cycles monitored quarterly | A total of 27 contracts were vetted within the six working days prescribed time | Annual performance target achieved | Vetting of contracts is dependent on the quantity submitted |

| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|-------------------------------------|---|---|---|---|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Improvement in NSG's anti-corruption rating by 31 March 2015 | Anti-corruption rating through an external assessment report not undertaken | Improvement in NSG's annual anti-corruption rating | Fraud anti-corruption policy has been tabled at Departmental Bargaining Council (DBC). Next tabling date to the RC is outside this reporting period Annual workshops held on fraud awareness for both SMS (semester 1) and non-SMS (semester 2) | Annual performance target achieved | No deviation made from planned target |
| | Time taken for the provision of legal advice and opinions | New performance target for this financial year | Draft organisational legal advice and opinions on matters of compliance and PAIA within six working days of date of receipt | All legal opinions received were drafted within six days | Annual performance target achieved | No deviation was made from the planned target |
| | 100% monitoring of and compliance in submission of quarterly reports in line with NSG compliance calendar | New performance target for this financial year: | Effective management of compliance reports submitted quarterly in line with NSG compliance calendar | Compliance calendar was updated and evidence collated | Annual performance target achieved | No deviation made from planned target |



| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|--|---|---|---|---|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Ensure effective organisational performance planning and management in line with set service delivery standards and reporting measures | Organisational strategic framework and performance plan developed and implemented | Processes related to quarterly reporting effectively implemented. Additional processes such as performance evidence verification and quality assurance also implemented. The NSG maintains a compliance calendar to manage the planning and reporting processes | Develop a five-year organisational strategic plan and related annual performance plans for tabling in Parliament and implementation in the new financial year | Five-year strategic and annual performance plans tabled on time in Parliament | Annual performance target achieved | No deviation made from planned target |
| | Validate and quality assure 100% performance information evidence quarterly | During the year, 80% of all performance evidence was verified (according to an internal checklist) and centrally filed electronically | Increase in percentage of performance information evidence validated and quality assured | All performance information was validated | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|-------------------------------------|--|---|--|---|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Time taken for the development and submission of quarterly performance reports | All quarterly reports consolidated and performance information verified before being submitted to the Minister and NT | Submit four quality-assured quarterly performance reports within one calendar month of end of reporting quarter to the MPSA, DPME and NT | Delay in the approval of the third and the fourth quarter | Annual performance target not achieved | Due to the passing of Minister Collins Chabane, the third quarter had to be re-routed to the Acting Executive Authority. Fourth submission delayed due to internal process for validation of reports from service providers to the NSG. |
| | Develop and fully implement an SDIP plan by 31 March 2015 | Draft SDIP revised but will be finalised in line with the new strategy of the NSG | Approved service delivery improvement plan implemented | The draft SDIP was aligned to MTSF and Strategic Plan 2015-2020. NSG also drafted a service charter and policy on complaints handling management | Annual performance target not achieved | Delays in the finalisation in anticipation of changes from the transitional phase to the final strategy and structure of the NSG. The SDIP was kept on hold until approval of the current cycle strategic plan |



| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|---|--|--|---|---|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Determine and implement an efficient infrastructure and facilities planning strategy reviewed annually to support the growth plan and activities of the NSG | Contracts and service level management monthly | Contract management system is active, with all NSG contracts loaded and tests done for reports to be generated | Contracts and service level management by target date | <p>All ICT service providers continuously monitored through SLAs and monthly meetings.</p> <p>Additional reports received from the following service providers:</p> <ul style="list-style-type: none"> ▪ Fidelity Security ▪ Tsebo Cleaning ▪ E Magubane cc ▪ MilliCare & Health Services ▪ Bidvest Steiner ▪ Hygiene ▪ Bambanani Pest Control | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|--|---|--|--|--|--|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Determine and implement an efficient human resource planning strategy and make appropriate appointments for adequate expertise and capacity to build confidence in the NSG | Percentage of performance appraisals of NSG employees finalised by 30 June 2014 and 31 October 2014 | New performance target for this financial year | A total of 95% of performance appraisals of all employees submitted | Finalised performance appraisals submitted Performance appraisals: (01 Oct 2012 – 31 March 2014) at 30 June 2014: 96% (189/196) Performance appraisals (01 April – 30 Sept. 2014): 94% (176/187) | Annual performance target achieved | Biannual CPMC session did not take place, but all expected biannual assessment reports submitted |
| | Percentage of probation reports of qualifying NSG employees approved | New performance target for this financial year | Probation reports of 95% of qualifying NSG employees approved within one month of end of probation period by 31 March 2015 | No probation reports submitted as there were no employees whose probations were due for approval | No probationary review undertaken under the financial performance review | Approval of probations dependent on appointment and transfer into the NSG |



| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|-------------------------------------|---|--|---|---|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Percentage of employees reached to enhance their wellness status | Four EHW interventions undertaken Four awareness sessions undertaken Monthly indicators on sick leave utilisation and absenteeism compiled and submitted | At least 50% (98) NSG employees worked to enhance their wellness status by 31 March 2015 | A total of 163 employees were reached through EHW interventions | Annual performance target exceeded | High turnaround on attendance for health and wellness enhancement programme |
| | Percentage of NSG-related disciplinary matters and grievances finalised internally within the stipulated timeframes | Eleven grievances logged, four of which (36%) resolved | A total of 95% of disciplinary matters and grievances finalised internally within the stipulated timeframes | Disciplinary matters: One disciplinary matter finalised internally and one in progress but within stipulated timeframe Grievances: One finalised internally within the stipulated timeframe and two in progress, but within stipulated timeframe | Annual performance target achieved | Not all disciplinary matters finalised within the financial year under review |

| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|--|--|--|---|---|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Establish partnerships to strategically impact on improved performance of national and provincial government through learning and development programmes, services and support that meet key capacity development needs. | Number of NSG donor funded projects approved for implementation by 31 March 2015 | New performance target for this financial year | Three ODA projects approved for support by development partners | <p>The final report for EU Technical Support on e-learning was submitted in February 2015. All outputs achieved. Project identified gaps and provided initial IT systems description for the NSG IT environment.</p> <p>Two GIZ projects identified on 5 March 2015 and agreed on modalities for proposal submission supported by GIZ project team</p> <p>This is in addition to the Business Process Modelling on the Training Management and Delivery System project also funded by GIZ</p> | Annual performance target achieved | No deviation made from planned target |



| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|-------------------------------------|---|--|---|---|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Approved proposal for EU indicative programme by end-March 2015 | New performance target for this financial year | Proposal for EU indicative programme approved | Draft needs identification and log-frame developed for submission to the EU for consideration and approval by November 2015 | Annual performance not target achieved | Development of the EU proposal proved to be a long and labour-intensive process. Process included NT expert to ensure NSG submission a meets expectations of EU office in Brussels |

| SUB-PROGRAMME: CORPORATE MANAGEMENT | | | | | | |
|--|--|---|---|--|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Develop and implement a research-based marketing and communication strategy and plan | Functional NSG website and intranet to improve marketing and communication | Website and intranet updated weekly | Revamp NSG website and intranet by 31 March 2015 | Launched functional website on 1 February 2015 | Annual performance target achieved | No deviation made from planned target |
| | NSG corporate identity (CI) manual approved and implemented to improve marketing and communication | Terms of reference developed for the appointment of a service provider to develop the CI manual | Approve and implement the NSG CI manual by 31 March 2015 | Submission to request development of CI manual not approved due to lack of funds | Annual performance not target achieved | Resources had been reallocated to this component to improve service challenges towards the end of financial year |
| | Four quarterly internal newsletters published by 31 March 2015 | New performance target for this financial year | Improved internal communication to NSG employees through the number of internal newsletters published | Four newsletters approved during the financial year | Annual performance target achieved | No deviation made from planned targets |



Table 12: Performance by Sub-Programme: Finance

| SUB-PROGRAMME: FINANCE | | | | | | |
|--|--|--|--|--|---|--|
| STRATEGIC OBJECTIVE: | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATIONS |
| Improve fiscal and financial accountability for budgeting, procurement, reporting and compliance | NSG funding model approved and implemented | Significant benchmark exercises undertaken. However, determination of a funding model is dependent on approval of NSG strategy | Develop new funding model | Conceptual document on funding model developed and submitted to the Principal for approval | Annual performance target not achieved | Model still required further consultations |
| | Services sourcing strategy and plan for acquisition management developed and implemented | Draft sourcing strategy developed | Implement and monitor sourcing strategy plan with not more than 2% spending against budget | Sourcing strategy developed and approved | Annual performance target achieved | Draft strategy finalised in quarter four |
| | Reduce average number of days taken for revenue collection arising from learning and development interventions | 92 days average to collect debt | Average of 60 days for debt collection | 90 days taken for debt collection in this financial year | Annual performance target not achieved | No deviation made from planned target |

Table 13: Additional Performance Information of Sub-programme Performance not contained in the APP

| SUB-PROGRAMME: FINANCE | | | | | | |
|---|-----------------------|----------------------------|---|--|--|--|
| STRATEGIC OBJECTIVE: | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATIONS |
| Establish and maintain policies, operating procedures and reporting standards for effective organisational management and compliance with legislation, policy and good governance frameworks and principles | - | - | Six departmental policies, SOPs and strategies developed, reviewed and approved for implementation by 31 March 2015 | Banking/cash management policy drafted Expenditure Management Policy awaiting approval from Principal. Entertainment and Catering Policy at a draft stage Budget Management Policy awaiting approval from Principal | Target is covered under the report against the target of 21 policies for the department in the first part of this report | Target included in the 21 policies to be reviewed or developed |



| SUB-PROGRAMME: FINANCE | | | | | | |
|------------------------|--|--|--|--|---|---|
| STRATEGIC OBJECTIVE: | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATIONS |
| | Number of NSG employees trained on finance and SCM | Total of 132 officials were trained | Train 100 NSG employees on finance and SCM processes and procedures by 31 March 2015 | Total of 136 employees were trained on finance and SCM | Annual performance target achieved | High uptake of training on this programme |
| | Efficient management of early warning systems (EWS) undertaken monthly | Six EWS reports submitted to NT | Submit monthly EWS report approved by the CFO to NT and quarterly to Minister | Submitted monthly EMP201 (April to March 2015) Interim financial statements (IFS) submitted to NT Submitted monthly EWS (vote and trade) to NT Submitted quarterly report to Minister | Annual performance target achieved | No deviation made from planned target |
| | Number of NSG inventory and asset verification audits conducted in accordance with Treasury Regulations and NSG-internal policies by 31 March 2015 | Four ICT inventory and asset verifications conducted | Undertake eight inventory and asset verification audits by 31 March 2015 | Eight verification audits for inventory and assets performed | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: FINANCE | | | | | | |
|--|---|--|--|---|---|---------------------------------------|
| STRATEGIC OBJECTIVE: | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATIONS |
| Improve fiscal and financial accountability for budgeting, procurement, reporting and compliance | Efficient management of NSG budget and cash flow through quarterly meetings and reporting | During the financial year, one Budget Committee and four Directorate meetings held | Provide monthly expenditure reports and undertake quarterly branch review meetings | One budget and 11 expenditure meetings held and nine reports produced | Annual performance target achieved | No deviation made from planned target |
| | Improved payment of creditors by 31 March 2015 | New performance target for this financial year: | Process payments of creditors within 30 days of date of receipt of valid invoice | All payments made within 30 days of receipt of invoice | Annual performance target achieved | No deviation made from planned target |
| | Percentage compliance with NT requirements on procurement | A compliance of 99.9% with two cases of irregular expenditure identified | Non-cumulative targets of 100% compliance | 100% non-cumulative compliance achieved | Annual performance target achieved | No deviation made from planned target |



2.4.2 PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT

Programme 2: Public Sector Organisational and Staff Development, provides for monthly transfers to augment the TTA. The TTA provides for all activities that directly enable public service training and development.

Programme 2 comprise of the following:

- Training Policy and Planning
- Training Management and Delivery
- Specialised Services

Sub-programme 1: Training Policy and Planning

The Training Policy and Planning sub-programme was established in the structure of the School only in 2013/14. It is currently defined by the key line functions outlined - research and innovation as well as monitoring and evaluation. Additional line functions as earlier planned were not effectively introduced as the complete creation of the business units for curriculum policy and planning, quality assurance policy and planning as well as norms and standards functions was not finalised pending the finalisation of the new NSG strategy.

▪ **Research and Innovation**

The core function of the Research and Innovation Unit is to undertake research that informs the training needs of the client departments, conduct training needs analyses, and assist with best benchmarking practices. These entail conducting broad research studies into the nature of the South African State, and its character and attributes towards informing capacity development for improved service delivery.

▪ **Monitoring and Evaluation**

The core function of the Monitoring and Evaluation Unit is to conduct monitoring and evaluation of the NSG capacity-building interventions and their impact on service delivery.

The Training Policy and Planning sub-programme is a new creation in the School. While currently defined by the key line functions outlined above, additional line functions will be introduced to strengthen the curriculum and quality assurance, policy and planning functions, as well as related functions that will strengthen the contribution the School makes in public sector training and development.

Sub-programme 2: Training Management and Delivery

The sub-programme is responsible for the management and delivery of:

▪ **Induction**

The core function of the Induction Unit is to implement programmes that give effect to the induction and orientation of all public servants in line with public service determinations, directives and regulations, Constitutional requirements, the principles of *Batho Pele*, and the values and ethos of the public service. In addition, the unit looks into the preparation of unemployed young graduates for entry into the public service.

▪ **Leadership**

The core function of the Leadership Unit is to develop public servants into leaders who care, serve and deliver. This unit builds leadership capacity across all in the public service. Its approach is grounded in distributed leadership at all performer levels. Leadership development and support will include training programmes on effective leadership in the public service, mentoring and coaching, workshops and seminars.

▪ **Management**

The core function of the Management Unit is to provide training that focuses on technical skills for generic management competencies. These cover: financial management; human resource management; project management; supply chain management; monitoring and evaluation; planning; and organisation design.

▪ **Administration**

The core function of the Administration Unit is to provide training that improves the administrative capacity of the state, for which there has been repeated calls for improvement. The NSG will focus on: communications; customer service; writing skills; etiquette; protocol and diplomacy; and office administration.

▪ **Technical Support**

The core function of the Technical Support Unit is to support the abovementioned four units with training delivery logistics management, including the following: management of training schedules, learner registrations, learner records, recruitment of trainers and management of strategic relations.

▪ **Marketing**

The core function of the marketing unit is to focus on responsive delivery of training through appropriate branding, reputation management, effective marketing and client relations support services. It ensures that opportunities for training and development are proactively made known to public servants across government.

Sub-programme 3: Specialised Services

The sub-programme focuses on the specialised and transversal support competencies that are core to the NSG as defined through functions of the business units listed below:

▪ **Curriculum Design**

The core function of the Curriculum Design Unit is to manage the curriculum development cycle of programmes and courses covering the spectrum of induction,

leadership, management and administration. Capacity gaps identified during training needs analyses will inform the curriculum design processes and course (and programme) development.

▪ **Quality Assurance**

The core function of the Quality Assurance Unit is to enhance the credibility of NSG courses and resultant training. All NSG programmes and courses – whether credit bearing or not – shall be subjected to rigorous quality assurance processes.

▪ **Accreditation**

The core function of the Accreditation Unit is to increase available accredited programmes and courses (although not at the expense of non-credit-bearing professional development programmes) that are linked to targeted qualifications on the NQF.

▪ **E-learning**

The core function of the e-Learning Unit is to explore and implement modes of training delivery that take advantage of new and existing technologies beyond traditional face-to-face, classroom-based training.

**Table 14: Performance by Sub-Programme: Training Policy and Planning**

| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|--|--|---|--|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Develop capacity and capability in all public sector institutions to effectively diagnose and analyse needs, plan, monitor and evaluate learning and development | Diagnostic analysis framework developed within a set of norms and standards for training and support to public sector institutions and implemented quarterly | Moratorium was placed on the filling of all vacancies – no further activities occurred in the establishment of these two chief directorates | Develop a diagnostic analysis framework within a set of norms and standards for training and support to public sector institutions | Integrated Research and Training Needs Analysis framework emerging from inputs from stakeholders and strategic documents developed and implemented | Annual performance target achieved | No deviation made from planned target |
| Design and implement an M&E framework and system that supports the continuous development of programmes and services of the School based on reliable evidence, organisational outcomes and impact on improved public service | Reviewed, approved and implemented M&E framework and system in place by 31 March 2015 | New performance target for this financial year. | Review and implement current M&E framework and system for revised implementation | The M&E policy framework was approved by the Principal and implemented in this financial year | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|---|---|---|---|--|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Number of on-site monitoring and evaluation assessments undertaken by 31 March 2015 | During the financial year, 62 on-site evaluations undertaken. The on-site evaluations relate to programmes including: Khaedu, CIP, EDP, EMDP, job evaluation, mentoring and coaching in the public service. A total of 62 reports produced and distributed. Additionally, 20 facilitators observed during onsite evaluations | Monitor and evaluate 80 NSG training interventions through on-site evaluations annually | During the financial year, 62 on-site evaluations undertaken. The on-site evaluations relate to programmes including: <ul style="list-style-type: none"> Project Khaedu: Methods perspectives ToT for CIP Modules 2 and 3 (Levels 1 – 12) Bid committees (PFMA) Workshop on disability Organisational design Assessor training Contract management (PFMA) | Annual performance target not achieved | Set annual target of 62 not achieved due to capacity constraints |

| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|---|-----------------------|----------------------------|------------------------|---|---|----------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | | | | <ul style="list-style-type: none"> ▪ Use of indicators for managing performance in government ▪ FMDP block 2 ▪ EDP: research methodology ▪ PILIR ▪ Basic project management ▪ Advanced project management ▪ Basic Project Management ▪ Quantitative Research methods <p>A total of 62 reports produced and distributed to relevant stakeholders</p> | | |

| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|--|--|--|---|---|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Develop and implement an NSG-wide knowledge and information management strategy, making the NSG a knowledge hub for public service learning and development programmes and related information resources | Approved and implemented knowledge and information management strategy and system implemented by 31 March 2015 | New performance target for this financial year | Develop the knowledge and information management strategy, and determine ICT capability to support implementation | Final strategy development process continues – and preliminary progress and results are good The terms of reference for KM audit and strategy completed and potential suppliers requested to provide quotations First request for service providers to bid unsuccessful as bids too expensive. After a second call for quotes, a service provider appointed | Annual performance target not achieved | Strategy development process not yet completed |

| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|---|--|--|---|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Quality and up-to-date materials and information managed through the NSG resource centre quarterly | New performance target for this financial year | Update NSG resource centre materials and content for internet-based information portals and website | <p>A total of 87 books ordered and received by library.</p> <p>Subscription to the Emerald and Sabinet databases completed.</p> <p>A Juta legal workshop organised and hosted at the NSG.</p> <p>Programme and exhibition organised as part of Library Week</p> <p>Additional performance:</p> <p>On the basis of specifications for a library management system (LMS), SITA provided quote that was accepted. The process of acquiring the system has begun</p> | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|--|--|--|---|---|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Design and implement a programme of applied research to support the achievement of the national Learning and Development Strategy (NLDS) and the NSG's overall purpose | Programme of applied research developed and implemented by 31 March 2015 | New performance target for this financial year | Develop and design a programme with input from key roleplayers, secure support from HEIs and senior officials, and provide training in research methods and data analysis | Research agenda developed based on the strategic framework for research at the NSG Case study workshop held with inputs from HEIs as well as senior officials from other departments | Annual performance target achieved | No deviation was made from the planned target |

| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|---|-----------------------|----------------------------|------------------------|---|---|----------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | | | | <p>Working relationship established with WITS University and the University of Limpopo on legislature programme.</p> <ul style="list-style-type: none"> As a result of the research project a viable relationship exists with the legislative sector Framework document including research agenda with priority projects developed to guide research approach - <p>Relationships with HEIs improved in the execution of research projects</p> | | |

| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|---|--|--|--|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Number of research projects undertaken to support the achievement of the NLDS by 31 March 2015 | New performance target for this financial year | Three quality research reports produced and disseminated | <p>SOPSA report produced and tabled at the AMDIN workshop. Report will be reworked depending on Africa-wide progress with the greater SOPSA project</p> <p>Final report on base line study conducted for the legislative sector, presented to Parliament and submitted to legislative sector. Final report contained comprehensive TNAs and profiling documents.</p> <p>Comprehensive report on compulsory induction programme finalised to inform policy development and further rollout of induction programme</p> | Annual performance target achieved | No deviation made from planned target |



| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|---|--|---|--|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Number of research roundtable discussions held during the year; developing a culture of scholarship, enquiry and lifelong learning as well as creation of knowledge management hub | A roundtable discussion on leadership organised with academic guests and senior management Research colloquium hosted with external and internal stakeholders. | Four roundtable discussions held to stimulate debate, insight and understanding of NSG agenda and focus based on topics for discussions identified each year | Four research colloquia hosted Two case study workshops hosted with HEIs and other roleplayers International case study colloquium held on 4 February 2015 | Annual performance target achieved | No deviation made from planned target |

Table 15: Additional Performance Information of Sub-programme Performance not contained in the APP

| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|---|---|--|--|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Design and implement M&E framework and system that supports continuous development of programmes and services of the School based on reliable evidence, organisational outcomes and impact on improved public service | 100% of training interventions monitored by 31 March 2015 | facilitator and participant evaluation (FPEs) received for REQs generated and distributed to the relevant NSG chief directorates | FPE reports developed for all NSG training interventions | 100% of training interventions monitored Quarterly report on IICs developed | Annual performance target achieved | No deviation made from planned target |
| | M&E services provided to internal and external stakeholders | New performance target being for this financial year: | Four quarterly integrated feedback (QIF) sessions | All QIF sessions conducted | Annual performance target achieved | No deviation made from planned target |



| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|---|--|--|---|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Conduct research and development annually through a research programme to support the achievement of the NLDS and NSG's overall purpose | Number of research papers presented at conferences and prepared for publication to contribute to learning, development, and knowledge creation and dissemination | <p>Four research papers presented</p> <p>Roundtable discussion on leadership organised with academic guests and senior management</p> <p>Research colloquium hosted with external and internal stakeholders</p> <p>Two articles published in academic journals:</p> <ul style="list-style-type: none"> ▪ The state of the state ▪ Regional leadership <p>One article and one chapter awaiting publication</p> <p>Four papers delivered at national and international conferences</p> | Three research papers presented at conferences and two prepared for publication to contribute to knowledge creation and dissemination | <p>Presentation made at the DPSA Public Service Research Forum</p> <p>Paper on leadership delivered at a panel during the AMCHAM and GIBS Summit on Youth and Leadership Development</p> <p>Paper on 'The role of CIP trainers in building capacity for higher productivity in the public sector' delivered in Kimberley and Bloemfontein</p> <p>Paper on The triangular roles of CIP trainers in service delivery pursuit: approaches and essential ingredients' delivered in Mpumalanga and Eastern Cape</p> | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|--|---|---|--|---|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Develop and implement NSG-wide knowledge and information management strategy making the NSG a knowledge hub for public service learning and development programmes and related information resources | Allocation of human and other resources to ensure implementation of knowledge and information management strategy to begin by 31 March 2015 | New performance target for this financial year. | Required resources for implementation of the knowledge and information management strategy allocated | <p>Progress with HR and appointment processes</p> <p>Moratorium lifted by MPSA and position of Deputy Director: Knowledge Management (KM) advertised.</p> <p>Shortlisting process for appointing Deputy Director: Knowledge Management completed.</p> <p>The position Director: KM and Library not advertised as the job evaluation process is in progress.</p> <p>One intern was allocated to the position Chief Director: Research and Innovation</p> | Annual performance target achieved | No deviation made from planned target |



| SUB-PROGRAMME: TRAINING POLICY AND PLANNING | | | | | | |
|--|--|--|--|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Percentage user satisfaction improvement with knowledge and information provided by NSG to stakeholders, measured quarterly | New performance target for this financial year | An 80% satisfaction response rate to user satisfaction survey | Daily services to NSG library users were provided and managed and monitored by library staff User satisfaction survey finalised | Annual performance target achieved | No deviation made from planned target |
| Develop capacity and capability in all public sector institutions to effectively diagnose and analyse needs, and plan, monitor and evaluate learning and development | Annual analysis of learning and development trends and results dissemination to inform the research programme, marketing strategy and planning of NSG programmes | New performance target for this financial year | Annual analysis of learning and development trends and results dissemination to inform the research programme, marketing strategy and planning of NSG programmes | Study completed on CIP and the LCBP programmes | Annual performance target achieved | No deviation made from planned target |
| Assess the impact (application of learning - ALS) of training interventions undertaken on individuals and their organisations | Number of programmes assessed to measure the impact (ALS) of training interventions on individuals and their organisations, by 31 March 2015 | Two programmes were assessed (Khaedu and SCM) and reports produced | Assess the impact (ALS) of three NSG programmes | Three application of learning studies of three NSG programmes completed Final ALS reports produced | Annual performance target achieved | No deviation made from planned target |

Table 16: Performance Information of Sub-Programme: Training Delivery and Management

| SUB-PROGRAMME: TRAINING DELIVERY AND MANAGEMENT | | | | | | |
|--|---|---|--|--|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Determine, recruit and manage a team of internal and external facilitators, technical specialists and subject-matter experts (SMEs) to implement training programmes in line with capacity requirements of the NDP | Approved and implemented policy for on-board training capacity by 31 March 2015 | New performance target for this financial year | Develop and implement a policy related to on-board training capacity in line with the NLDS | Consulted with relevant stakeholders, meeting the DPSA, PSETA and the GIZ (the donor) to develop the policy and project charter | Annual target not achieved | Consultation on the current draft policy took longer than expected |
| | Number of on-board technical specialised and SMEs, training facilitators, moderators and assessors contracted and professionalised by 31 March 2015 | Recruit, contract and professionalise 500 on-board training facilitators, moderators and assessors by 31 March 2014 | Recruit, contract and professionalise 500 on-board technical specialised and SMEs, training facilitators, moderators and assessors | A total of 77 facilitators, assessors and SMEs oriented for the delivery of EMDP and AMDP A total of 251 trainers/specialists professionalised In addition, 128 prospective facilitators and SMEs recruited, oriented and/or developed, as well as 210 internal trainers for the CIP | Annual performance target achieved | No deviation made from planned target |



| SUB-PROGRAMME: TRAINING DELIVERY AND MANAGEMENT | | | | | | |
|---|---|---|---|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Effectively implement the NSG curriculum, programmes and services, as specified in NLDS within all public sector institutions, to achieve identified learning outcomes and impact on organisational performance | Number of persons trained on all NSG programmes and in line with the NLDS by 31 March 2015 | Trained a total of 33 295 persons in all NSG programmes | Train a total of 46 800 persons on all NSG training programmes | Trained a total of 38 307 persons in all NSG programmes (82% achieved) | Annual performance target not achieved | Low uptake of courses |
| Effective and appropriate use of e-learning in the provision of learning and development programmes and services | Number of on-board training facilitators, moderators and assessors contracted and professionalised to implement e-learning methodology by 31 March 2015 | A total of 720 trained - 500 below contracted plan | Determine capacity and technology needs necessary for full implementation of e-learning methodology | A total of 210 internal trainers contracted and professionalised as on-board training facilitators, moderators and assessors for the CIP across government departments | Annual performance target not achieved | No deviation made from planned target |

| SUB-PROGRAMME: TRAINING DELIVERY AND MANAGEMENT | | | | | | |
|---|---|---|---|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Percentage of programmes identified for offering through the e-learning platform with established communities of practice in support the achievement of the NLDS by 31 March 2015 | New performance target for this financial year. | Identify new programmes/ courses to be made available through e-learning (to be determined in line with NLDS) | Undertook 20 e-learning interventions | Annual performance target not achieved | No clear measurable target set |
| Roll-out CIP annually per job category and adapted to sector for new entrants through effective facilitation by experts | Number of new entrants enrolled for CIP annually per job category and adapted to sector through effective facilitation by experts | A total of 7 703 new public servants undergoing training aligned to CIP | Enrol 20 000 new public servants on CIP | A total of 14 055 enrolled for programme (70% achievement) | Annual performance target not achieved | Low uptake of training programme |
| | Quality reports produced annually for the MPSA on the rollout of CIP, determined through quarterly reporting | Four reports developed | Implement and undertake annual reporting on CIP to the MPSA | All quality reports produced annually for the MPSA on rollout of CIP | Annual performance target achieved | No deviation made from planned target |



| SUB-PROGRAMME: TRAINING DELIVERY AND MANAGEMENT | | | | | | |
|---|--|---|--|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Percentage of new entrants commencing with CIP training within 2 months from acceptance of their bookings, measured on a quarterly basis | This is a new performance target being reported on in this financial year. | Within two month of acceptance of bookings 80% of new officials per quarter began training | All trainees commenced their training programmes within two months of acceptance of their bookings | Annual performance target achieved | No deviation made from planned target |
| Determine mechanisms to support the present and future needs of a professional and responsive public sector | Number of unemployed youth graduates orientated through the Breaking Barriers to Entry (BB2E) programme and measured through attendance of formal training, by 31 March 2015 | A total of 3 183 unemployed youth graduates orientated through the BB2E programme | Orientate 2 500 unemployed youth graduates through BB2E programme | A total of 1 670 unemployed youth graduates orientated through BB2E programme and measured through attendance of formal training | Annual performance target not achieved | Low uptake of training programme |

| SUB-PROGRAMME: TRAINING DELIVERY AND MANAGEMENT | | | | | | |
|---|---|---|---|---|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Percentage of unemployed youth graduates trained in BB2E absorbed into public sector employment by 31 March 2015 and measured quarterly | A total of 1 178 learners were trained in NARYSEC project, and will be absorbed in this project | Track progress of graduates; (20% unemployed youth graduates trained and absorbed into public sector employment) | Of 1 670 unemployed graduates trained, 4.3% of interns secured jobs in national departments and 6.24% of interns secured in provinces Database compilation not finalised | Annual performance target not achieved | A database of the BB2E alumni will be compiled, kept and updated to account for all learners who have gone through the programme. Reporting on their absorption into the public service or private sector will be done quarterly, starting with learners graduating from 2015/16 programme |
| | Formal graduate and cadet recruitment scheme developed and piloted by 31 March 2015 | New performance target for this financial year: | Work with the DPSA to design a formal graduate (internship) and cadet (learnership) recruitment scheme programme to be implemented by departments in attracting and developing young talent | Draft concept document developed, internal consultations begun and G&A session attended where DPSA presented the Graduate Recruitment Scheme (GRS) | Annual performance target not achieved | Graduate internship (and cadet) recruitment scheme was not approved during the financial year under review |



| SUB-PROGRAMME: TRAINING DELIVERY AND MANAGEMENT | | | | | | |
|--|---|---|--|---|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Establish and maintain an integrated training delivery information and records management system, with processes and infrastructure linking all training activities undertaken | Number of training delivery process management modules implemented on the Training Management System (TMS) to improve training functionalities by 31 March 2015 | System improvement modules procured and implemented | At least two training delivery modules (scheduling and events management) implemented and user acceptance testing completed | Two modules of TMS tested at the SITA site TMS project meetings held with SITA to resolve delays | Annual performance target achieved | Target is dependent on modules to be implemented in the financial year (2015-16) |
| | Time taken to issue certificates to learners on completion of examinations or submission of learner portfolio of evidence, measured from date of examinations or submission of learner portfolio of evidence to issuance date | Turnaround time met in accordance with target standards | Issue certificates within three calendar months of completion of examination or submission of learner portfolios of evidence | Although in the first biannual (first and second quarters), there was a delay - in the last biannual the NSG issued certificates within the expected time lines, and in some instances with even shorter delivery times | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: TRAINING DELIVERY AND MANAGEMENT | | | | | | |
|--|---|---|--|---|---|-----------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Number of call centre bookings confirmed from departments where diagnostics have been completed, measured quarterly | New performance target for this financial year. | Track SLAs and call centre bookings (combination of national and provincial departments) from departments where diagnostics have been completed Diagnostics and training reports available from July 2014 | A total of 7 253 quotations were issued and 3 362 bookings were confirmed - a conversion rate of 46% SLA signed with NT for the rollout of the SCOA and ERF for practitioners accredited Memorandum of agreement (MOA) signed with AGSA | Annual performance target not achieved | Achievement rate shortfall of 54% |
| Convene knowledge sharing opportunities and interventions for leadership development | Number of knowledge sharing opportunities created by 31 March 2015 | New performance target for this financial year. | Convene four seminar series as part of knowledge sharing opportunities | Not reported | Not reported | Not reported |

**Table 17: Additional Performance Information of Sub-programme Performance not contained in the APP**

| SUB-PROGRAMME: TRAINING DELIVERY AND MANAGEMENT | | | | | | |
|--|--|--|---|---|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Establish and maintain an integrated training delivery information and records management system, with processes and infrastructure linking all training activities undertaken | Number of training delivery process management modules implemented on the TMS to improve training functionalities by 31 March 2015 | New performance target for this financial year | Integrated training management and delivery systems (ITMS) | Contact centre staff trained for effective system operation and pilot project initiated and completed | Annual performance target not achieved | EDUCOS system with one sectoral and one provincial academy not yet implemented |
| | NSG stakeholders managed effectively | New performance target for this financial year | Effective partnerships and communication to stakeholders maintained | Stakeholder database updated, prospectus and course directory developed | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: TRAINING DELIVERY AND MANAGEMENT | | | | | | |
|---|--|--|---|---|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Partnerships and SLAs concluded with departments | This is a new performance target being reported on in this financial year. | Effective partnerships and report on the attainment of all obligations of NSG | SLAs drafted with Ekurhuleni Metropolitan Municipality and Limpopo Provincial Department of Cooperative Governance, Human Settlements and Traditional Affairs (COGHST), Council for Conciliation, Mediation and Arbitration (CCMA) and Gauteng Department of Infrastructure Development | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: TRAINING DELIVERY AND MANAGEMENT | | | | | | |
|---|--|---|---|--|---|---|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Develop and implement research-based marketing and communication strategies and plans | Approved marketing strategy and plan implemented | Marketing strategy developed and implemented | Develop and implement the marketing strategy and annual plan in line with NSG strategy by 31 March 2015 monitored quarterly | Terms of reference drafted for appointment of a service provider | Annual performance target not achieved | Process took longer than anticipated |
| | Percentage service satisfaction with client departments/ learners obtained through surveys, measured quarterly | New performance target for this financial year. | Surveys return an 80 % satisfaction rate for learning programmes among NSG client departments and learners | Pilot survey of course coordinators in national and provincial departments conducted | Annual performance target not achieved | Service satisfaction with client departments/ learners obtained through surveys successfully conducted only by the last quarter |

| SUB-PROGRAMME: TRAINING DELIVERY AND MANAGEMENT | | | | | | |
|--|--|---|--|---|---|--|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Convene the annual Government Leadership Summit (GLS) as orientation training for executive office bearers in the government and update on public sector learning and development priorities | Success of 2014 national GLS measured by percentage attendance of heads of national and provincial departments | New performance target for this financial year: | Host 2014 national GLS supported by provincial GLS and leadership seminars | Deffered as a result of organisational reprioritisation | Not reported | Target deffered as a result of organisational reprioritisation |
| | Quality of leadership programmes measured by number of programmes reviewed and aligned to NLDS | New performance target for this financial year: | Review existing suite of leadership programmes for content and alignment to NLDS | Not reported | Not reported | Target deffered as a result of organisational reprioritisation |

**Table 18: Performance Information of Sub-programme: Specialised Services**

| SUB-PROGRAMME: SPECIALISED SERVICES | | | | | | |
|--|--|---|--|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Design and develop a curriculum framework, programmes and services for that support government policy and address critical challenges in the public sector | Number of programmes designed, developed and/or reviewed to support the achievement of NLDS by 31 March 2015 | Six programmes/ courses designed, developed, and/or reviewed -finance management and budgeting; review to CIP ,module 4; mentoring support for supervisors; support for the transfer of learning; reorientation programme, and citizen-centred service delivery | Design, develop and/ or review curriculum of six programmes/ courses | <p>Three new programmes/ courses completed</p> <ul style="list-style-type: none"> ▪ CIP levels 13-14Lead facilitator development programme for reorientation ▪ Lead facilitator development programme for citizen centred service delivery <p>Eighteen programmes reviewed:</p> <ul style="list-style-type: none"> ▪ SCOA ▪ Gender mainstreaming ▪ Diversity management ▪ PAJA ▪ Anti-corruption L4 ▪ Anti-corruption L5 ▪ Ethics | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: SPECIALISED SERVICES | | | | | | |
|-------------------------------------|-----------------------|----------------------------|------------------------|---|---|----------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | | | | <ul style="list-style-type: none"> Disability management for public service Breaking barriers to entry into public service Excellent customer care Grievance and disciplinary action procedures Human resource M&E Investigating and presiding skills Induction to HR management in the public service Use of HR management information Developing HRD implementation plans for public service | | |



| SUB-PROGRAMME: SPECIALISED SERVICES | | | | | | |
|-------------------------------------|-----------------------|----------------------------|------------------------|---|---|----------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | | | | <ul style="list-style-type: none"> Recruitment and selection in the public service Strategic HR planning for the achievement of organisational results. Training of trainers programme for public service Executive Development Programme (EDP) | | |

| SUB-PROGRAMME: SPECIALISED SERVICES | | | | | | |
|-------------------------------------|--|---|---|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | Number of programmes quality assured to support achievement of NLDS by 31 March 2015 | <p>During this financial year, 15 NSG programmes quality assured:</p> <ul style="list-style-type: none"> ▪ Policy formulation and implementation ▪ Job evaluation panel ▪ Communication and citizen focused strategies ▪ Strategic planning and annual performance planning ▪ Citizen centred service delivery ▪ CIP modules 1 and 5 approved ▪ Strategic sourcing modules ▪ Mentoring skills for supervisors | Quality assurance of eight NSG programmes to ensure credibility and quality of programmes | <p>Fourteen NSG programmes quality assured to ensure credibility and quality as follows:</p> <ul style="list-style-type: none"> ▪ Mentoring skills for supervisors ▪ Support for the transfer of learning ▪ Introduction to asset ,management ▪ Labour relations for managers in the public service ▪ HR policy development ▪ Job evaluation follow up ▪ Job evaluation initial ▪ Job evaluation panel ▪ SCOA | Annual performance target achieved | No deviation made from planned target |



| SUB-PROGRAMME: SPECIALISED SERVICES | | | | | | |
|-------------------------------------|--|---|--|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | | <ul style="list-style-type: none"> Public service reorientation programme PILLIR Generic orientation on HR strategic framework EDP financial management and budgeting Mentoring skills for supervisors programme Support for the transfer of learning programme Generic orientation on HR strategic frameworks | | <ul style="list-style-type: none"> LFDP: CCSD LFDP: RoP Excellent customer service CIP levels 13 and 14 Disability management in public service | | |
| | Approved curriculum and prospectus designed and published (hard and soft copies) and managed quarterly | New performance target for this financial year: | Publish annual curriculum and prospectus for NSG | Prospectus developed and published also posted on NSG internet | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: SPECIALISED SERVICES | | | | | | |
|--|---|--|--|---|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| Effective and appropriate use of e-learning in the provision of learning and development programmes and services | Number of e-learning interventions with established communities of practice undertaken by 31 March 2015 | During the year, 18 e-learning interventions developed to support and enhance learning. These are Fully technology-mediated: strategic sourcing; execution (draft); HR performance support tool; introduction to M&E in the public sector | Undertake 15 e-learning interventions with established communities of practice | Undertook 20 e-learning interventions: <ul style="list-style-type: none"> Fully technology mediated courses Basic project management for the public service Contract management (MFMA) Demand management Detecting and combating bid rigging | Annual performance target achieved | No deviation made from planned target |

| SUB-PROGRAMME: SPECIALISED SERVICES | | | | | | |
|-------------------------------------|-----------------------|---|------------------------|--|---|----------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | | Community of practice: financial and SCM network for Bid committees (PFMA and MFMA); budget analysis; budget formulation; contract management; introduction to asset management; SCM for the public service; DSD human resources consultative forum member network; GITOC KIM & research standing committee member forum; fatherhood strategy learning network; state academies forum | | <ul style="list-style-type: none"> ▪ Departmental induction for the Department of Minerals and Energy (pilot) ▪ Introduction to Microsoft Office web apps ▪ Make the switch to: <ul style="list-style-type: none"> - MS Office 2013 - Outlook 2013 - Access 2013 - Excel 2013 - PowerPoint 2013 - Word 2013. | | |

| SUB-PROGRAMME: SPECIALISED SERVICES | | | | | | |
|-------------------------------------|-----------------------|--|------------------------|--|---|----------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| | | Resource materials: CIP participant CD with instructional video clips to use Cornerstone; CIP participant CD with instructional video clips to use Moodle; CIP participant CD with collated and indexed resources for modules 1 2 3 4 and 5; e-learning course materials and end-user support materials re-developed for delivery on a new e-learning platform | | Online COPs: <ul style="list-style-type: none"> ▪ Basic project management ▪ Designing curriculum and learning materials for the public sector ▪ Developing HRD implementation plans for the public sector ▪ Disability management in the public sector ▪ Assessor training ▪ Moderator training AMDP (administrative site for learners) | | |

| SUB-PROGRAMME: SPECIALISED SERVICES | | | | | | |
|--|---|----------------------------|---|--|---|---------------------------------------|
| STRATEGIC OBJECTIVE | PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2013/14 | PLANNED TARGET 2014/15 | ACTUAL ACHIEVEMENT 2014/15 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/15 | COMMENT ON DEVIATION |
| NSG status as an accredited training provider maintained | Status of the NSG as an accredited training provider as well as accreditation of training programmes are monitored and quarterly records maintained | | Ensure training provider status is maintained | NSG accredited by QCTO on 7 November 2014 as a skills development provider NSG accredited by QCTO on 23 February 2015 as an assessment centre on Facilitated process with PSETA and QCTO for CIP learner achievement as part of monitoring and maintenance of the NSG as an accredited provider. Supported the review of two QMS policies in line with QCTO model | Annual performance target achieved | No deviation made from planned target |

2.5 TRANSFER PAYMENTS

Transfer payments were made from the vote to TTA for R49 million (2013/14), compared to R52 million (2012/13).

2.6 CONDITIONAL GRANTS

The NSG received no conditional grants in this financial year

2.7 DONOR FUNDS

The following projects were approved and implemented in 2014/15. Of note is that the Regional Capacity Building Project with support from the Canadian International Development Agency (CIDA) was concluded in this financial year under review and the project close-out audit was completed successfully.

Table 19: Donor Projects for 2014-15

| DONOR PROJECTS FOR 2014-15 BUDGET CYCLE | | | |
|---|---|---|---|
| PROJECT NAME AND DONOR | OBJECTIVE/AIM OF PROJECT | PROGRESS/STATUS | AMOUNT SPEND |
| EU Dialogue Facility in kind contribution from EU | The EU Dialogue Facility aims to provide a structured dialogue programme for learning and the exchange of experience where the NSG can interact with peer institutions from Africa and Europe | <p>EU Dialogue Facility approved on 25 June 2014.</p> <p>Based on terms of reference submitted by the NSG for most suitable partners for collaboration, a delegation from the NSG visited government training institutions during the first week of December 2014 in Latvia, Ireland and France.</p> <p>The three countries reciprocated to participate on a case study and organisation development workshop hosted by the NSG on 5 and 6 February 2015.</p> | 40 000 Euros was spent (at 28 February the exchange rate was R13.05 to the Euro, which amounts to R411 204) |



| DONOR PROJECTS FOR 2014-15 BUDGET CYCLE | | | |
|---|---|--|--|
| PROJECT NAME AND DONOR | OBJECTIVE/AIM OF PROJECT | PROGRESS/STATUS | AMOUNT SPEND |
| EU Technical Support | The objective of this assignment is to ensure quality and credible learning offered by the NSG with an increased focus on e-learning to meet growing learning development needs | <p>EU Technical Support for strengthening e-learning at the NSG started on 23 June 2014.</p> <p>A broader ICT strategy for learning has been developed to have ICT integrated for all learning modalities.</p> <p>The Student Information System (SIS) and Enterprise Content Management (ECM) system for the NSG have been documented with specifications required for developing these systems viewed as an important part of the integrated learning system at the NSG.</p> | 108 200 Euro (at 28 February the exchange rate was R13.05 to the Euro, which amounts to R 1 112 310) |
| Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) | <p>The Public Service Reform Programme (PSRP) was implemented as the Human Capacity Development Programme (HCDP). This ended in April 2014.</p> <p>The objective of the Government Support Programme (GSP2013 - 2016) is to improve public institutions' service delivery</p> | <p>Key deliverables finalised by end March 2014 under the HCDP.</p> <ul style="list-style-type: none"> Trainer Capacity Development Programme Customisation of Moodle as part of the learning management system through e-learning platform, business process mapping and barcoding to promote integration and an improved training system. | Estimated in kind contribution at R 900,000.00 |

PART C

Governance





PART C: GOVERNANCE

3.1 INTRODUCTION

The NSG has put in place sound approaches, systems and controls contributing to effective management and adherence to corporate governance compliance standards and operational requirements. The Executive and the Audit Committees on quarterly bases monitors the activities of this Department. An annual activity calendar recording key compliance areas for legislative and regulatory prescripts governing its operations is centrally managed.

The NSG started with a good base of effective systems of internal control adopted from PALAMA and some improved during the financial year. These are governed primarily by the PFMA, the Public Service Regulations, the ICT Governance Framework, workplace safety, health, environment, risk and quality (SHERQ), the MPAT Monitoring Framework, and standards for accreditation of learning programmes and for accreditation of the NSG as a recognised training and development institution. Based on these and benchmarking on best practice, the NSG has a number of operational policies and SOP documents covering various internal operational areas, including monitoring and evaluation of departmental activities and performance reporting. Good governance oversight is also effective, based on the role played by Internal Audit, Audit Committee, External Audit, Risk Management Committee (RMC), engagements with the Parliamentary Portfolio Committee on Public Service and Administration and reports to the Executive Authority and NT. The NSG gives high regard to effective management of its resources and remains committed to carrying out its mandate in a responsive manner to all its stakeholders.

3.2 RISK MANAGEMENT

The NSG has a risk management policy and strategy document annually revised consideration by the Audit Committee and final approval by the Principal of the School. This is the Enterprise Risk Management Framework that outlines the risk management approach followed by the department, combining efforts by NSG management and staff, the RMC, Internal Audit and Audit Committee, in identifying strategic and operational risks that could impede organisational performance. Through these efforts, mitigation strategies are developed and implemented to combat risks that could impact negatively on the image and reputation of the department and to mitigate its vulnerability to fraud and corruption. Primary focus for risk management in this financial year has been on departmental strategic risks, IT risks and operational risks.

During the period under review, the NSG conducted two workshops, one to reassess its risk, update its strategic risk register, aligning it to the 2014/15 annual performance plan, and analyse risks associated with organisational changes introduced during the financial year and one IT risk assessment workshop.

The RMC continues to be chaired by an external member (non-executive). During its three meetings during the year, the RMC focused on key risk areas and risk mitigation measures. The current composition of the RMC is by official appointments from NSG management made by the Accounting Officer and an additional member from the Audit Committee. In addition to the formally appointed members, there are standing invitees to RMC meetings, selected from management and based on the risk management focus areas for each meeting for the year. The Audit Committee has independently monitored the effectiveness of the system of risk management within the NSG by reviewing the reports and minutes of the RMC. Training opportunities are organised for RMC members and risk champions to ensure their diligence in risk management.

3.3 FRAUD AND CORRUPTION

The department has a zero-tolerance policy and practice against fraud. The Fraud Policy and Prevention Plan available to all staff cover an action response framework for combating fraud in the department, promote employee vigilance in fraud identification and reporting and provide guidelines on the handling of fraud-related reports and investigations. The Plan was reviewed during the financial year. The department also conducted a self-assessment against the anti-corruption capacity requirement guidelines used to assess all departments in 2009/10 to ascertain improvements made considering the changing context of the NSG's business environment. The department had no fraud and corruption cases reported against its employees or service providers in this financial year.

3.4 MINIMISING CONFLICT OF INTEREST

The NSG identifies the following areas as high risk for potential conflict of interest and has the following measures to combat risk:

- SCM requires that practitioners: (i) Should declare any business, commercial and financial interest or activities undertaken for financial gain. (ii) Should not place themselves under any financial or other obligation to outside individuals that might seek to influence them in the performance of their official duties. (iii) Should not take improper advantage of their previous office after leaving their official duties.

Furthermore, any official who participates in either bid evaluation or bid adjudication is required to declare any interest on matters serving before such committees. Senior management members of the department filed their financial disclosures, and notices were sent out to remind those who ought to make submissions to the executive authority to approve their remunerated activities outside their workplace (RWOPS), to

make their submissions. During the financial year under review, no conflict of interest relating to SCM activities was identified. To strengthen governance in the functioning of bid specification, bid evaluation and bid adjudication committees, terms of reference for these committees were reviewed and documented during this financial year.

3.5 CODE OF GOOD CONDUCT

In terms of Public Service Regulations (PSR), responsibility is placed on the employer, namely the executives and management at all levels, to create an appropriate environment in which values are established and exemplary models are set for all employees. This is to ensure that high standards of professional ethics, integrity and impartiality are promoted and maintained in the department as expected for the public service in general. Equally, all employees in the department have the responsibility to comply with the prescribed code of conduct in their own conduct, in their relationship with others and in managing employer information to which they have access. The code for the department forms the main basis for proactive, corrective and disciplinary action. On appointment, all new employees are familiarised with the contents of the code to ensure that this is known by and accessible to all employees. The code document is available on the departmental intranet and is supported by orientation sessions held periodically.

Breach of the code is taken seriously and departmental policy will apply in such cases. In case of any grievance/dispute, employees are guided in terms of the grievance procedure contained in Section 35 of the Public Service Act, read with rules and regulations for dealing with complaints and grievances of officials in the public service.

3.6 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The SHERP was implemented during the financial year. The Principal is the Chief Safety, Health, Environment and Risk Programme Officer in terms of section 16.1 of the Occupational Health and Safety Act, 1993 (Act No 85 of 1993). The delegations



required in terms of the Act were also issued. The programme includes a safety plan, policy, administrative and operational requirements relating to the establishment of the Occupational Health and Safety Committee, and emergency procedures relating to evacuation, bomb threats and any emergencies implemented. Safety, health and risk audits were also conducted during the period under review.

3.7 PORTFOLIO COMMITTEES

Engagement workshops were held with the Portfolio Committee on Public Service and Administration in September 2014 for the presentation of the strategic plan and annual plan and readiness plan to deliver on our mandate, and in October 2013 for presentation of the 2013/14 Annual Report. Issues raised by the committee were addressed with follow-up written responses and provision of documents required.

3.8 SCOPA RESOLUTIONS

The department had no appearances at SCOPA or related notices in this financial year.

3.9 PRIOR MODIFICATIONS TO AUDIT REPORTS

Complete at final audit stage.

3.10 INTERNAL CONTROL UNITS

The institution has outsourced its internal audit function to PricewaterhouseCoopers (PwC) with the aim of gradually building Internal Audit capacity. An Internal Audit position has been filled and the Internal Auditor is qualified to conduct *ad hoc* audits under the supervision of the Chief Internal Audit from PwC. The Audit Committee approved the Internal Audit Operational Plan for 2014/15 and it was fully implemented, with only one Internal Audit assignment not implemented as approved by the Audit Committee. This

project was linked to the changeover from PALAMA to the NSG, and was later realised to be not of priority, with new projects identified instead. In line with the Annual Internal Audit plan for the year, Internal Audit focus was on training management, performance information management *ad hoc* review, petty cash management, follow-up audit and the two projects that replaced the change management project – these being the CAATS review testing a match between NSG employees and services suppliers, and tracking and assessment of management of NSG intellectual properties inventory. The Chief Internal Audit meets with the Auditor General and the Chair of the Audit Committee as required, at various points of their audits, during the year.

3.11 INTERNAL AUDIT AND AUDIT COMMITTEE

3.11.1 Internal Audit

The purpose of the Internal Audit function is to provide independent, objective assurance and consulting services that are designed to add value and improve the operations of the department. This function helps the department to accomplish its objectives and translate them to operational activities by bringing a systematic and disciplined approach in evaluating and improving the effectiveness of risk management, control and governance processes. Internal Audit has unrestricted access to all functions, records, property and personnel of the department and the Audit Committee. Adequate resources are allocated annually to the Internal Audit three-plan review. As the function is outsourced to PwC, minimum capacity support staff are required within the department. Internal Audit reports administratively to the Accounting Officer, supported by the Deputy Director-General responsible for corporate governance within the department and functionally to the Audit Committee. In carrying out audits, Internal Audit follows a risk-based audit approach, which emphasises the identification and prioritisation of risks and testing of controls over key risk areas. The approach combines two types of audit engagements, namely assurance and consulting (advisory)

services. When conducting its work or assigned tasks, Internal Audit is guided by the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing and the Code of Ethics, published by the Institute of Internal Auditors and complies with the relevant sections in the PFMA and related Treasury Regulations.

3.11.2. Audit Committee

The Audit Committee is an independent body that reports to the Accounting Officer through its Chairperson. The overall objective of the Audit Committee is to assist in ensuring that effective organisational management and control measures are applied by Executive Management to discharge duties relating to:

- Safeguarding of assets
- Adequate operation of procedures and controls
- Financial reporting process
- Performance information management
- System of internal control over financial reporting
- Audit process
- Departmental processes for monitoring compliance with laws and regulations and the code of conduct

The Audit Committee is also responsible for reviewing the financial information and preparation of the Annual Financial Statements and Performance Information reports, as required by the PFMA and related Treasury Regulations. The Audit Committee does not perform any management functions or assume any management responsibilities, but functions as an objective and independent oversight committee, making recommendations to the Accounting Officer for his/her approval or final decision. Overall, the Audit Committee executes its responsibilities through close liaison and communication with management, and internal and external auditors and, where it deems it necessary, engages with the Executive Authority

3.12 AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present its report for the financial year ended 31 March 2015 in terms of the Public Finance Management Act 1 of 1999 section 38 (1) a, 76 (4d) and 77 (PFMA as well as National Treasury Regulation 3.1.11

Audit Committee Members and Attendance

The Audit Committee consists of the members listed below, four of whom are independent members in line with good corporate governance practice. The committee meets at least four times a year as per its approved terms of reference. During the year under review, the committee held meetings. The following is a schedule of members and attendance record for meetings.

Table 20: Audit Committee Members

| NAME OF MEMBER | NUMBER OF MEETINGS | NO OF MEETINGS ATTENDED | NOTES |
|-------------------------|--------------------|-------------------------|-------------|
| Ms S Hari (Chairperson) | 4 | 4 | - |
| Ms F Zwane | 4 | 2 | - |
| Mr J Maboja | 4 | 4 | - |
| Mr C Malemone | 3 | 3 | - |
| Prof S Mollo | 4 | 3 | End of term |



Audit Committee Responsibility

The Audit Committee reports that it complied with its responsibilities guided by the Public Finance Management Act 1 of 1999 section 38 (1) a, 76 (4d) and 77 as well as National Treasury Regulations 3.1.1.1. The Committee, furthermore, adopted appropriate formal terms of reference outlined in its Charter and also conducted its affairs in compliance with this Charter.

Effectiveness of Internal Control

The system of internal control applied by the NSG over financial and risk management is effective, efficient and transparent.

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit and management, who are responsible for the development and maintenance of internal control and good governance systems, provide reports to the Audit Committee to give assurance on the appropriateness and effectiveness of measures in place or the development of new measures.

During the year, the Committee addressed risk management, performance information reporting, financial information reporting, compliance environment, internal auditing, and fraud and investigations reporting legal matters, and also engaged with the Audit General's reports for the NSG.

The role played by the Committee was instrumental in identifying corrective actions and providing guidance on necessary enhancements to the controls and processes that affect departmental compliance, risk and performance environment as well as responsibilities that the NSG has to its external environment.

The Committee is satisfied that the NSG's assets are safeguarded and that liabilities and working capital are well managed. From the various reports from the internal auditors, the Audit Report on the Annual Financial Statements and the management report of the Auditor General South Africa, it is noted that no matters were reported that

indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, it can be reported that the system of internal control over financial reporting for the period under review was efficient and effective.

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

The Audit Committee is satisfied that there have been no material findings on the usefulness and reliability of the reported performance information for the selected programmes.

Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor General South Africa and the Accounting Officer;
- Reviewed the Auditor General South Africa's management report and management's response thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed the department's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Committee generally concurs with and accepts the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted, read together with the report of the Auditor-General South Africa.

Internal Audit

The Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the department in its audits. The Internal Audit Plan was approved for this financial year and is closely monitored by the Audit Committee.

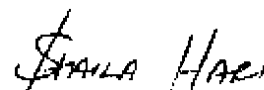
Meeting with the Auditor General South Africa

The Committee met with the Auditor General of South Africa to ensure that there are no unresolved issues.

Closure

The Committee wishes to thank Prof Lekoa Mollo, Principal of the NSG, whose term of office ended at closure of this financial year under review. We would like to express appreciation for his leadership and support during his five-year term and wish him well in his new endeavour. The Committee also welcomes Prof. Richard Levin and congratulates him on his appointment as the Principal of the NSG with effect from June 2015. Appreciation and gratitude for service rendered also goes to all executive managers and staff members of the NSG for their efforts in diligently implementing the NSG's mandate in their different roles.

Our efforts are combined to strive towards excellence to learn, grow and serve, and have resulted in the department receiving an unqualified audit report for the 2014/15 financial year:



Ms S Hari

Chairperson of the Audit Committee

31 July 2015



PART D

Human Resources Management



PART D: HUMAN RESOURCES OVERSIGHT REPORT

4.1 EXPENDITURE

The NSG budget provides for clearly defined programmes. The tables below summarises the final audited expenditure on personnel by programme and by salary band. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowners' allowances and medical aid.

Table 21: Personnel expenditure by programme for the period 1 April 2014 to 31 March 2015

| PROGRAMME | TOTAL EXPENDITURE | PERSONNEL EXPENDITURE | TRAINING EXPENDITURE | PROFESSIONAL AND SPECIAL SERVICES EXPENDITURE | PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE | AVERAGE PERSONNEL COST PER EMPLOYEE |
|------------------|-------------------|-----------------------|----------------------|---|---|-------------------------------------|
| | (R'000) | (R'000) | (R'000) | (R'000) | | (R'000) |
| Vote Programme 1 | 78 299 | 36 958 | 863 | 11 745 | 47% | 467 |
| Vote Programme 2 | 55 597 | - | - | - | - | - |
| NSG TTA | 145 352 | 61 255 | 295 | 40 369 | 42% | 542 |
| Total | 279 248 | 98 213 | 1 158 | 52 114 | 42% | 512 |

Table 22: Personnel costs by salary band for the period 1 April 2014 to 31 March 2015

| SALARY BAND | PERSONNEL EXPENDITURE | % OF TOTAL PERSONNEL COST | AVERAGE PERSONNEL COST PER EMPLOYEE |
|--|-----------------------|---------------------------|-------------------------------------|
| | R'000 | | R'000 |
| Senior management (levels 13 – 16) | 41 591 | 42% | 1 094 |
| Highly skilled supervision (levels 9 – 12) | 33 121 | 34% | 526 |
| Highly skilled production (levels 6 – 8) | 19 795 | 20% | 291 |
| Skilled (levels 3 – 5) | 3 706 | 4% | 161 |
| Lower skilled (levels 1 – 2)) | - | - | - |
| Total | 98 213 | 100% | 512 |

Table 23: Salaries, overtime, homeowners' allowance and medical aid by programme for the period 1 April 2014 to 31 March 2015

| PROGRAMME | SALARIES | | OVERTIME | | HOME OWNERS ALLOWANCE | | MEDICAL AID | |
|------------------|----------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|
| | AMOUNT (R'000) | SALARIES AS A % OF PERSONNEL COSTS | AMOUNT (R'000) | OVERTIME AS A % OF PERSONNEL COSTS | AMOUNT (R'000) | HOA AS A % OF PERSONNEL COSTS | AMOUNT (R'000) | MEDICAL AID AS A % OF PERSONNEL COSTS |
| Vote Programme 1 | 24 998 | 25% | 25 | 0% | 572 | 1% | 1 102 | 1% |
| Vote Programme 2 | - | - | - | - | - | - | - | - |
| NSG TTA | 41 392 | 42% | - | - | 988 | 1% | 1 479 | 2% |
| Total | 66 390 | 68% | 25 | 0% | 1 560 | 2% | 2 581 | 3% |

**Table 24: Salaries, overtime, homeowners' allowance and medical aid by salary band for the period 1 April 2014 to 31 March 2015**

| SALARY BAND | SALARIES | | OVERTIME | | HOME OWNERS ALLOWANCE | | MEDICAL AID | |
|--|----------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|
| | AMOUNT (R'000) | SALARIES AS A % OF PERSONNEL COSTS | AMOUNT (R'000) | OVERTIME AS A % OF PERSONNEL COSTS | AMOUNT (R'000) | HOA AS A % OF PERSONNEL COSTS | AMOUNT (R'000) | MEDICAL AID AS A % OF PERSONNEL COSTS |
| Senior management (levels 13-16) | 25 177 | 26% | - | - | 443 | 0% | 368 | 0% |
| Highly skilled supervision (levels 9-12) | 24 300 | 25% | - | - | 235 | 0% | 759 | 1% |
| Highly skilled production (levels 6-8) | 14 442 | 15% | 10 | 0% | 724 | 1% | 1 241 | 1% |
| Skilled (levels 3-5) | 2 471 | 3% | 15 | 0% | 158 | 0% | 213 | 0% |
| Total | 66 390 | 68% | 25 | 0% | 1 560 | 2% | 2 581 | 3% |

4.2 EMPLOYMENT AND VACANCIES

The tables in this section summarise employment and vacancies.

The following tables summarise the number of posts in the establishment, the number of employees, the vacancy rate, and whether there are any staff who are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post in the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 25: Employment and vacancies by programme at 31 March 2015

| PROGRAMME | NUMBER OF POSTS ON APPROVED ESTABLISHMENT | NUMBER OF POSTS FILLED | VACANCY RATE | NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT |
|--------------|---|------------------------|--------------|---|
| Programme 1 | 90 | 79 | 12.2% | 6 |
| Programme 2 | 137 | 113 | 17.5% | - |
| Total | 227 | 192 | 15.4% | 6 |

**Table 26: Employment and vacancies by salary band at 31 March 2015**

| SALARY BAND | NUMBER OF POSTS ON APPROVED ESTABLISHMENT | NUMBER OF POSTS FILLED | VACANCY RATE | NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT |
|-----------------------------------|---|------------------------|--------------|---|
| Senior management (13-16) | 50 | 38 | 24% | - |
| Highly skilled supervision (9-12) | 80 | 63 | 21.2% | - |
| Highly skilled production (6-8) | 72 | 68 | 5.6% | - |
| Skilled (3-5) | 25 | 23 | 8% | 6 |
| Total | 227 | 192 | 15.4% | 6 |

Table 27: Employment and vacancies by critical occupations at 31 March 2015

| CRITICAL OCCUPATION | NUMBER OF POSTS ON APPROVED ESTABLISHMENT | NUMBER OF POSTS FILLED | VACANCY RATE | NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT |
|---|---|------------------------|--------------|---|
| Management and general support staff- (Chief Financial Officer) SR Level 14 | 1 | 1 | 0% | - |
| Management and general support staff - (Director: Knowledge Management) SR Level 13 | 1 | 0 | 100% | - |
| Management and general support staff - (Deputy Director: KM) SR Level 11 | 1 | 0 | 100% | - |
| Information technology and related personnel – SR Level 13 | 1 | 1 | 0% | - |
| Information technology and related personnel – SR Level 12 | 2 | 2 | 0% | - |
| Total | 6 | 4 | 33.3% | 0 |

***Notes**

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation:
 - a. in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - b. for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - c. where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - d. in respect of which a department experiences a high degree of difficulty in recruiting or retaining employees.

4.3 FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies relating to members of the SMS by salary level. They also provide information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 28: SMS post information at 31 August 2014

| SMS LEVEL | TOTAL NUMBER OF FUNDED SMS POSTS | TOTAL NUMBER OF SMS POSTS FILLED | % OF SMS POSTS FILLED | TOTAL NUMBER OF SMS POSTS VACANT | % OF SMS POSTS VACANT |
|-------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Principal/Head of Department | | | | | |
| Salary Level 16 | 1 | 1 | 100% | 0 | 0% |
| Salary Level 15 | 3 | 2 | 66.6% | 1 | 33.3% |
| Salary Level 14 | 16 | 15 | 93.8% | 1 | 6.2% |
| Salary Level 13 | 30 | 20 | 66.6% | 10 | 33.3% |
| Total | 50 | 38 | 76% | 12 | 24% |



Table 29: SMS post information at 31 March 2015

| SMS LEVEL | TOTAL NUMBER OF FUNDED SMS POSTS | TOTAL NUMBER OF SMS POSTS FILLED | % OF SMS POSTS FILLED | TOTAL NUMBER OF SMS POSTS VACANT | % OF SMS POSTS VACANT |
|-------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Principal/Head of Department | | | | | |
| Salary Level 16 | 1 | 1 | 100% | 0 | 0% |
| Salary Level 15 | 3 | 2 | 66.6% | 1 | 33.3% |
| Salary Level 14 | 16 | 15 | 93.8% | 1 | 6.2% |
| Salary Level 13 | 30 | 20 | 66.6% | 10 | 33.3% |
| Total | 50 | 38 | 76% | 12 | 24% |

Table 30: Advertising and filling of SMS posts for the period 1 April 2014 to 31 March 2015

| SMS LEVEL | ADVERTISING | FILLING OF POSTS | |
|------------------------------|---|---|--|
| | NUMBER OF VACANCIES PER LEVEL ADVERTISED IN SIX MONTHS OF BECOMING VACANT * | NUMBER OF VACANCIES PER LEVEL FILLED IN SIX MONTHS OF BECOMING VACANT | NUMBER OF VACANCIES PER LEVEL NOT FILLED IN SIX MONTHS BUT FILLED IN 12 MONTHS |
| Principal/Head of Department | | | |
| Salary Level 16 | - | - | - |
| Salary Level 15 | 1 | - | - |
| Salary Level 14 | - | - | - |
| Salary Level 13 | 5 | 1 | 1 |
| Total | 6 | 1 | 1 |

***Notes**

The six posts were advertised in the six months after the lifting of the moratorium on filling of vacancies in September 2014.

Table 31: Reasons for not having complied with the filling of funded vacant SMS - advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2014 to 31 March 2015

| REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS |
|--|
| <ul style="list-style-type: none"> A moratorium dated 10 June 2013 was placed on the filling of all vacancies. It was lifted in September 2014 |
| REASONS FOR VACANCIES NOT FILLED WITHIN SIX MONTHS |
| <ul style="list-style-type: none"> The moratorium placed in June 2013 on the filling of all vacancies pending the finalisation of the transformation process. |

Notes

- In terms of the Public Service Regulations Chapter 1 Part VII C.1A.3 departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 32: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months of the period 1 April 2014 to 31 March 2015

| VACANCIES NOT ADVERTISED WITHIN SIX MONTHS |
|---|
| <ul style="list-style-type: none"> Not applicable. See comments under Table 31 |
| VACANCIES NOT FILLED WITHIN SIX MONTHS |
| <ul style="list-style-type: none"> Not applicable. See comments under Table 31 |

Notes

- In terms of the Public Service Regulations Chapter 1 Part VII C.1A.2 departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of Section 16A(1) or (2) of the Public Service Act.



4.4 JOB EVALUATION

Within a nationally determined framework, executive authorities may evaluate or re-evaluate any job in their organisation. In terms of Regulations, all vacancies on salary levels nine and higher must be evaluated before they are filled. The following table 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 33: Job evaluation by salary band for the period 1 April 2014 to 31 March 2015

| SALARY BAND | NUMBER OF POSTS ON APPROVED ESTABLISHMENT | NUMBER OF JOBS EVALUATED | % OF POSTS EVALUATED BY SALARY BANDS | POSTS UPGRADED | | POSTS DOWNGRADED | |
|--|---|--------------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
| | | | | NUMBER | % OF POSTS EVALUATED | NUMBER | % OF POSTS EVALUATED |
| Lower skilled (levels 1-2) | 0 | - | - | - | - | - | - |
| Skilled (levels 3-5) | 25 | - | - | - | - | - | - |
| Highly skilled production (levels 6-8) | 72 | 1 | 1.4% | - | - | - | - |
| Highly skilled supervision (levels 9-12) | 80 | 5 | 6.3% | - | - | - | - |
| Senior Management Service Band A | 30 | 3 | 10% | - | - | - | - |
| Senior Management Service Band B | 16 | - | - | - | - | - | - |
| Senior Management Service Band C | 3 | - | - | - | - | - | - |
| Senior Management Service Band D | 1 | - | - | - | - | - | - |
| Total | 227 | 9 | 4% | 0 | 0 | 0 | 0 |

The following table provides a summary of the number of employees whose 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 34: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 to 31 March 2015

| GENDER | AFRICAN | ASIAN | COLOURED | WHITE | TOTAL |
|-----------------------------|----------|----------|----------|----------|----------|
| Female | - | - | - | - | - |
| Male | - | - | - | - | - |
| Total | 0 | 0 | 0 | 0 | 0 |
| Employees with a disability | | | | | 0 |

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

Table 35: Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2014 to 31 March 2015

| | |
|--|------|
| Total number of employees whose salaries exceeded the grades determined by job evaluation | None |
|--|------|



4.5 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 and critical occupations (see definition in notes below).

Table 36: Annual turnover rates by salary band for the period 1 April 2014 to 31 March 2015

| SALARY BAND | NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-APRIL 2014 | APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT | TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT | TURNOVER RATE |
|--|---|--|--|---------------|
| Lower skilled (levels 1-2) | 0 | 0 | 0 | 0% |
| Skilled (levels 3-5) | 22 | 4 | 2 | 9% |
| Highly skilled production (levels 6-8) | 70 | 2 | 5 | 7.1% |
| Highly skilled supervision (levels 9-12) | 65 | 2 | 4 | 6.2% |
| Senior Management Service Band A | 22 | 1 | 3 | 13.6% |
| Senior Management Service Band B | 15 | 0 | 0 | 0% |
| Senior Management Service Band C | 2 | 0 | 0 | 0% |
| Senior Management Service Band D | 1 | 0 | 0 | 0% |
| Contracts | 0 | 6 | 0 | 0% |
| Total | 197 | 15 | 14 | 7.1% |

Table 37: Annual turnover rates by critical occupation for the period 1 April 2014 to 31 March 2015

| CRITICAL OCCUPATION | NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD - APRIL 2014 | APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT | TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT | TURNOVER RATE |
|---|---|--|--|---------------|
| Management and general support staff - (Chief Financial Officer) SR Level 14 | 1 | - | - | 0% |
| Management and general support staff - (Director: KM) SR Level 13 | 1 | - | 1 | 100% |
| Management and general support staff - (Deputy Director: KM) SR Level 11 | 0 | - | - | 0% |
| Information technology and related personnel – SR Level 13 | 0 | 1 | - | 0% |
| Information technology and related personnel – SR Level 12 | 2 | - | - | 0% |
| Total | 4 | 1 | 1 | 25% |

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty recruiting or retaining employees.



The table below identifies the major reasons why staff left the department.

Table 38: Reasons why staff left the department for the period 1 April 2014 to 31 March 2015

| TERMINATION TYPE | NUMBER | % OF TOTAL RESIGNATIONS |
|--|-----------|-------------------------|
| Death | 0 | 0% |
| Resignation | 2 | 12.5% |
| Expiry of contract | 1 | 12.5% |
| Dismissal – operational changes | 0 | 0% |
| Dismissal – misconduct | 0 | 0% |
| Dismissal – inefficiency | 0 | 0% |
| Discharged due to ill-health | 2 | 12.5% |
| Retirement | 2 | 12.5% |
| Transfer to other public service departments | 9 | 56.3% |
| Other | 0 | 0% |
| Total number of employees who left as a % of total employment | 16 | 8.2% |

Table 19: Promotions by critical occupation for the period 1 April 2014 to 31 March 2015

| | |
|--|------|
| Total number of promotions by critical occupation | None |
|--|------|

Table 39: Promotions by salary band for the period 1 April 2014 to 31 March 2015

| SALARY BAND | EMPLOYEES 1 APRIL 2014 | PROMOTIONS TO ANOTHER SALARY LEVEL | SALARY BANDS PROMOTIONS AS A % OF EMPLOYEES BY SALARY LEVEL | PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL | NOTCH PROGRESSION AS A % OF EMPLOYEES BY SALARY BANDS |
|--|------------------------|------------------------------------|---|---|---|
| Lower skilled (levels 1-2) | 0 | - | - | - | - |
| Skilled (levels 3-5) | 22 | 1 | 4.5% | - | - |
| Highly skilled production (levels 6-8) | 70 | 1 | 1.4% | - | - |
| Highly skilled supervision (levels 9-12) | 65 | - | - | - | - |
| Senior management (levels 13-16) | 40 | - | - | - | - |
| Total | 197 | 2 | 1% | - | - |

4.6 EMPLOYMENT EQUITY

Table 40: Total number of employees (including employees with disabilities) in each of the following occupational categories at 31 March 2015

| OCCUPATIONAL CATEGORY | MALE | | | | FEMALE | | | | TOTAL |
|--|-----------|----------|----------|----------|-----------|-----------|----------|-----------|------------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Legislators, senior officials and managers | 13 | | 2 | 4 | 7 | 3 | 4 | 5 | 38 |
| Professionals | 20 | 2 | 3 | 4 | 23 | 3 | 1 | 7 | 63 |
| Technicians and associate professionals | - | - | - | - | - | - | - | - | 0 |
| Clerks | 22 | 0 | 0 | 1 | 56 | 5 | 1 | 6 | 91 |
| Total | 55 | 2 | 5 | 9 | 86 | 11 | 6 | 18 | 192 |
| Employees with disabilities | 2 | - | 1 | - | 2 | - | 1 | - | 6 |

**Table 41: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2015**

| OCCUPATIONAL BAND | MALE | | | | FEMALE | | | | TOTAL |
|---|-----------|----------|----------|----------|-----------|-----------|----------|-----------|------------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Top management | 2 | - | - | - | 1 | - | - | - | 3 |
| Senior management | 11 | | 2 | 4 | 6 | 3 | 4 | 5 | 35 |
| Professionally qualified and experienced specialists and mid-management | 20 | 2 | 3 | 4 | 23 | 3 | 1 | 7 | 63 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 15 | - | - | 1 | 42 | 3 | 1 | 6 | 68 |
| Semi-skilled and discretionary decision making | 7 | - | - | - | 14 | 2 | - | - | 23 |
| Total | 55 | 2 | 5 | 9 | 86 | 11 | 6 | 18 | 192 |

Table 42: Recruitment for the period 1 April 2014 to 31 March 2015

| OCCUPATIONAL BAND | MALE | | | | FEMALE | | | | TOTAL |
|---|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Top management | - | - | - | - | - | - | - | - | - |
| Senior management | | | 1 | - | - | - | - | - | 1 |
| Professionally qualified and experienced specialists and mid-management | - | - | - | - | 2 | - | - | - | 2 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 1 | - | - | - | 1 | - | - | - | 2 |
| Semi-skilled and discretionary decision making | 5 | - | - | - | 5 | - | - | - | 10 |
| Total | 6 | - | 1 | - | 8 | - | - | - | 15 |
| Employees with disabilities | - | - | - | - | - | - | - | - | 0 |

Table 43: Promotions for the period 1 April 2014 to 31 March 2015

| OCCUPATIONAL BAND | MALE | | | | FEMALE | | | | TOTAL |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Top management | - | - | - | - | - | - | - | - | - |
| Senior management | - | - | - | - | - | - | - | - | - |
| Professionally qualified and experienced specialists and mid-management | - | - | - | - | - | - | - | - | - |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | - | - | - | - | - | - | 1 | - | 1 |
| Semi-skilled and discretionary decision making | - | - | - | - | 1 | - | - | - | 1 |
| Total | - | - | - | - | 1 | - | 1 | - | 2 |
| Employees with disabilities | - | - | - | - | - | - | - | - | 0 |

**Table 44: Terminations for the period 1 April 2014 to 31 March 2015**

| OCCUPATIONAL BAND | MALE | | | | FEMALE | | | | TOTAL |
|---|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Top management | - | - | - | - | - | - | - | - | - |
| Senior management | 1 | - | - | - | 1 | - | - | 1 | 3 |
| Professionally qualified and experienced specialists and mid-management | 2 | - | - | 1 | 1 | - | - | - | 4 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 3 | - | - | - | 2 | - | - | - | 5 |
| Semi-skilled and discretionary decision making | 1 | - | - | - | 1 | - | - | - | 2 |
| Total | 7 | 0 | 0 | 1 | 5 | 0 | 0 | 1 | 14 |
| Employees with disabilities | - | - | - | - | - | - | - | - | 0 |

Table 45: Disciplinary action for the period 1 April 2014 to 31 March 2015

| DISCIPLINARY ACTION | MALE | | | | FEMALE | | | | TOTAL |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Suspension and counselling | - | - | - | 1 | - | - | - | - | 1 |
| Total | - | - | - | 1 | - | - | - | - | 1 |

Table 46: Skills development for the period 1 April 2014 to 31 March 2015

| OCCUPATIONAL CATEGORY | MALE | | | | FEMALE | | | | TOTAL |
|--|-----------|----------|----------|----------|-----------|----------|----------|-----------|------------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Legislators, senior officials and managers | 8 | - | - | 1 | 5 | 1 | 2 | 3 | 20 |
| Professionals | 15 | - | 2 | 1 | 16 | 1 | 1 | 4 | 40 |
| Technicians and associate professionals | | - | - | - | - | - | - | - | - |
| Clerks/administrators | 11 | - | - | - | 32 | 3 | 1 | 4 | 51 |
| Service and sales workers | - | - | - | - | - | - | - | - | - |
| Skilled agriculture and fishery workers | - | - | - | - | - | - | - | - | - |
| Craft and related trades workers | - | - | - | - | - | - | - | - | - |
| Plant and machine operators and assemblers | - | - | - | - | - | - | - | - | - |
| Elementary occupations | 8 | - | - | - | 8 | - | - | - | 16 |
| Total | 42 | 0 | 2 | 2 | 61 | 5 | 4 | 11 | 127 |
| Employees with disabilities | 1 | - | 1 | - | 1 | - | - | - | 3 |



4.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken are presented here.

Table 47: Signing of performance agreements by SMS members at 31 August 2014

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|-------------------------------------|----------------------------------|-----------------------------|---|---|
| Principal/Head of Department | | | | |
| Salary Level 16 | 1 | 1 | 1 | 100% |
| Salary Level 15 | 3 | 2 | 2 | 100% |
| Salary Level 14 | 16 | 15 | 14 | 93.3% |
| Salary Level 13 | 30 | 21 | 19 | 90.5% |
| Total | 50 | 39 | 36 | 92.3% |

Notes

- If a national or provincial election occurs within the first three months of a financial year, all members of the SMS must conclude and sign their performance agreements for that financial year within three months of the elections. In 2014/15, elections took place in May, and, therefore, the reporting date in the heading of the table above changed to 31 August 2014.

Table 48: Reasons for not having concluded performance agreements for all SMS members at 31 August 2014

| REASONS |
|--|
| Two SMS members had labour disputes on their placements and as a result did not conclude their performance agreements. |
| One SMS member on SL 13 did not submit performance agreement due to ill health. |

Table 49: Disciplinary steps taken against SMS members for not having concluded performance agreements at 31 August 2014

| REASONS |
|--|
| No disciplinary action was taken on the two SMS members, due to discussions pending on their placements |
| No disciplinary action needs to be taken on the one SMS member on SL 13 as he retired due to ill health on 31 August 2014. |



4.8 PERFORMANCE REWARDS

To encourage good performance, the department granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 50: Performance rewards by race, gender and disability for the period 1 April 2014 to 31 March 2015

| RACE AND GENDER | BENEFICIARY PROFILE | | | COST | |
|-----------------|-------------------------|---------------------|-------------------------|--------------|---------------------------|
| | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES | % OF TOTAL WITHIN GROUP | COST (R'000) | AVERAGE COST PER EMPLOYEE |
| African | 75 | 141 | 53.2% | 946 | 13 |
| Male | 30 | 55 | 54.5% | 438 | 15 |
| Female | 45 | 86 | 52.3% | 508 | 11 |
| Asian | 7 | 11 | 63.6% | 194 | 28 |
| Male | 2 | 5 | 40% | 51 | 26 |
| Female | 5 | 6 | 83.3% | 143 | 29 |
| Coloured | 3 | 13 | 23% | 72 | 24 |
| Male | 0 | 2 | 0% | 0 | 0 |
| Female | 3 | 11 | 27.3% | 72 | 24 |
| White | 17 | 27 | 62.9% | 337 | 20 |
| Male | 4 | 9 | 44.4% | 107 | 27 |
| Female | 13 | 18 | 72.2% | 230 | 18 |
| Total | 102 | 192 | 53.1% | 1549 | 15 |

Table 51: Performance rewards by salary band for personnel below SMS for the period 1 April 2014 to 31 March 2015

| SALARY BAND | BENEFICIARY PROFILE | | | COST | | TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE |
|--|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES | % OF TOTAL WITHIN SALARY BANDS | TOTAL COST (R'000) | AVERAGE COST PER EMPLOYEE | |
| Lower skilled (levels 1-2) | 0 | - | 0% | - | - | 0% |
| Skilled (levels 3-5) | 9 | 23 | 39.1% | 37 | 4 | 1% |
| Highly skilled production (levels 6-8) | 41 | 68 | 60.3% | 270 | 7 | 1.4% |
| Highly skilled supervision (levels 9-12) | 29 | 63 | 46% | 460 | 16 | 1.4% |
| Total | 79 | 154 | | 767 | 10 | 1.4% |

Table 52: Performance rewards by critical occupation for the period 1 April 2014 to 31 March 2015

| CRITICAL OCCUPATION | BENEFICIARY PROFILE | | | COST | |
|---|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES | % OF TOTAL WITHIN OCCUPATION | TOTAL COST (R'000) | AVERAGE COST PER EMPLOYEE |
| Management and general support staff- (Chief Financial Officer) SR Level 14 | 1 | 1 | 100% | 33 | 33 |
| Management and general support staff- (Director: KM) SR Level 13 | - | - | - | - | - |
| Management and general support staff- (Deputy Director: KM) SR Level 11 | - | - | - | - | - |
| Information technology and related personnel – SR Level 13 | - | 1 | 0% | - | - |
| Information technology and related personnel – SR Level 12 | - | 2 | 0% | - | - |
| Total | 1 | 4 | 25% | 33 | 33 |

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty recruiting or retaining employees.

Table 53: Performance-related rewards (cash bonus), by salary band for SMS for the period 1 April 2014 to 31 March 2015

| SALARY BAND | BENEFICIARY PROFILE | | | COST | | TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE |
|--------------|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES | % OF TOTAL WITHIN SALARY BANDS | TOTAL COST (R'000) | AVERAGE COST PER EMPLOYEE | |
| Band A | 13 | 20 | 65% | 418 | 32 | 1.1% |
| Band B | 10 | 15 | 66.6% | 364 | 36 | 1.1% |
| Band C | - | 2 | 0% | - | - | - |
| Band D | - | 1 | 0% | - | - | - |
| Total | 23 | 38 | 60.5% | 782 | 34 | 1.2% |

4.9 FOREIGN WORKERS

The NSG employed no foreign workers during this financial year.

4.10 LEAVE UTILISATION

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

Table 54: Sick leave for the period 1 January 2014 to 31 December 2014

| 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) |
|---|--------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Skilled (levels 3-5) | 120 | 51% | 9 | 40.9% | 7.5 | 55 548.83 |
| Highly skilled production (levels 6-8) | 796 | 27% | 71 | 104% | 8.9 | 306 192.9 |
| Highly skilled supervision (levels 9 -12) | 619 | 55% | 64 | 1.6% | 10.3 | 249 278.26 |
| Top and senior management (levels 13-16) | 403 | 61% | 36 | 92.3% | 24.5 | 92 879.31 |
| Total | 1 938 | 45% | 180 | 9.2% | 9.2 | 703 899.3 |

Table 55: Disability leave for the period 1 January 2014 to 31 December 2014

| SALARY BAND | TOTAL DAYS | % DAYS WITH MEDICAL CERTIFICATION | NUMBER OF EMPLOYEES USING DISABILITY LEAVE | % OF TOTAL EMPLOYEES USING DISABILITY LEAVE | AVERAGE DAYS PER EMPLOYEE | ESTIMATED COST (R'000) |
|--|------------|-----------------------------------|--|---|---------------------------|------------------------|
| Skilled (levels 3-5) | 0 | | 0 | 0% | 0 | |
| Highly skilled production (levels 6-8) | 19 | 100% | 2 | 9% | 10.5 | 18 789.78 |
| Highly skilled supervision (levels 9-12) | 77 | 100% | 3 | 4.4% | 3.8 | 116 968.45 |
| Senior management (levels 13-16) | 373 | 100% | 4 | 6.5% | 1.0 | 673.20 |
| Total | 469 | 100% | 9 | 4.7% | 1.9 | 206 041.98 |



The table below summarises the use 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 on termination of service.

Table 56: Annual leave for the period 1 January 2014 to 31 December 2014

| SALARY BAND | TOTAL DAYS TAKEN | NUMBER OF EMPLOYEES USING ANNUAL LEAVE | AVERAGE PER EMPLOYEE |
|--|------------------|--|----------------------|
| Skilled (levels 3-5) | 412 | 16 | 27.7 |
| Highly skilled production (levels 6-8) | 2 523 | 78 | 32.3 |
| Highly skilled supervision (levels 9-12) | 1 724 | 62 | 27.8 |
| Senior management (levels 13-16) | 969 | 42 | 23.07 |
| Total | 5628 | 198 | 28.42 |

Table 57: Capped leave for the period 1 January 2014 to 31 December 2014

| | |
|---|------|
| Total number of employees using capped leave | None |
|---|------|

The following table summarises payments made to employees for leave that was not taken.

Table 58: Leave payouts for the period 1 April 2014 to 31 March 2015

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|--|----------------------|---------------------|------------------------------|
| Leave pay-out due to non-use of leave for the 2014 cycle | 0 | 0 | 0 |
| Current leave pay-out on termination of service for 2014 | 96 322.51 | 3 | 32 107.50 |
| Capped leave pay-out on termination of service for 2014 | 0 | 0 | 0 |
| Total | 96 | 3 | 32 |

4.11 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

No units or categories of employees were identified to be at high risk of contracting HIV and related and it was, therefore, not necessary to take specific steps to reduce the risk of occupational exposure.

Table 59: Steps taken to reduce the risk of occupational exposure

| UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV AND RELATED DISEASES (IF ANY) | KEY STEPS TAKEN TO REDUCE THE RISK |
|--|------------------------------------|
| | None |

Table 60: Details of health promotion and HIV/AIDS programmes

| 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 I of the Public Service Regulations, 2001? If so, provide her/his name and position. | ✓ | | Ms NC Siwisa, Director: HRM & D |
| 2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of employees? If so, indicate the number of employees who are involved in this task and the annual budget available for the purpose. | ✓ | | Two staff members, funding for projects (R126 455) and annual salaries for and staff members (R742 192). Total budget R868 647 |



| QUESTION | YES | NO | DETAILS, IF YES |
|--|-----|----|--|
| 3. Has the department introduced an employee assistance or health promotion programme for employees? If so, indicate the key elements/services of this programme. | ✓ | | <ul style="list-style-type: none"> Professional support line service via a 24/7/365 call centre Personal counselling (face to face) Life Management™ services - this service includes access to a telephonic Life Management™ service offering information and assistance on legal problems, financial concerns and family matters. A critical incident service HIV/AIDS education, counselling and support Managerial consultancy Online wellness programme (Optimise). Monthly awareness sessions Quarterly health screening |
| 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, provide names of the members of the committee and the stakeholder(s) that they represent. | | X | Wellness matters are discussed as part of the OHS Committee agenda. A wellness committee is proposed. |
| 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. | ✓ | | Developed an HIV/AIDS and TB Operational Plan 2014/15 and implemented the approved SOP for HIV/AIDS, sexually transmitted illnesses (STIs) and TB management. Draft HIV/AIDS Policy in place. |
| 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. | ✓ | | <ul style="list-style-type: none"> HIV/AIDS Operational Plan 2014/15 Advocacy and awareness programmes on key calendar days that focus on HIV issues. |
| 7. Does the department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results achieved. | ✓ | | <ul style="list-style-type: none"> Quarterly VCT) implemented and 22% of staff tested during the reporting period. |

| QUESTION | YES | NO | DETAILS, IF YES |
|--|-----|----|--|
| 8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators. | ✓ | | <ul style="list-style-type: none"> Quarterly and annual reports from the outsourced service providers. Quarterly and annual HIV/Aids Operational Plan report submitted to the DPSA. Quarterly VCT reports submitted to the DPSA |

4.12 LABOUR RELATIONS

No collective agreements were entered into with trade unions in 2014/15. The main focus for consultation within the Departmental Bargaining Chamber (DBC) was on HRM&D policies.

Table 61: Collective agreements for the period 1 April 2014 to 31 March 2015

| | |
|---------------------------------------|------|
| Total number of collective agreements | None |
|---------------------------------------|------|

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

Table 62: Misconduct and disciplinary hearings finalised for the period 1 April 2014 to 31 March 2015

| OUTCOMES OF DISCIPLINARY HEARINGS | NUMBER | % OF TOTAL |
|-----------------------------------|----------|-------------|
| Correctional counselling | 1 | 50% |
| Verbal warning | - | - |
| Written warning | - | - |
| Final written warning | - | - |
| Suspended without pay | 1 | 50% |
| Fine | - | - |
| Demotion | - | - |
| Dismissal | - | - |
| Not guilty | - | - |
| Case withdrawn | - | - |
| Total | 2 | 100% |

**Table 63: Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 to 31 March 2015**

| TYPE OF MISCONDUCT | NUMBER | % OF TOTAL |
|--------------------|----------|-------------|
| Poor performance | 2 | 100% |
| Total | 2 | 100% |

The following tables summarise the outcome of grievances and disputes lodged, strike actions and precautionary suspensions for the year under review.

Table 64: Grievances logged for the period 1 April 2014 to 31 March 2015

| GRIEVANCES | NUMBER | % OF TOTAL |
|--|----------|-------------|
| Number of grievances resolved | 3 | 50% |
| Number of grievances not resolved | 3 | 50% |
| Total number of grievances lodged | 6 | 100% |

Table 65: Disputes logged with councils for the period 1 April 2014 to 31 March 2015

| DISPUTES | NUMBER | % OF TOTAL |
|--|----------|-------------|
| Number of disputes upheld | - | - |
| Number of disputes dismissed | - | - |
| Number of disputes lodged still in process | 2 | 100% |
| Total | 2 | 100% |

Table 66: Strike actions for the period 1 April 2013 to 31 March 2015

| | |
|----------------|------|
| Strike actions | None |
|----------------|------|

Table 67: Precautionary suspensions for the period 1 April 2014 to 31 March 2015

| | |
|--|-----|
| Number of people suspended | 1 |
| Number of people whose suspension exceeded 30 days | 1 |
| Average number of days suspended | 51 |
| Cost of suspension (R'000) | R33 |

4.13 SKILLS DEVELOPMENT

This section highlights the efforts of the department in skills development.

Table 68: Training needs identified for the period 1 April 2014 to 31 March 2015

| OCCUPATIONAL CATEGORY | GENDER | NUMBER OF EMPLOYEES AS AT 1 APRIL 2014 | TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD | | | |
|--|--------|--|--|--|----------------------------|------------|
| | | | LEARNERSHIPS | SKILLS PROGRAMMES AND OTHER SHORT COURSES | OTHER FORMS OF TRAINING | TOTAL |
| Legislators, senior officials and managers | Female | 19 | | 12 | 3 | 15 |
| | Male | 18 | | 17 | 4 | 21 |
| Professionals | Female | 32 | | 20 | 8 | 28 |
| | Male | 35 | | 25 | 6 | 31 |
| Clerks | Female | 62 | | 47 | 15 | 62 |
| | Males | 20 | | 18 | 2 | 20 |
| Elementary occupations | Female | 5 | | 5 | 1 | 6 |
| | Male | 5 | | 5 | 0 | 5 |
| Sub total | Female | 118 | | 92 | 27 | 119 |
| | Male | 78 | | 65 | 12 | 77 |
| Total | | 196 | 0 | 157 | 39 | 196 |



Table 69: Training provided for the period 1 April 2014 to 31 March 2015

| OCCUPATIONAL CATEGORY | GENDER | NUMBER OF EMPLOYEES AS AT 1 APRIL 2014 | TRAINING PROVIDED WITHIN THE REPORTING PERIOD | | | |
|--|--------|--|---|---|-------------------------|------------|
| | | | LEARNERSHIPS | SKILLS PROGRAMMES AND OTHER SHORT COURSES | OTHER FORMS OF TRAINING | TOTAL |
| Legislators, senior officials and managers | Female | 19 | | 11 | 3 | 14 |
| | Male | 18 | | 9 | 4 | 13 |
| Professionals | Female | 32 | | 22 | 3 | 25 |
| | Male | 35 | | 18 | 3 | 21 |
| Clerks | Female | 62 | | 40 | 12 | 52 |
| | Male | 20 | | 11 | 1 | 12 |
| Elementary occupations | Female | 5 | | 8 | 1 | 9 |
| | Male | 5 | | 8 | 0 | 8 |
| Sub total | Female | 118 | | 81 | 19 | 100 |
| | Male | 78 | | 47 | 8 | 55 |
| Total | | 196 | 0 | 127 | 27 | 154 |

4.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 70: Injury on duty for the period 1 April 2014 to 31 March 2015

| NATURE OF INJURY ON DUTY | NUMBER | % OF TOTAL |
|---------------------------------------|----------|------------|
| Required basic medical attention only | 2 | 1% |
| Temporary total disablement | - | - |
| Permanent disablement | - | - |
| Fatal | - | - |
| Total | 2 | 1% |

4.15 USE OF CONSULTANTS

The following tables relate information on the use of consultants in the department. In terms of the Public Service Regulations, 'consultant' means a natural or juristic person or a partnership who or which provides, in terms of a specific contract on an ad hoc basis, any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task that is of a technical or intellectual nature, but excludes an employee of a department.

**Table 71: Report on consultant appointments using appropriated funds for the period 1 April 2014 and 31 March 2015**

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT | DURATION (WORKDAYS) | CONTRACT VALUE IN RAND |
|--|--|---------------------|------------------------|
| Financial consulting | 1 | Ad hoc | 37 631.40 |
| Internal audit services | 1 | Three years | 628 051.74 |
| Training of national and provincial departments and local government | 151 | Ad hoc | 15 687 998.66 |
| IT outsource services | 1 | Ad hoc/daily | 6 021 668.72 |
| Legal services | 1 | | 290 568.85 |

| TOTAL NUMBER OF PROJECTS | TOTAL INDIVIDUAL CONSULTANTS | TOTAL DURATION (WORKDAYS) | TOTAL CONTRACT VALUE IN RAND |
|--------------------------|------------------------------|---------------------------|------------------------------|
| 5 | 164 | Ad hoc and daily | 22 665 919.30 |

Table 72: Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2014 and 31 March 2015

| PROJECT TITLE | PERCENTAGE OWNERSHIP BY HDI GROUPS | PERCENTAGE MANAGEMENT BY HDI GROUPS | NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT |
|---------------|------------------------------------|-------------------------------------|--|
| N/A | N/A | N/A | N/A |

Table 73: Report on consultant appointments using donor funds for the period 1 April 2014 and 31 March 2015

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT | DURATION (WORKDAYS) | DONOR AND CONTRACT VALUE IN RAND |
|---------------|--|---------------------|----------------------------------|
| 0 | | | |

Table 74: Analysis of consultant appointments using donor funds, in terms of HDIs for the period 1 April 2014 and 31 March 2015

| PROJECT TITLE | PERCENTAGE OWNERSHIP BY HDI GROUPS | PERCENTAGE MANAGEMENT BY HDI GROUPS | NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT |
|---------------|------------------------------------|-------------------------------------|--|
| 0 | | | |

4.16 SEVERANCE PACKAGES

No severance packages were granted during the reporting period.



PART E

Financial Information



NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2015

5.1 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 12A: NATIONAL SCHOOL OF GOVERNMENT

Report on the financial statements

Introduction

1. I have audited the financial statements of the National School of Government set out on pages 158 to 202 which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility 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 Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on

Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National School of Government as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

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REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2015

Additional matter

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

Unaudited supplementary schedules

8. The supplementary information set out on pages 203 to 209 does not form part of the financial statements and is presented as additional information. I have not audited these schedule(s) and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2015:

Programme 2: Public Sector Organisational and Staff Development on pages 72 to 106

11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programme.

Additional matter

15. I draw attention to the following matter:

Achievement of planned targets

16. Refer to the annual performance report on pages 45 to 106 for information on the achievement of planned targets for the year.

Compliance with legislation

17. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

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REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2015

Procurement and contract management

18. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.

Expenditure management

19. Effective steps were not taken to prevent irregular expenditure, as required by section 38(1) (c) (ii) of the Public Finance Management Act and Treasury Regulation 9.1.1.

Internal control

20. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on non-compliance with legislation included in this report.

Financial and performance management

21. Management did not adequately review and monitor compliance with applicable laws and regulations.

Auditor-General

Pretoria

31 July 2015



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2015

5.2 NSG VOTE 12(A) ANNUAL FINANCIAL STATEMENTS

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NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

APPROPRIATION STATEMENT
 for the year ended at 31 March 2015

| APPROPRIATION PER PROGRAMME | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| 2014/15 | | | | | | | | 2013/14 | |
| APPROPRIATION STATEMENT | 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 | 82,911 | - | - | 82,911 | 78,293 | 4,618 | 94.4% | 82,922 | 85,622 |
| 2. Public Sector Organisational and Staff Development | 55,597 | - | - | 55,597 | 55,597 | - | 100.0% | 49,000 | 49,000 |
| TOTAL | 138,508 | - | - | 138,508 | 133,890 | 4,618 | 96.7% | 131,922 | 134,622 |
| Reconciliation with statement of financial performance | | | | | | | | | |
| ADD | | | | | | | | | |
| Departmental receipts | | | | | 111 | | | 98 | |
| Aid assistance | | | | | - | | | 18,369 | |
| Actual amounts per statement of financial performance (total revenue) | | | | | 138,619 | | | 150,389 | |
| ADD: Aid assistance | | | | | | - | | | 13,775 |
| Actual amounts per statement of financial performance (total expenditure) | | | | | | 133,890 | | | 148,397 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

APPROPRIATION STATEMENT

for the year ended at 31 March 2015

| APPROPRIATION PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|--|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|---|------------------------|-----------------------|
| 2014/15 | | | | | | | | 2013/14 | |
| | 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 | 80,553 | (2,352) | - | 78,201 | 73,583 | 4,618 | 94.1% | 80,650 | 84,228 |
| Compensation of employees | 45,691 | (4,120) | - | 41,571 | 36,953 | 4,618 | 88.9% | 36,235 | 36,235 |
| Salaries and wages | 45,691 | (8,282) | - | 37,409 | 32,791 | 4,618 | 87.7% | 32,115 | 32,115 |
| Social contributions | - | 4,162 | - | 4,162 | 4,162 | - | 100.0% | 4,120 | 4,120 |
| Goods and services | 34,862 | 1,768 | - | 36,630 | 36,630 | - | 100.0% | 44,415 | 47,993 |
| Administrative fees | 52 | 287 | - | 339 | 339 | - | 100.0% | 598 | 593 |
| Advertising | 637 | 165 | - | 802 | 802 | - | 100.0% | 559 | 559 |
| Minor assets | 424 | (83) | - | 341 | 341 | - | 100.0% | 355 | 355 |
| Audit costs: External | 3,318 | 470 | - | 3,788 | 3,788 | - | 100.0% | 3,621 | 3,621 |
| Bursaries: Employees | 442 | 155 | - | 597 | 597 | - | 100.0% | 513 | 513 |
| Catering: Departmental activities | 237 | (102) | - | 135 | 135 | - | 100.0% | 412 | 250 |
| Communication (G&S) | 1,434 | (530) | - | 904 | 904 | - | 100.0% | 1,106 | 1,074 |
| Computer Services | 1,864 | 1,978 | - | 3,842 | 3,842 | - | 100.0% | 3,979 | 3,979 |
| Consultants: Business and advisory services | 1,081 | 95 | - | 1,176 | 1,176 | - | 100.0% | 1,882 | 8,014 |
| Legal services | 552 | (196) | - | 356 | 356 | - | 100.0% | 349 | 349 |
| Contractors | 698 | (315) | - | 383 | 383 | - | 100.0% | 395 | 367 |
| Agency and support/outsourced services | 10,157 | (327) | - | 9,830 | 9,830 | - | 100.0% | 12,451 | 11,362 |
| Entertainment | 107 | (107) | - | - | - | - | - | 6 | - |
| Fleet services | 501 | (109) | - | 392 | 392 | - | 100.0% | 518 | 518 |
| Inventory: Food and food supplies | 27 | (27) | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 330 | (330) | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 23 | 92 | - | 115 | 115 | - | 100.0% | 180 | 180 |
| Inventory: Medical supplies | 9 | (9) | - | - | - | - | - | 2 | 2 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

APPROPRIATION STATEMENT

for the year ended at 31 March 2015

| APPROPRIATION PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|---|------------------------|-----------------------|
| | 2014/15 | | | | | | | 2013/14 | |
| | 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 |
| Inventory: Other supplies | 81 | (81) | - | - | - | - | - | - | - |
| Consumable supplies | - | 471 | - | 471 | 471 | - | 100.0% | 499 | 869 |
| Consumable: Stationery, printing and office supplies | 1,481 | (525) | - | 956 | 956 | - | 100.0% | 1,129 | 1,190 |
| Operating leases | 4,896 | 1,102 | - | 5,998 | 5,998 | - | 100.0% | 6,550 | 5,584 |
| Property payments | 567 | 2,192 | - | 2,759 | 2,759 | - | 100.0% | 3,311 | 3,311 |
| Travel and subsistence | 2,859 | (1,259) | - | 1,600 | 1,600 | - | 100.0% | 3,442 | 2,902 |
| Training and development | 1,146 | (283) | - | 863 | 863 | - | 100.0% | 1,288 | 1,288 |
| Operating payments | 439 | 421 | - | 860 | 860 | - | 100.0% | 333 | 291 |
| Venues and facilities | 1,500 | (1,377) | - | 123 | 123 | - | 100.0% | 847 | 725 |
| Rental and hiring | - | - | - | - | - | - | - | 90 | 97 |
| Transfers and subsidies | 55,597 | 174 | - | 55,771 | 55,771 | - | 100.0% | 49,024 | 49,024 |
| Departmental agencies and accounts | 55,597 | - | - | 55,597 | 55,597 | - | 100.0% | 49,000 | 49,000 |
| Households | - | 174 | - | 174 | 174 | - | 100.0% | 24 | 24 |
| Payments for capital assets | 2,358 | 1,851 | - | 4,209 | 4,209 | - | 100.0% | 2,248 | 1,370 |
| Machinery and equipment | 2,358 | 1,760 | - | 4,118 | 4,118 | - | 100.0% | 2,241 | 1,363 |
| Transport equipment | - | 663 | - | 663 | 663 | - | 100.0% | 128 | 128 |
| Other machinery and equipment | 2,358 | 1,097 | - | 3,455 | 3,455 | - | 100.0% | 2,113 | 1,235 |
| Software and other intangible assets | - | 91 | - | 91 | 91 | - | 100.0% | 7 | 7 |
| Payments for financial assets | - | 327 | - | 327 | 327 | - | 100.0% | - | - |
| Total | 138,508 | - | - | 138,508 | 133,890 | 4,618 | 96.7% | 131,922 | 134,622 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

APPROPRIATION STATEMENT

for the year ended at 31 March 2015

| DETAIL PER PROGRAMME I – ADMINISTRATION | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2014/15 | | | | | | | | 2013/14 | |
| Programme per sub-programme | 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 Management | 18,509 | (9,905) | - | 8,604 | 6,039 | 2,565 | 70.2% | 13,483 | 17,061 |
| I.2 Corporate Services | 63,835 | 1,716 | - | 65,551 | 63,498 | 2,053 | 96.9% | 60,549 | 59,671 |
| I.3 Property Management | 567 | 8,189 | - | 8,756 | 8,756 | - | 100.0% | 8,890 | 8,890 |
| Total | 82,911 | - | - | 82,911 | 78,293 | 4,618 | 94.4% | 82,922 | 85,622 |

| DETAIL PER PROGRAMME I – ADMINISTRATION | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2014/15 | | | | | | | | 2013/14 | |
| 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 | 80,553 | (2,352) | - | 78,201 | 73,583 | 4,618 | 94.1% | 80,650 | 84,228 |
| Compensation of employees | 45,691 | (4,120) | - | 41,571 | 36,953 | 4,618 | 88.9% | 36,235 | 36,235 |
| Salaries and wages | 45,691 | (8,282) | - | 37,409 | 32,791 | 4,618 | 87.7% | 32,115 | 32,115 |
| Social contributions | - | 4,162 | - | 4,162 | 4,162 | - | 100.0% | 4,120 | 4,120 |
| Goods and services | 34,862 | 1,768 | - | 36,630 | 36,630 | - | 100.0% | 44,415 | 47,993 |
| Administrative fees | 52 | 287 | - | 339 | 339 | - | 100.0% | 598 | 593 |
| Advertising | 637 | 165 | - | 802 | 802 | - | 100.0% | 559 | 559 |
| Minor assets | 424 | (83) | - | 341 | 341 | - | 100.0% | 355 | 355 |
| Audit costs: External | 3,318 | 470 | - | 3,788 | 3,788 | - | 100.0% | 3,621 | 3,621 |
| Bursaries: Employees | 442 | 155 | - | 597 | 597 | - | 100.0% | 513 | 513 |
| Catering: Departmental activities | 237 | (102) | - | 135 | 135 | - | 100.0% | 412 | 250 |
| Communication (G&S) | 1,434 | (530) | - | 904 | 904 | - | 100.0% | 1,106 | 1,074 |
| Computer services | 1,864 | 1,978 | - | 3,842 | 3,842 | - | 100.0% | 3,979 | 3,979 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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APPROPRIATION STATEMENT

for the year ended at 31 March 2015

| DETAIL PER PROGRAMME I – ADMINISTRATION | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | | | 2013/14 | |
| | 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 |
| Consultants: Business and advisory services | 1,081 | 95 | - | 1,176 | 1,176 | - | 100.0% | 1,882 | 8,014 |
| Legal services | 552 | (196) | - | 356 | 356 | - | 100.0% | 349 | 349 |
| Contractors | 698 | (315) | - | 383 | 383 | - | 100.0% | 395 | 367 |
| Agency and support/ outsourced services | 10,157 | (327) | - | 9,830 | 9,830 | - | 100.0% | 12,451 | 11,362 |
| Entertainment | 107 | (107) | - | - | - | - | - | 6 | - |
| Fleet services | 501 | (109) | - | 392 | 392 | - | 100.0% | 518 | 518 |
| Inventory: Food and food supplies | 27 | (27) | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 330 | (330) | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 23 | 92 | - | 115 | 115 | - | 100.0% | 180 | 180 |
| Inventory: Medical supplies | 9 | (9) | - | - | - | - | - | 2 | 2 |
| Inventory: Other supplies | 81 | (81) | - | - | - | - | - | - | - |
| Consumable supplies | - | 471 | - | 471 | 471 | - | 100.0% | 499 | 869 |
| Consumable: Stationery, printing and office supplies | 1,481 | (525) | - | 956 | 956 | - | 100.0% | 1,129 | 1,190 |
| Operating leases | 4,896 | 1,102 | - | 5,998 | 5,998 | - | 100.0% | 6,550 | 5,584 |
| Property payments | 567 | 2,192 | - | 2,759 | 2,759 | - | 100.0% | 3,311 | 3,311 |
| Travel and subsistence | 2,859 | (1,259) | - | 1,600 | 1,600 | - | 100.0% | 3,442 | 2,902 |
| Training and development | 1,146 | (283) | - | 863 | 863 | - | 100.0% | 1,288 | 1,288 |
| Operating payments | 439 | 421 | - | 860 | 860 | - | 100.0% | 333 | 291 |
| Venues and facilities | 1,500 | (1,377) | - | 123 | 123 | - | 100.0% | 847 | 725 |
| Rental and hiring | - | - | - | - | - | - | - | 90 | 97 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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APPROPRIATION STATEMENT

for the year ended at 31 March 2015

| DETAIL PER PROGRAMME I – ADMINISTRATION | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | | | 2013/14 | |
| | 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 |
| Transfers and subsidies to: | - | 174 | - | 174 | 174 | - | 100.0% | 24 | 24 |
| Households | - | 174 | - | 174 | 174 | - | 100.0% | 24 | 24 |
| Payment for capital assets | 2,358 | 1,851 | - | 4,209 | 4,209 | - | 100.0% | 2,248 | 1,370 |
| Machinery and equipment | 2,358 | 1,760 | - | 4,118 | 4,118 | - | 100.0% | 2,241 | 1,363 |
| Transport equipment | - | 663 | - | 663 | 663 | - | 100.0% | 128 | 128 |
| Other machinery and equipment | 2,358 | 1,097 | - | 3,455 | 3,455 | - | 100.0% | 2,113 | 1,235 |
| Software and other intangible assets | - | 91 | - | 91 | 91 | - | 100.0% | 7 | 7 |
| Payments for financial assets | - | 327 | - | 327 | 327 | - | 100.0% | - | - |
| Total | 82,911 | - | - | 82,911 | 78,293 | 4,618 | 94,4% | 82,922 | 85,622 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

APPROPRIATION STATEMENT

for the year ended at 31 March 2015

| I.1 MANAGEMENT | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | | | 2013/14 | |
| | 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 | 18,509 | (10,383) | - | 8,126 | 5,561 | 2,565 | 68.4% | 13,453 | 17,031 |
| Compensation of employees | 9,985 | (4,040) | - | 5,945 | 3,380 | 2,565 | 56.9% | 3,349 | 3,349 |
| Salaries and wages | 9,985 | (4,230) | - | 5,755 | 3,190 | 2,565 | 55.4% | 3,179 | 3,179 |
| Social contributions | - | 190 | - | 190 | 190 | - | 100.0% | 170 | 170 |
| Goods and services | 8,524 | (6,343) | - | 2,181 | 2,181 | - | 100.0% | 10,104 | 13,682 |
| Administrative fees | 8 | 35 | - | 43 | 43 | - | 100.0% | 10 | 5 |
| Advertising | 132 | (132) | - | - | - | - | - | 165 | 165 |
| Minor assets | 5 | (5) | - | - | - | - | - | - | - |
| Catering: Departmental activities | 144 | (124) | - | 20 | 20 | - | 100.0% | 260 | 98 |
| Communication (G&S) | 339 | (186) | - | 153 | 153 | - | 100.0% | 186 | 154 |
| Consultants: Business and advisory services | 773 | (46) | - | 727 | 727 | - | 100.0% | 1,362 | 7,494 |
| Contractors | 85 | (81) | - | 4 | 4 | - | 100.0% | 44 | 16 |
| Agency and support/ outsourced services | 3,077 | (3,034) | - | 43 | 43 | - | 100.0% | 3,285 | 2,196 |
| Entertainment | 6 | (6) | - | - | - | - | - | 6 | - |
| Fleet services | - | 11 | - | 11 | 11 | - | 100.0% | 36 | 36 |
| Inventory: Food and food supplies | 6 | (6) | - | - | - | - | - | - | - |
| Inventory: Other supplies | 13 | (13) | - | - | - | - | - | - | - |
| Consumable supplies | - | 13 | - | 13 | 13 | - | 100.0% | 20 | 390 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

APPROPRIATION STATEMENT

for the year ended at 31 March 2015

| I.1 MANAGEMENT | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | | | 2013/14 | |
| | 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 |
| Consumable: Stationery, printing and office supplies | 147 | (93) | - | 54 | 54 | - | 100.0% | 121 | 182 |
| Operating leases | 1,139 | (1,139) | - | - | - | - | - | 966 | - |
| Travel and subsistence | 1,403 | (348) | - | 1,055 | 1,055 | - | 100.0% | 2,787 | 2,247 |
| Operating payments | - | 58 | - | 58 | 58 | - | 100.0% | 51 | 9 |
| Venues and facilities | 1,247 | (1,247) | - | - | - | - | - | 800 | 678 |
| Rental and hiring | - | - | - | - | - | - | - | 5 | 12 |
| Transfers and subsidies to: | - | 94 | - | 94 | 94 | - | 100.0% | - | - |
| Households | - | 94 | - | 94 | 94 | - | 100.0% | - | - |
| Payment for capital assets | - | 57 | - | 57 | 57 | - | 100.0% | 30 | 30 |
| Machinery and equipment | - | 57 | - | 57 | 57 | - | 100.0% | 30 | 30 |
| Transport equipment | - | 26 | - | 26 | 26 | - | 100.0% | 7 | 7 |
| Other machinery and equipment | - | 31 | - | 31 | 31 | - | 100.0% | 23 | 23 |
| Payments for financial assets | - | 327 | - | 327 | 327 | - | 100.0% | - | - |
| Total | 18,509 | (9,905) | - | 8,604 | 6,039 | 2,565 | 70.2% | 13,483 | 17,061 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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APPROPRIATION STATEMENT

for the year ended at 31 March 2015

| I.2 CORPORATE SERVICES | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2014/15 | | | | | | | | 2013/14 | |
| 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 | 61,477 | (158) | - | 61,319 | 59,266 | 2,053 | 96.7% | 58,307 | 58,307 |
| Compensation of employees | 35,706 | (80) | - | 35,626 | 33,573 | 2,053 | 94.2% | 32,886 | 32,886 |
| Salaries and wages | 35,706 | (4052) | - | 31,654 | 29,601 | 2,053 | 93.5% | 28,936 | 28,936 |
| Social contributions | - | 3,972 | - | 3,972 | 3,972 | - | 100.0% | 3,950 | 3,950 |
| Goods and services | 25,771 | (78) | - | 25,693 | 25,693 | - | 100.0% | 25,421 | 24,421 |
| Administrative fees | 44 | 252 | - | 296 | 296 | - | 100.0% | 588 | 588 |
| Advertising | 505 | 297 | - | 802 | 802 | - | 100.0% | 394 | 394 |
| Minor assets | 419 | (78) | - | 341 | 341 | - | 100.0% | 355 | 355 |
| Audit costs: External | 3 318 | 470 | - | 3,788 | 3,788 | - | 100.0% | 3,621 | 3,621 |
| Bursaries: Employees | 442 | 155 | - | 597 | 597 | - | 100.0% | 513 | 513 |
| Catering: Departmental activities | 93 | 22 | - | 115 | 115 | - | 100.0% | 152 | 152 |
| Communication (G&S) | 1,095 | (344) | - | 751 | 751 | - | 100.0% | 920 | 920 |
| Computer services | 1,864 | 1,978 | - | 3,842 | 3,842 | - | 100.0% | 3,979 | 3,979 |
| Consultants: Business and advisory services | 308 | 141 | - | 449 | 449 | - | 100.0% | 520 | 520 |
| Legal services | 552 | (196) | - | 356 | 356 | - | 100.0% | 349 | 349 |
| Contractors | 613 | (234) | - | 379 | 379 | - | 100.0% | 351 | 351 |
| Agency and support/ outsourced services | 7,080 | 2,707 | - | 9,787 | 9,787 | - | 100.0% | 9,166 | 9,166 |
| Entertainment | 101 | (101) | - | - | - | - | - | - | - |
| Fleet services | 501 | (120) | - | 381 | 381 | - | 100.0% | 482 | 482 |
| Inventory: Food and food supplies | 21 | (21) | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 330 | (330) | - | - | - | - | - | - | - |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

APPROPRIATION STATEMENT

for the year ended at 31 March 2015

| 1.2 CORPORATE SERVICES | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2014/15 | | | | | | | | 2013/14 | |
| 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 |
| Inventory: Materials and supplies | 23 | 92 | - | 115 | 115 | - | 100.0% | 180 | 180 |
| Inventory: Medical supplies | 9 | (9) | - | - | - | - | - | 2 | 2 |
| Inventory: Other supplies | 68 | (68) | - | - | - | - | - | - | - |
| Consumable supplies | - | 458 | - | 458 | 458 | - | 100.0% | 479 | 479 |
| Consumable: Stationery, printing and office supplies | 1,334 | (432) | - | 902 | 902 | - | 100.0% | 1,008 | 1,008 |
| Operating leases | 3,757 | (3,757) | - | - | - | - | - | 5 | 5 |
| Property payments | - | 1 | - | 1 | 1 | - | 100.0% | - | - |
| Travel and subsistence | 1,456 | (911) | - | 545 | 545 | - | 100.0% | 655 | 655 |
| Training and development | 1,146 | (283) | - | 863 | 863 | - | 100.0% | 1,288 | 1,288 |
| Operating payments | 439 | 363 | - | 802 | 802 | - | 100.0% | 282 | 282 |
| Venues and facilities | 253 | (130) | - | 123 | 123 | - | 100.0% | 47 | 47 |
| Rental and hiring | - | - | - | - | - | - | - | 85 | 85 |
| Transfers and subsidies to: | - | 80 | - | 80 | 80 | - | 100.0% | 24 | 24 |
| Households | - | 80 | - | 80 | 80 | - | 100.0% | 24 | 24 |
| Payment for capital assets | 2,358 | 1,794 | - | 4,152 | 4,152 | - | 100.0% | 2,218 | 1,340 |
| Machinery and equipment | 2,358 | 1,703 | - | 4,061 | 4,061 | - | 100.0% | 2,211 | 1,333 |
| Transport equipment | - | 637 | - | 637 | 637 | - | 100.0% | 121 | 121 |
| Other machinery and equipment | 2,358 | 1,066 | - | 3,424 | 3,424 | - | 100.0% | 2,090 | 1,212 |
| Software and other intangible assets | - | 91 | - | 91 | 91 | - | 100.0% | 7 | 7 |
| Total | 63,835 | 1,716 | - | 65,551 | 63,498 | 2,053 | 96.9% | 60,549 | 59,671 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

APPROPRIATION STATEMENT

for the year ended at 31 March 2015

| I.3 PROPERTY MANAGEMENT | | | | | | | | | |
|-------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2014/15 | | | | | | | | 2013/14 | |
| 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 | 567 | 8,189 | - | 8,756 | 8,756 | - | 100.0% | 8,890 | 8,890 |
| Goods and services | 567 | 8,189 | - | 8,756 | 8,756 | - | 100.0% | 8,890 | 8,890 |
| Operating leases | - | 5,998 | - | 5,998 | 5,998 | - | 100.0% | 5,579 | 5,579 |
| Property payments | 567 | 2,191 | - | 2,758 | 2,758 | - | 100.0% | 3,311 | 3,311 |
| Total | 567 | 8,189 | - | 8,756 | 8,756 | - | 100.0% | 8,890 | 8,890 |

| DETAIL PER PROGRAMME 2 – PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2014/15 | | | | | | | | 2013/14 | |
| Programme per sub programme | 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 Augmentation to the Training Trading Account | 55,597 | - | - | 55,597 | 55,597 | - | 100.0% | 49,000 | 49,000 |
| Total | 55,597 | - | - | 55,597 | 55,597 | - | 100.0% | 49,000 | 49,000 |

| DETAIL PER PROGRAMME 2 – PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2014/15 | | | | | | | | 2013/14 | |
| 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 |
| Transfers and subsidies | 55 597 | - | - | 55,597 | 55,597 | - | 100.0% | 49,000 | 49,000 |
| Departmental agencies & accounts | 55,597 | - | - | 55,597 | 55,597 | - | 100.0% | 49,000 | 49,000 |
| Total | 55,597 | - | - | 55,597 | 55,597 | - | 100.0% | 49,000 | 49,000 |

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NOTES TO THE APPROPRIATION STATEMENT

for the year ended at 31 March 2015

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

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

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

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

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in note on Payments for financial assets 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 | R'000 |
| Administration | 82,911 | 78,293 | 4,618 | 5.57% |
| Public Sector Organisational and staff development | 55,597 | 55,597 | - | 0.00% |
| Total | 138,508 | 133,890 | 4,618 | 3.33% |

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NOTES TO THE APPROPRIATION STATEMENT

for the year ended at 31 March 2015

| 4.2 Per Economic classification | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|--------------------------------------|---------------------|--------------------|--------------|--|
| | R'000 | R'000 | R'000 | R'000 |
| Current payments | | | | |
| Compensation of employees | 41,571 | 36,953 | 4,618 | 11.11% |
| Goods and services | 36,630 | 36,630 | 0 | 0.00% |
| Transfers and subsidies | | | | |
| Departmental agencies and accounts | 55,597 | 55,597 | 0 | 0.00% |
| Households | 174 | 174 | 0 | 0.00% |
| Payments for capital assets | | | | |
| Machinery and equipment | 4,118 | 4,118 | 0 | 0.00% |
| Software and other intangible assets | 91 | 91 | 0 | 0.00% |
| Payments for financial assets | 327 | 327 | 0 | 0.00% |
| Total | 138,508 | 133,890 | 4,618 | 3.33% |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended at 31 March 2015

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|---|------|------------------|------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 138,508 | 131,922 |
| Departmental revenue | 2 | 111 | 98 |
| Aid assistance | 3 | - | 18,369 |
| TOTAL REVENUE | | 138,619 | 150,389 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 4 | 36,953 | 36,235 |
| Goods and services | 5 | 36,630 | 47,993 |
| Aid assistance | 3 | - | 13,775 |
| Unauthorised expenditure approved without funding | 9 | - | - |
| Total current expenditure | | 73,583 | 98,003 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 7 | 55,771 | 49,024 |
| Expenditure for capital assets | | | |
| Tangible capital assets | | 4,118 | 1,363 |
| Software and other intangible assets | | 91 | 7 |
| Total expenditure for capital assets | 8 | 4,209 | 1,370 |
| Payments for financial assets | | 327 | - |
| TOTAL EXPENDITURE | | 133,890 | 148,397 |
| SURPLUS FOR THE YEAR | | 4,729 | 1,992 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended at 31 March 2015

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|---|------|------------------|------------------|
| Reconciliation of Net Surplus for the year | | | |
| Voted funds - Annual appropriation | | 4,618 | (2,700) |
| Departmental revenue and NRF Receipts | 1 | 111 | 98 |
| Aid assistance | 3 | - | 4,594 |
| SURPLUS FOR THE YEAR | | 4,729 | 1,992 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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STATEMENT OF FINANCIAL POSITION

for the year ended at 31 March 2015

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Unauthorised expenditure | 9 | 4,875 | 4,875 |
| Cash and cash equivalents | 10 | 373 | 32 |
| Receivables | 11 | 1,915 | 4,369 |
| TOTAL ASSETS | | 7,163 | 9,276 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Voted funds to be surrendered to the Revenue Fund | 12 | 6,793 | 2,175 |
| Departmental revenue to be surrendered to the Revenue Fund | 13 | 2 | 2 |
| Bank Overdraft | 26 | - | 2,586 |
| Payables | 14 | 368 | 295 |
| Aid assistance repayable | 3 | - | 4,218 |
| TOTAL LIABILITIES | | 7,163 | 9,276 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

CASH FLOW STATEMENT

for the year ended at 31 March 2015

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|--|------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 138,588 | 150,389 |
| Annual appropriated funds received | 1 | 138,508 | 131,922 |
| Departmental revenue received | 2.1 | 30 | 62 |
| Interest received | 2.2 | 50 | 36 |
| Aid assistance received | 3 | - | 18,369 |
| Net (increase)/decrease in working capital | | 2,527 | (7,885) |
| Surrendered to Revenue Fund | | (111) | (1,593) |
| Surrendered to RDF Fund/Donor | | (4,218) | (1,438) |
| Current payments | | (73,583) | (93,128) |
| Payment for financial assets | | (327) | - |
| Transfers and subsidies paid | | (55,771) | (49,024) |
| Net cash flow available from operating activities | 15 | 7,105 | (2,679) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 8 | (4,209) | (1,370) |
| Proceeds from sale of capital assets | 2.4 | 31 | - |
| Net cash flows from investing activities | | (4,178) | (1,370) |
| Net increase/(decrease) in cash and cash equivalents | | 2,927 | (4,049) |
| Cash and cash equivalents at beginning of period | | (2,554) | 1,495 |
| Cash and cash equivalents at end of period | 16 | 373 | (2,554) |
| Summary of significant accounting policies | | | |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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ACCOUNTING POLICIES

for the year ended at 31 March 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2 Going concern

The financial statements have been prepared on a going concern basis.

3 Presentation currency

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

4 Rounding

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

5 Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.

6 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7 Revenue**7.1 Appropriated funds**

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

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

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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ACCOUNTING POLICIES

for the year ended at 31 March 2015

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

8 Expenditure**8.1 Compensation of employees****8.1.1 Salaries and wages**

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department.

Accrued expenditure payable is measured at cost.

8.4 Leases**8.4.1 Operating leases**

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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ACCOUNTING POLICIES

for the year ended at 31 March 2015

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9 Aid Assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10 Cash and cash equivalents

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

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

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

11 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

12 Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

13 Investments

Investments are recognised in the statement of financial position at cost.

14 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

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ACCOUNTING POLICIES

for the year ended at 31 March 2015

15 Payables

Loans and receivables are recognised in the statement of financial position at cost.

16 Capital Assets**16.1 Immovable capital assets**

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

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ACCOUNTING POLICIES for the year ended at 31 March 2015

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

17 Provisions and Contingents

17.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there 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 within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash

18 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

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ACCOUNTING POLICIES

for the year ended at 31 March 2015

19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

21 Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is

impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

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ACCOUNTING POLICIES
for the year ended at 31 March 2015

24 Recoverable revenue

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

25 Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.

26 Inventories (*Effective from 1 April 2016*)

At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and replacement value.

NATIONAL SCHOOL OF GOVERNMENT (NSG)
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I. ANNUAL APPROPRIATION

I.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

| | 2014/15 | | | 2013/14 |
|--|------------------------|--------------------------|---|---------------------------|
| | Final Appropriation | Actual Funds Received | Funds not requested/ not received | Appropriation received |
| | R'000 | R'000 | R'000 | R'000 |
| Administration | 82,911 | 82,911 | - | 82,922 |
| Public Sector Organisational and Staff Development | 55,597 | 55,597 | - | 49,000 |
| Total | 138,508 | 138,508 | - | 131,922 |

2. DEPARTMENTAL REVENUE

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|---|------|------------------|------------------|
| Sales of goods and services other than capital assets | 2.1 | 30 | 27 |
| Interest, dividends and rent on land | 2.2 | 50 | 36 |
| Transactions in financial assets and liabilities | 2.3 | - | 35 |
| Sales of capital assets | 2.4 | 31 | - |
| Total revenue collected | | 111 | 98 |
| Less: Own revenue included in appropriation | | - | - |
| Departmental revenue collected | | 111 | 98 |

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| Note | 2014/15 | 2013/14 |
|------|---------|---------|
| | R'000 | R'000 |

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department

Sales by market establishment - parking

Other sales - commission

Sales of scrap, waste and other used current goods

Total

| | |
|-----------|-----------|
| 1 | 2 |
| 27 | 25 |
| 2 | - |
| 30 | 27 |

2.2 Interest, dividends and rent on land

Interest on bank accounts

Total

| | |
|-----------|-----------|
| 50 | 36 |
| 50 | 36 |

2.3 Transactions in financial assets and liabilities

Receipts-Recoverable Revenue of previous year expenditure

Total

| | |
|---|-----------|
| - | 35 |
| | 35 |

2.4 Sales of capital assets**Tangible Assets**

Machinery and equipment

Total

| | |
|-----------|----------|
| 31 | - |
| 31 | - |

3. Aid assistance

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3.1 Aid assistance received in cash from RDP**Foreign**

| Note | 2014/15 R'000 | 2013/14 R'000 |
|-----------------------------|------------------|------------------|
| Opening Balance | 4,218 | 1,062 |
| Revenue | - | 18,369 |
| Current expenditure | - | (13,775) |
| Surrendered to the RDP fund | (4,218) | (1,438) |
| Closing Balance | - | 4,218 |

Analysis of balance

| | | |
|--------------------------------|----------|--------------|
| Aid assistance repayable – RDP | - | 4,218 |
| Closing balance | - | 4,218 |

4. COMPENSATION OF EMPLOYEES**4.1 Salaries and Wages**

| | | |
|----------------------------------|---------------|---------------|
| Basic salary | 24,998 | 23,980 |
| Performance award | 515 | 508 |
| Service Based | 8 | 70 |
| Compensative/circumstantial | 285 | 679 |
| Other non-pensionable allowances | 6,985 | 6,878 |
| Total | 32,791 | 32,115 |

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4.2 Social contributions

Employer contributions

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|--|------|------------------|------------------|
| Pension | | 3,054 | 2,934 |
| Medical | | 1,103 | 1,181 |
| Bargaining council | | 5 | 5 |
| Total | | 4,162 | 4,120 |
| Total compensation of employees | | 36,953 | 36,235 |
| Average number of employees | | 78 | 81 |

5. GOODS AND SERVICES

| | | | |
|---|-----|-------|--------|
| Administrative fees | | 339 | 593 |
| Advertising | | 802 | 559 |
| Assets less than R5,000 | 5.1 | 341 | 355 |
| Bursaries (employees) | | 597 | 513 |
| Catering | | 135 | 250 |
| Communication | | 904 | 1,074 |
| Computer services | 5.2 | 3,842 | 3,979 |
| Consultants: Business and advisory services | | 1,176 | 8,014 |
| Legal services | | 356 | 349 |
| Contractors | | 383 | 368 |
| Agency and support/outsourced services | | 9,830 | 11,361 |
| Audit cost – external | 5.3 | 3,788 | 3,621 |
| Fleet Services | | 392 | 518 |
| Inventory | 5.4 | 115 | 182 |
| Consumables | 5.5 | 1,427 | 2,059 |

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| | Note | 2014/15 R'000 | 2013/14 R'000 |
|--|------|------------------|------------------|
| Operating leases | | 5,998 | 5,584 |
| Property Payments | 5.6 | 2,759 | 3,311 |
| Rental and Hiring | | - | 97 |
| Travel and subsistence | 5.7 | 1,600 | 2,902 |
| Venues and facilities | | 123 | 725 |
| Training and staff development | | 863 | 1,288 |
| Other operating expenditure | 5.8 | 860 | 291 |
| Total | | 36,630 | 47,993 |
| 5.1 Assets less than R5,000 | | | |
| Tangible assets -Machinery and equipment | | 327 | 314 |
| Intangible assets | | 14 | 41 |
| Total | | 341 | 355 |
| 5.2 Computer services | | | |
| SITA computer services | | 1,369 | 1,397 |
| External computer service providers | | 2,473 | 2,582 |
| Total | | 3,842 | 3,979 |
| 5.3 Audit cost – External | | | |
| Regularity audits | | 3,788 | 3,621 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2015

5.4 Inventory

Materials and Supply

Medical supplies

Total

| Note | 2014/15 R'000 | 2013/14 R'000 |
|------|------------------|------------------|
| | 115 | 180 |
| | - | 2 |
| | 115 | 182 |

5.5 Consumables

Household Supplies

Other consumable materials

IT Consumables

Stationery and printing

Total

| | | |
|--|--------------|--------------|
| | 236 | 255 |
| | 165 | 583 |
| | 71 | 31 |
| | 955 | 1,190 |
| | 1,427 | 2,059 |

5.6 Property payments

Municipal services

Property management fees

Other

Total

| | | |
|--|--------------|--------------|
| | 1,899 | 2,420 |
| | 66 | 123 |
| | 794 | 768 |
| | 2,759 | 3,311 |

5.7 Travel and subsistence

Local

Foreign

Total

| | | |
|--|--------------|--------------|
| | 787 | 1,747 |
| | 813 | 1,155 |
| | 1,600 | 2,902 |

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5.8 Other operating expenditure

Professional bodies, membership and subscription fees

Resettlement costs

Other

Total

| Note | 2014/15 R'000 | 2013/14 R'000 |
|------|------------------|------------------|
| | 88 | 4 |
| | - | 16 |
| | 772 | 271 |
| | 860 | 291 |

6. PAYMENTS FOR FINANCIAL ASSETS

Debts Written off

Total

| | | |
|-----|------------|----------|
| 6.1 | 327 | - |
| | 327 | - |

6.1 Debts written off

Other debt written off -DPSA claims written off **

Total

| | | |
|--|------------|----------|
| | 327 | - |
| | 327 | - |

**Claim could not be honoured by DPSA as there was no written agreement.

7. TRANSFERS AND SUBSIDIES

Departmental agencies and accounts

Households

Total

| | | |
|----------|---------------|---------------|
| Annex 1A | 55,597 | 49,000 |
| Annex 1B | 174 | 24 |
| | 55,771 | 49,024 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)
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| <i>Note</i> | 2014/15 | 2013/14 |
|-------------|----------------|----------------|
| | R'000 | R'000 |

8. EXPENDITURE FOR CAPITAL ASSETS

Tangible assets - Machinery and equipment

22.2 4,118 1,363

Software and other intangible assets - Computer software

23.3 91 7

Total

4,209 1,370

8.1 Analysis of funds utilised to acquire capital assets

Voted funds

Tangible assets - Machinery and equipment

22.2 4,118 1,363

Software and other intangible assets - Computer software

23.3 91 7

Total

4,209 1,370

8.2 Finance lease expenditure included in Expenditure for capital assets

Tangible assets

Note 2014/15 2013/14
R'000 R'000

Machinery and equipment

802 176

Total

802 176

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9.1 UNAUTHORISED EXPENDITURE

9.1 Reconciliation of unauthorised expenditure

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|--|------|------------------|------------------|
| Opening Balance | | 4,875 | - |
| Unauthorised expenditure – discovered in current year | | - | 4,875 |
| Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance - Current | | - | - |
| Less: Amounts transferred to receivables for recovery | | - | - |
| Unauthorised expenditure awaiting authorisation/written off | | 4,875 | 4,875 |

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

| | | |
|---------------------------------------|--------------|--------------|
| Current payments – goods and services | 4,875 | 4,875 |
| Total | 4,875 | 4,875 |

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

| | | |
|--|--------------|--------------|
| Unauthorised expenditure relating to overspending of the vote or a main division within the vote | 4,875 | 4,875 |
| Total | 4,875 | 4,875 |

10 CASH AND CASH EQUIVALENTS

| | | |
|--|------------|-----------|
| Consolidated Paymaster General Account | 358 | - |
| Cash on hand | 15 | 32 |
| Total | 373 | 32 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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10. RECEIVABLES

| | Note | Less than one year R'000 | One to three years R'000 | Older than three years R'000 | Total 2014/15 R'000 | Total 2013/14 R'000 |
|-------------------------|------|--------------------------------|--------------------------------|------------------------------------|---------------------------|---------------------------|
| Claims recoverable | 11.1 | 1,867 | - | - | 1,867 | 4,325 |
| Other Debtors | 11.2 | - | 21 | - | 21 | - |
| Recoverable expenditure | 11.3 | 5 | - | - | 5 | - |
| Staff debt | 11.4 | 10 | 12 | - | 22 | 44 |
| Total | | 1,882 | 33 | - | 1,915 | 4,369 |

| Note | 2014/15 R'000 | 2013/14 R'000 |
|------|------------------|------------------|
|------|------------------|------------------|

11.1 Claims recoverable

| | | | |
|----------------------|---------|--------------|--------------|
| National departments | Annex 3 | 93 | 412 |
| Public entities | | 1,774 | 3,913 |
| Total | | 1,867 | 4,325 |

11.2 Other debtors

| | | | |
|-----------------|--|-----------|----------|
| Supplier Debts* | | 21 | - |
| Total | | 21 | - |

*Old debt owed by suppliers handed over to the State Attorneys

11.3 Recoverable expenditure

| | | | |
|------------------------------|--|----------|----------|
| Receivable – salary reversed | | 5 | - |
| Total | | 5 | - |

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| | Note | 2014/15 R'000 | 2013/14 R'000 |
|---|------|------------------|------------------|
| 11.4 Staff debt | | | |
| Loans and expenses recovered | | - | 33 |
| Employee tax recoverable | | 22 | 11 |
| Total | | 22 | 44 |
| 11.5 Impairment of receivables | | | |
| Estimate of impairment of receivables (Ageing older than 1 year) | | 33 | - |
| Total | | 33 | - |
| 12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND | | | |
| Opening balance | | 2,175 | 1,489 |
| Transfer from statement of financial performance | | 4,618 | (2,700) |
| Add: Unauthorised expenditure for current year | | - | 4,875 |
| Paid during the year | | - | (1,489) |
| Closing balance | | 6,793 | 2,175 |
| 13. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND | | | |
| Opening balance | | 2 | 8 |
| Transfer from Statement of Financial Performance | | 111 | 98 |
| Paid during the year | | (111) | (104) |
| Closing balance | | 2 | 2 |

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| | Note | 2014/15 R'000 | 2013/14 R'000 |
|---|--------|------------------|------------------|
| 14. PAYABLES – CURRENT | | | |
| Amounts owing to other entities | Annex4 | 368 | 295 |
| Total | | 368 | 295 |
| 15. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES | | | |
| Net surplus/(deficit) as per Statement of Financial Performance | | 4,729 | 1,992 |
| Add back non cash/cash movements not deemed operating activities | | 2,376 | (4,671) |
| (Increase)/decrease in receivables – current | | 2,454 | (3,275) |
| (Increase)/decrease in prepayments and advances | | - | 126 |
| Increase/(decrease) in payables – current | | 73 | 139 |
| Proceeds from sale of capital assets | | (31) | - |
| Expenditure on capital assets | | 4,209 | 1,370 |
| Surrenders to RDP Fund/Donor | | (4,218) | (1,438) |
| Surrenders to Revenue Fund | | (111) | (1,593) |
| Net cash flow generated by operating activities | | 7,105 | (2,679) |
| 16. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES | | | |
| Consolidated Paymaster General account | | 358 | (2,586) |
| Cash on hand | | 15 | 32 |
| Total | | 373 | (2,554) |
| 17. COMMITMENTS | | | |
| Current expenditure - approved and contracted | | 379 | 1,741 |
| Total Commitments | | 379 | 1,741 |

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18. ACCRUALS

Listed by economic classification

| | >30 days | 30 Days | Total | Total |
|---|----------|--------------|--------------|--------------|
| Goods and services | - | 1,340 | 1,340 | 1,443 |
| Total | - | 1,340 | 1,340 | 1,443 |
| Programme 1 - Administration | | | 1,340 | 1,443 |
| Confirmed balances with other government entities | | | 368 | 295 |

| Note | 2014/15 | 2013/14 |
|------|---------|---------|
| | R'000 | R'000 |

19. EMPLOYEE BENEFITS

| | | |
|-----------------------------------|--------------|--------------|
| Leave entitlement | 1,502 | 1,241 |
| Service bonus (Thirteenth cheque) | 1,094 | 998 |
| Capped leave commitments | 1,038 | 1,028 |
| Performance awards * | 425 | 932 |
| Total | 4,059 | 4,199 |

* Included in this amount is the pay progression for the past three years owed to certain senior employees.

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20. LEASE COMMITMENTS

20.1 Finance leases expenditure

| 2014/15 | Vehicles | Machinery and equipment | Total |
|--|--------------|-------------------------|--------------|
| | R'000 | R'000 | R'000 |
| Not later than 1 year | 845 | 1,581 | 2,426 |
| Later than 1 year and not later than 5 years | 837 | 320 | 1,157 |
| Total lease commitments | 1,682 | 1,901 | 3,583 |

| 2013/14 | Vehicles | Machinery and equipment | Total |
|--|--------------|-------------------------|--------------|
| | R'000 | R'000 | R'000 |
| Not later than 1 year | 783 | 1,569 | 2,352 |
| Later than 1 year and not later than 5 years | 1,276 | 1,648 | 2,924 |
| Total lease commitments | 2,059 | 3,217 | 5,276 |

| Note | 2014/15 | 2013/14 |
|------|---------|---------|
| | R'000 | R'000 |

21. IRREGULAR EXPENDITURE

21.1 Reconciliation of irregular expenditure

| | | |
|---|----------|----------|
| Opening balance | - | 67 |
| Add: Irregular expenditure – relating to current year | 294 | 477 |
| Less: Prior year amounts condoned | - | (67) |
| Less: Current year amounts condoned | (294) | (477) |
| Irregular expenditure awaiting condonation | - | - |

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21.2 Details of irregular expenditure current year**R'000****Incident**

No prior approval obtained for deviation – single source - purchase of office furniture

No prior approval obtained for deviation - single source – telephone services

Total**Disciplinary steps taken/criminal proceedings**

None

None

62

232

294**21.3 Details of irregular expenditure condoned****Incident**

Supply of office furniture

Telephone services

Total**Condoned by**

DG

DG

62

232

294**22. RELATED PARTY TRANSACTIONS**

NSG VOTE 12a has a related party relationship with all the public sector entities falling within the portfolio of the Minister for Public Service and Administration. During the period under review related party transactions were entered into with the following entities.

| Entity | Nature of transactions |
|---|---|
| State Information Technology Agency | Provision of IT communication services |
| Government Employees Medical Scheme | Provision of medical aid benefits |
| Department of Public Service & Administration | Transfer payment of voted funds |
| NSG Training Trading Account | Provision of training |
| NSG Training Trading Account | Administration and maintenance of records |

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22.1 Analysis of transactions with related parties

Revenue received

Tax revenue

Total

| Note | 2014/15 R'000 | 2013/14 R'000 |
|------|------------------|------------------|
| | 6,142 | 4,983 |
| | 6,142 | 4,983 |

Payments made

Goods and services

Total

| | | |
|--|----------------|----------------|
| | (5,952) | (5,175) |
| | (5,952) | (5,175) |

Year end balances arising from revenue/payments

Payables to related parties

Total

| | | |
|--|------------|-----------|
| | 219 | 29 |
| | 219 | 29 |

23. KEY MANAGEMENT PERSONNEL

Level 15 to 16

Level 14

Total

| No. of Individuals | 2014/15 R'000 | 2013/14 R'000 |
|-----------------------|------------------|------------------|
| 2 | 3,023 | 2,771 |
| 4 | 3,411 | 4,012 |
| | 6,434 | 6,783 |

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24. MOVABLE TANGIBLE CAPITAL ASSETS

24.1 Movement in movable tangible capital assets per asset register for the year ended 31 March 2015

| | Opening balance | Curr Year Adjust-ments to prior year balances | Additions | Disposals | Closing Balance |
|--|--------------------|--|--------------|--------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 26,710 | - | 3,223 | 3,658 | 26,275 |
| Transport assets | 162 | - | - | 162 | - |
| Computer equipment | 18,006 | - | 3,136 | 3,225 | 17,917 |
| Furniture and office equipment | 6,761 | - | 87 | 170 | 6,678 |
| Other machinery and equipment | 1,781 | - | - | 101 | 1,680 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 26,710 | - | 3,223 | 3,658 | 26,275 |

24.2 Additions to movable tangible capital assets per asset register for the year ended 31 March 2015

| | Cash | (Capital work- in-progress current costs and finance lease payments) | Received current, not paid (Paid current year, received prior year) | Total |
|--------------------------------|--------------|---|--|--------------|
| | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 4,118 | (802) | (93) | 3,223 |
| Transport Assets | 663 | (663) | - | - |
| Computer equipment | 3,229 | - | (93) | 3,136 |
| Furniture and office equipment | 87 | - | - | 87 |
| Other machinery and equipment | 139 | (139) | - | - |
| TOTAL | 4,118 | (802) | (93) | 3,223 |

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2015

24.3 Disposals of movable tangible capital assets per asset register for the year ended 31 March 2015

| | Sold for cash | Transfer out or destroyed or scrapped | Total disposals | Cash received Actual |
|--|---------------|---|-----------------|-------------------------|
| | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 3,227 | 431 | 3,658 | 31 |
| Transport assets | - | 162 | 162 | - |
| Computer equipment | 3,167 | 58 | 3,225 | 31 |
| Furniture and office equipment | 10 | 160 | 170 | - |
| Other machinery and equipment | 50 | 51 | 101 | - |
| TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS | 3,227 | 431 | 3,658 | 31 |

24.4 Movement in movable tangible capital assets per asset register for the year ended 31 March 2014

| | Opening balance | Additions | Disposals | Closing balance |
|--------------------------------------|--------------------|--------------|------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 25,615 | 1,297 | 202 | 26,710 |
| Transport assets | 256 | - | 94 | 162 |
| Computer equipment | 17,301 | 813 | 108 | 18,006 |
| Furniture and office equipment | 6,609 | 152 | - | 6,761 |
| Other machinery and equipment | 1,449 | 332 | - | 1,781 |
| TOTAL MOVABLE TANGIBLE ASSETS | 25,615 | 1,297 | 202 | 26,710 |

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24.5 Minor assets of the department at 31 March 2015

Opening balance

Additions

-Disposals

TOTAL MINOR ASSETS

| Intangible assets | Machinery and equipment | Total |
|-------------------|-------------------------|--------------|
| R'000 | R'000 | R'000 |
| 1,011 | 8,215 | 9,226 |
| 14 | 344 | 358 |
| 477 | 438 | 915 |
| 548 | 8,121 | 8,669 |

Number of minor assets at cost

TOTAL NUMBER OF MINOR ASSETS

| Intangible assets | Machinery and equipment | Total |
|-------------------|-------------------------|--------------|
| 1,146 | 3,319 | 4,465 |
| 1,146 | 3,319 | 4,465 |

24.6 Minor assets of the department as at 31 March 2014

Opening balance

Additions

Disposals

TOTAL MINOR ASSETS

| Intangible assets | Machinery and equipment | Total |
|-------------------|-------------------------|--------------|
| R'000 | R'000 | R'000 |
| 970 | 7,930 | 8,900 |
| 41 | 321 | 362 |
| - | 36 | 36 |
| 1,011 | 8,215 | 9,226 |

Number of minor assets at cost

TOTAL NUMBER OF MINOR ASSETS

| Intangible assets | Machinery and equipment | Total |
|-------------------|-------------------------|--------------|
| 3,033 | 3,488 | 6,521 |
| 3,033 | 3,488 | 6,521 |

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25. INTANGIBLE CAPITAL ASSETS

25.1 Movement in intangible capital assets per asset register for the year ended 31 March 2015

| | Opening balance | Current adjustments to prior year balances | Additions | Disposals | Closing balance |
|--------------------------------------|--------------------|---|-----------|------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Computer software | 1,013 | - | 91 | 656 | 448 |
| TOTAL MOVABLE TANGIBLE ASSETS | 1,013 | - | 91 | 656 | 448 |

25.2 movement in intangible capital assets per asset register for the year ended 31 March 2014

| | Opening balance | Additions | Disposals | Closing balance |
|--|--------------------|-----------|-----------|--------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Computer software | 1,006 | 7 | - | 1,013 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 1,006 | 7 | - | 1,013 |

25.3 Additions to Intangible Capital Assets per Asset Register For The Year Ended 31 March 2015

| | Cash | Non-Cash | Total |
|---|-----------|----------|-----------|
| | R'000 | R'000 | R'000 |
| Computer software | 91 | - | 91 |
| TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS | 91 | - | 91 |

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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25.4 Disposals to Intangible Capital Assets per Asset Register For The Year Ended 31 March 2015

Computer software

TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS

| Sold for Cash | Transfer out or destroyed or scrapped | Total |
|---------------|---|------------|
| R'000 | R'000 | R'000 |
| - | 656 | 656 |
| - | 656 | 656 |

26 BANK OVERDRAFT

Consolidated Paymaster General Account

| Note | 2014/15 R'000 | 2013/14 R'000 |
|------|------------------|------------------|
| | - | 2,586 |
| | - | 2,586 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2015

ANNEXURE 1A**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

| | TRANSFER ALLOCATION | | | | TRANSFER | | 2013/14 |
|------------------------------|------------------------|------------|-------------|-----------------|-----------------|----------------------------------|-------------------|
| DEPARTMENT/ AGENCY/ ACCOUNT | Adjusted Appropriation | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| NSG Training Trading Account | 55,597 | - | - | 55,597 | 55,597 | 100% | 49,000 |
| Total | 55,597 | - | - | 55,597 | 55,597 | 100% | 49,000 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)
 Vote: 12a
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended at 31 March 2015

ANNEXURE 1B**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

| HOUSEHOLDS | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2013/14 |
|----------------------------------|----------------------------------|------------|--------------|-----------------|--------------------|--|----------------------|
| | Adjusted Appropriation Act | Roll Overs | Adjust-ments | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Transfers | | | | | | | |
| Social benefits – leave gratuity | 174 | - | - | 174 | 174 | 100% | 24 |
| Total | 174 | - | - | 174 | 174 | 100% | 24 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2015

ANNEXURE 1C

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

| NAME OF DONOR | PURPOSE | OPENING BALANCE | SURRENDERED | REVENUE | EXPENDITURE | CLOSING BALANCE |
|--|--|--------------------|----------------|----------|-------------|--------------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Received in cash: | | | | | | |
| Canadian International Development Agency (CIDA) | Public Sector Training and Development in Countries Emerging from Conflict | 4,218 | (4,218) | - | - | - |
| Subtotal | | 4,218 | (4,218) | - | - | - |

| NAME OF DONOR | PURPOSE | OPENING BALANCE | SURRENDERED | REVENUE | EXPENDITURE | CLOSING BALANCE |
|--------------------------|---|--------------------|-------------|--------------|--------------|--------------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Received in kind: | | | | | | |
| EU Dialogue Facility | To provide a structured dialogue programme for learning and exchange of experience where the NSG can interact with peer institutions from Africa and Europe | - | - | 411 | 411 | - |
| EU Technical support | To ensure quality and credible learning offered by the NSG with an increased focus on learning in order to meet growing learning development needs The objective of the GSP (2013 – 2016) is that public institutions have improved their service delivery | - | - | 1,112 | 1,112 | - |
| GIZ | | - | - | 900 | 900 | - |
| Subtotal | | - | - | 2,423 | 2,423 | - |

NATIONAL SCHOOL OF GOVERNMENT (NSG)
 Vote: 12a
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended at 31 March 2015

ANNEXURE 2

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

| Name of Public Entity | Nature of business | Cost of investment | | Net Asset value of Investment | | Amounts owing to Entities | | Amounts owing by Entities | |
|------------------------------|--------------------|--------------------|---------|-------------------------------|---------|---------------------------|---------|---------------------------|---------|
| | | R'000 | | R'000 | | R'000 | | R'000 | |
| | | 2014/15 | 2013/14 | 2014/15 | 2013/14 | 2014/15 | 2013/14 | 2014/15 | 2013/14 |
| Controlled entities | | | | | | | | | |
| NSG Training Trading Account | Training | - | - | 132,929 | 131,485 | - | - | 1,693 | 3,006 |
| TOTAL | | - | - | 132,929 | 131,485 | - | - | 1,693 | 3,006 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2015

ANNEXURE 3

CLAIMS RECOVERABLE

| Government Entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|-----------------------------------|-------------------------------|--------------|---------------------------------|--------------|--------------|--------------|
| | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Department | | | | | | |
| <u>National Departments</u> | | | | | | |
| Public Service and Administration | 93 | - | - | 412 | 93 | 412 |
| | 93 | - | - | 412 | 93 | 412 |
| Other Government Entities | | | | | | |
| NSG Training Trading Account | 1,693 | 3,006 | - | - | 1,693 | 3,006 |
| SARS:VAT Input | - | - | 81 | 907 | 81 | 907 |
| | 1,693 | 3,006 | 81 | 907 | 1,774 | 3,913 |
| Total | 1,786 | 3,006 | 81 | 1,319 | 1,867 | 4,325 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)
Vote: 12a
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended at 31 March 2015

ANNEXURE 4**INTER-GOVERNMENT PAYABLES**

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|---------------------|-------------------------------|------------|---------------------------------|------------|------------|------------|
| | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| SA Revenue Services | 368 | 295 | - | - | 368 | 295 |
| Subtotal | 368 | 295 | - | - | 368 | 295 |

NATIONAL SCHOOL OF GOVERNMENT (NSG)

Vote: 12a

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2015

ANNEXURE 5

INVENTORY

| Inventory | 2014/15 | | 2013/14 | |
|---|--------------|------------|--------------|------------|
| | Quantity | R'000 | Quantity | R'000 |
| Opening balance | 4,810 | 135 | 5,980 | 654 |
| Add/(Less): Adjustments to prior year balance | - | (1) | - | - |
| Add: Additions/Purchases - Cash | 19,010 | 13,153 | 29,714 | 6,405 |
| Add: Additions - Non-cash | 740 | - | 160 | - |
| (Less): Disposals | - | - | - | - |
| (Less): Issues | (20,830) | (13,181) | (31,878) | (8,281) |
| Add/(Less): Adjustments | - | 23 | 834 | 1,357 |
| Closing balance | 3,730 | 129 | 4,810 | 135 |

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT
(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)
REPORT OF THE AUDITOR-GENERAL
for the year ended at 31 March 2015

5.3 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON: NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT

Report on the financial statements

Introduction

1. I have audited the financial statements of the National School of Government Training Trading Account set out on pages 215 to 245, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No 1 of 1999)(PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT
 (a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)
REPORT OF THE AUDITOR-GENERAL
 for the year ended at 31 March 2015

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National School of Government Training Trading Account as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Report on other legal and regulatory requirements

7. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programme presented in the annual performance report of the Training Trading Account for the year ended 31 March 2015:

Programme 2: Public Sector Organisational and Staff Development on pages 72 to 106.

9. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
10. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).
11. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
12. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programme.

Additional matter

13. I draw attention to the following matter:

Achievement of planned targets

14. Refer to the annual performance report on pages 45 to 106 for information on the achievement of planned targets for the year.

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT
(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)
REPORT OF THE AUDITOR-GENERAL
for the year ended at 31 March 2015

Compliance with legislation

15. I performed procedures to obtain evidence that the Training Trading Account had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Expenditure management

16. Effective steps were not taken to prevent irregular expenditure, as required by section 38(1) (c) (ii) of the Public Finance Management Act and Treasury Regulation 9.1.1.

Internal control

17. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on non-compliance with legislation included in this report.

Financial and performance management

18. Management did not adequately review and monitor compliance with applicable laws and regulations.

Auditor-General

Pretoria

31 July 2015



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT

(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)

INDEX TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2015

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NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT
(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)
STATEMENT OF RESPONSIBILITY
for the year ended at 31 March 2015

The Accounting Officer is responsible for the preparation and integrity of the financial statements and related information included in the annual report. In order for the Accounting Officer to discharge these responsibilities, as well as those bestowed on him in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and other applicable legislation, he has developed, and maintains, a system of internal controls.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions executed and recorded in accordance with generally accepted business practices, as well as the entity's policies and procedures. Monitoring of these controls includes a regular review of their operations by the accounting officer and independent oversight by an audit committee.

The Auditor-General, as external auditor, is responsible for reporting on the financial statements.

The financial statements are prepared in accordance with Generally Recognised Accounting Practise (GRAP) and incorporate disclosure in line with the accounting philosophy of the entity and the requirements of the PFMA. The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer believes that the entity will be a going concern in the year ahead due to the government grant and its own generation of revenue. For this reason the accounting officer has adopted the going concern basis in preparing the annual financial statements. Refer to the Accounting Officer's Report of NSG Vote 12a for the operations of the NSG Training Trading Account.

The Accounting Officer hereby approves the annual financial statements of the NSG TTA for the year ended 31 March 2015, as set out on pages 215 to 245.



Prof. Richard M Levin

Accounting Officer

31 August 2015

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT

(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended at 31 March 2015

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|---|------|------------------|------------------|
| REVENUE | | 149,849 | 158,189 |
| Revenue from exchange transactions | 3 | 94,252 | 107,984 |
| Revenue from non-exchange transactions | 4 | 55,597 | 50,205 |
| EXPENDITURE | | (148,825) | (157,955) |
| Employee benefits | 5 | (61,471) | (58,202) |
| Operating expenses | 6 | (87,354) | (99,753) |
| (DEFICIT) / SURPLUS FOR THE YEAR | | 1,024 | 234 |

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT
(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)
STATEMENT OF FINANCIAL POSITION
for the year ended at 31 March 2015

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 7 | 143,562 | 136,704 |
| Receivables from exchange transactions | 8 | 117,261 | 113,448 |
| | | 26,301 | 23,256 |
| Non-current assets | | | |
| Intangible assets | 9 | 17,803 | 16,778 |
| Total Assets | | 161,366 | 153,482 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payable from exchange transaction | 10 | 28,857 | 21,997 |
| Payable from non-exchange transaction | 11 | 20,749 | 13,991 |
| Employee benefits | 12 | 1,444 | 1,543 |
| | | 6,664 | 6,463 |
| Total liabilities | | 28,857 | 21,997 |
| Total net assets | | 132,509 | 131,485 |
| NET ASSETS | | | |
| Reserves | | | |
| Accumulated surplus | | 132,509 | 131,485 |
| NET ASSETS | | 132,509 | 131,485 |

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT

(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)

STATEMENT OF CHANGES IN NET ASSETS

for the year ended at 31 March 2015

| | Note | R'000 |
|------------------------------------|------|----------------|
| ACCUMULATED SURPLUS | | |
| Balance as at 31 March 2013 | | 131,251 |
| Surplus for the year | | 234 |
| Balance as at 31 March 2014 | | 131,485 |
| Surplus for the year | | 1,024 |
| Balance as at 31 March 2015 | | 132,509 |

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT

(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)

CASH FLOW STATEMENT

for the year ended at 31 March 2015

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash Receipts | | 155,396 | 163,885 |
| Transfers | | 55,597 | 49,000 |
| Courses rendered | | 94,875 | 111,245 |
| Interest received | 3 | 4,924 | 3,640 |
| Cash Payment | | (149,968) | (152,262) |
| Employee costs | | (61,271) | (58,640) |
| Goods and services | | (88,697) | (93,622) |
| Net cash generated from/(utilised in) operating activities | 13 | 5,428 | 11,623 |
| Cash flows from investing activities | | | |
| Payments for intangible assets | | (1,615) | (2,404) |
| Cash flows from investing activities | | (1,615) | (2,404) |
| Net increase/(decrease) in cash and cash equivalents | | 3,813 | 9,219 |
| Cash and cash equivalents at the beginning of the year | | 113,448 | 104,229 |
| Cash and cash equivalents at the end of the year | 7 | 117,261 | 113,448 |

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT

(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended at 31 March 2015

| | | Approved Budget | Actual | Variance Amounts |
|--|------|--------------------|------------------|---------------------|
| | Note | 2014/15 | 2014/15 | 2014/15 |
| | | R'000 | R'000 | R'000 |
| REVENUE | | 186,419 | 149,849 | (36,570) |
| Transfers NSG | | 55,597 | 55,597 | - |
| Rendering of services - course fees | | 125,000 | 87,393 | (37,607) |
| Fair value of donated assets | | - | - | - |
| Realisation of deferred revenue | | - | - | - |
| Interest received: bank deposits | | 5,822 | 4,924 | (898) |
| Interest received: trade receivables | | - | 1,935 | 1,935 |
| EXPENDITURE | | (186,419) | (148,825) | 37,594 |
| Employee benefits | | (72,531) | (61,472) | 11,059 |
| Operating expenses | | (113,888) | (87,354) | 26,534 |
| Surplus/(deficit) from operating activities | | - | 1,024 | 1,024 |
| Capital expenditure | | | | |
| Software and intangible assets | | (22,562) | (1,615) | 20,947 |
| Budget surplus/(deficit) | 14 | (22,562) | (591) | 21,971 |



NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT
(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)
ACCOUNTING POLICIES
for the year ended at 31 March 2015

I ACCOUNTING POLICIES

I.1 Statement of compliance

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

I.2 Standards of GRAP issued but not yet effective

The Standard of GRAP that has been issued by the ASB, but where the Minister has not determined an effective date, has not been adopted by the NSG. The NSG used the Standard of GRAP on Related Party Disclosures (GRAP 20) to determine the extent of disclosures for related party transactions and balances.

I.3 Basis of preparation, presentation currency and rounding

The annual financial statements have been prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise

I.4 Functional Currency

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the entity. Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

I.5 Going Concern Assumption

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern entity. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

I.6 Significant judgments and estimates

The use of judgment, estimates and assumptions is inherent to the process of preparing annual financial statements. Management is required to exercise its judgement in the process of applying the entity's accounting policies. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

I.6.1 Fair value adjustment of receivables and payables

The calculation of the fair value adjustment of receivables is based on an assessment of the average age of receivables. All receivables are assumed to settle their accounts on the average settlement period. The receivables balance is discounted to its current fair value over this term at the government gazetted rate. As at reporting date the rates specified were 9.25% (2013/14: 9.0%) per annum on the outstanding balance.

The gross payables have been assumed to approximate their fair value as the entity policy is to settle all payables one month of invoice date.

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT
 (a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)
ACCOUNTING POLICIES
 for the year ended at 31 March 2015

1.6.2 Determination of allowance for doubtful debts

The calculation in respect of the impairment of debtors is based on a historical assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to subsequently make payments. The entity has recognised an allowance for doubtful debts of 100% against all receivables over 2 years because historical experience has been that receivables that are past due beyond 2 years are not recoverable. Refer to note 8.

1.7 Comparative information

Prior year comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior year 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. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Revenue recognition

2.1.1 Revenue from Exchange Transactions

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable. Charges for services are determined in accordance with Treasury Regulation 19.5.

2.1.2 Rendering of services

Revenue from the rendering of training services is recognised on the accrual basis over the period of instruction on a straight-line basis.

2.1.3 Interest revenue

Interest revenue is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

2.1.4 Revenue from non-exchange transactions (Transfers and subsidies received)

Transfers and subsidies received represent the operating grant received from the controlling department - NSG Vote 12a.

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT
(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)
ACCOUNTING POLICIES
for the year ended at 31 March 2015

The NSG recognises the inflow of resources from a non-exchange transaction as revenue, except when a liability is recognised in respect of that inflow. These liabilities are classified as payables from nonexchange transactions. Where services are received in-kind, and a reliable estimate can be made, the NSG will recognise the related revenue. In all other cases, the NSG will only disclose the event.

2.2 Expenditure

Expenditure is classified in accordance with the nature of the expenditure.

The NSG recognises expenditure in the statement of financial performance when a decrease in future economic benefits or service potential related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

The NSG recognises expenses immediately in the statement of financial performance when expenses produce no future economic benefits or service potential or when and to the extent that, future economic benefits or service potential do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

The NSG also recognises expenses in the statement of financial performance in those cases when a liability is incurred without the recognition of an asset, for example, when a liability under a court ruling arises.

2.3 Employee Benefits

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the period in which the employee renders the related service.

Social contributions include the entity's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the period in which the employee renders the related service.

2.3.1 Short term employee benefits

Short-term employee benefits comprise of leave entitlements, thirteenth cheques and performance bonuses. The cost of short-term employee benefits is recognised in the period in which the employee renders the related service.

Short-term employee benefits that give rise to a present legal or constructive obligation are recognised and provided for at reporting date, based on current salary rates.

2.3.2 Long-term employee benefits

2.3.2.1 Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The entity recognises termination benefits when it is demonstrably committed to either terminate the employment of the current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. If the benefit falls due more than 12 months after reporting date, they are discounted to present value.

2.3.2.2 Post-employment retirement benefits

The entity, through its controlling department - NSG Vote 12a, 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 charged to the statement of comprehensive income in the year to which they relate.

NATIONAL SCHOOL OF GOVERNMENT (NSG) TRAINING TRADING ACCOUNT
(a trading entity established in terms of the PFMA, Act 1 of 1999 as amended)
ACCOUNTING POLICIES
for the year ended at 31 March 2015

No provision is made for retirement benefits in the annual financial statements of the entity. Any potential liabilities are disclosed in the annual financial statements of the National Revenue Fund.

The entity does not contribute to the medical aid of retired employees.

2.4 Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value plus, in the case of a financial asset not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition of the financial asset.

All recognised financial assets are subsequently measured at fair value, amortised cost or cost.

2.4.1 Classification of financial assets

Upon initial recognition the entity classifies financial assets in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

2.4.2 Financial assets at amortised cost and the effective interest method

The entity's principal financial assets are 'trade and other receivables' and 'cash and cash equivalents'. These financial assets are classified as 'loans and receivables' and designated at amortised cost.

Loans and receivables are measured initially at fair value plus transaction costs. Where the effect on the fair value at initial recognition of any extended payment terms is

material an adjustment to the fair value is made to recognise the time-value of money.

Loans and receivables are subsequently measured at amortised cost using the effective interest method less any impairment (see 2.4.5 below), with interest revenue recognised on an effective yield basis in investment revenue (note 3).

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.4.3 Gain or losses

A gain or loss arising from a change in the fair value of a financial asset measured at fair value is recognised in surplus or deficit.

For financial assets measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset is derecognised or impaired or through the amortisation process.

2.4.4 Offsetting

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

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2.4.5 Impairment of financial assets at amortised cost

Financial assets that are measured at amortised cost are assessed for indicators of impairment at the end of each reporting period.

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

Objective evidence of impairment for a portfolio of receivables could include the entity's past experience of collecting payments, an increase in the number of delayed payments

in the portfolio past the average credit period of 2 years, as well as observable budget constraints that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, reflecting the impact of collateral and guarantees, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

2.4.6 Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in net assets is included in net surplus or deficit for the period.

2.5 Financial liabilities and equity instruments

2.5.1 Classification of financial liabilities and equity

The entity operates as a trading entity under the administration of NSGVote 12a. Upon

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closure of the entity, all the assets and liabilities shall be transferred to the controlling department and taken on record. Consequently, debt instruments are classified as financial liabilities.

All of the entity's financial liabilities are classified as 'other financial liabilities'.

2.5.2 Financial guarantee contract liabilities

Financial guarantee contracts represent contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when they are contractually due. The entity provides guarantees to commercial banks on behalf of employees' housing loans.

Financial guarantee contract liabilities are initially measured at their fair values and are subsequently measured at the higher of the amount of the obligation under the contract (as determined in accordance with GRAP 19: 'Provisions, Contingent Liabilities and Contingent Assets') or the amount initially recognised.

2.5.3 Other financial liabilities

The entity's principal financial liability is 'trade and other payables'.

Other financial liabilities are initially measured at fair value, net of transaction costs. Where the effect on the fair value at initial recognition of any extended payment terms is material an adjustment to the fair value is made to recognise the time-value of money.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the

expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.5.4 Derecognition of financial liabilities

The entity derecognises a financial liability or a part thereof when, and only when, the entity's obligations are discharged, cancelled, or they expire.

2.6 Assets

2.6.1 Property, plant and equipment

The entity does not recognise assets relating to items of property, plant and equipment as the controlling department, NSG Vote 12a, holds all items of property, plant and equipment. The entity utilises property, plant and equipment belonging to the controlling department free of charge as part of the controlling department's administration function.

2.6.2 Intangible assets

2.6.2.1 Intangible assets acquired separately

Intangible assets acquired externally are initially recognised at historical cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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Training Courses and Training Management System with effect from 1 April 2011, were determined to have indefinite useful lives and are not amortised into results of operations, but instead are reviewed for impairment annually, or more often if impairment indicators arise.

2.6.2.2 Internally generated intangible assets

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred.

2.6.2.3 Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets may have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit in those expense categories consistent with the function of the impaired asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been

determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

2.6.3 Inventory

The controlling department - NSG Vote 12a, holds inventory.

2.7 Liabilities

2.7.1 Borrowings

In terms of section 19.2.3 of the Treasury Regulations the entity may not borrow for bridging purposes and may not run an overdraft on its banking account.

2.7.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The entity may generally not enter into finance leases as it is prohibited by Treasury Regulation 13.2.4. However, National Treasury permits entities to enter into finance leases under certain conditions as outlined in the Office of the Accountant-General practice note 5 of 2006/07 'Finance Lease Transactions' despite the provisions of Treasury Regulation 13.2.4.

2.7.2.1 The NSG as lessee

Assets held under finance leases are initially recognised as assets of the entity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

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Assets held under finance leases are depreciated over the estimated useful life of the asset on the same basis as owned assets or, where shorter, lease term of the relevant lease.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately against surplus or deficit. Contingent rentals arising under finance leases are recognised as an expense in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In terms of Treasury Regulation 13.2.5 the Accounting Officer of the entity may not enter into finance lease transactions, except for agreements concluded under Public-Private-Partnerships as contemplated in Treasury Regulation 16 and Practice Note 5 of 2007/08: "Finance Lease Transactions" issued by the Office of the Accountant-General.

The controlling department – NSG Vote 12a – enters into both finance and operating lease agreements on behalf of the entity as part of its administration function. The proportionate monthly lease payments relating to the entity are recovered by the

controlling department in terms of the expenditure allocation policy. These lease payments are recognised as an expense in the periods in which they are incurred.

2.7.3 Accruals

Accruals represent goods or 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 payment has not been made.

Accruals are recognised in the statement of financial position as a liability under "Trade and other payables" and as expenditure in the statement of financial performance in the period to which they relate.

2.7.4 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 entity. Contingent liabilities are not recognised, but only disclosed in the notes to the annual financial statements.

2.7.5 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 disclosed in the notes to the annual financial statements.

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



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are disclosed in the notes to the annual financial statements where the entity enters into lease agreements.

2.7.6 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle an obligation are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The movement related to any provision during the reporting period is recognised in surplus or deficit.

2.8 Related party transactions

Parties are considered to be related if one party has the ability to control the other party, exercise significant influence over the other party or jointly control the other party. Specific information with regard to related parties is included in note 16.

2.9 Taxation

The entity is exempt from paying income tax in terms of section 10(1)(a) of The Income Tax Act, Act 58 of 1962 as amended.

The entity is exempt from paying VAT (Value Added Tax) in terms of the Value-Added Tax Act, Act 89 of 1991 as amended.

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| | 2014/15 R'000 | 2013/14 R'000 |
|---|------------------|------------------|
| 3. REVENUE FROM EXCHANGE TRANSACTIONS | | |
| Courses rendered | 87,393 | 102,126 |
| Interest Revenue | 6,859 | 5,858 |
| Trade Receivables | 1,935 | 2,218 |
| Bank deposits | 4,924 | 3,640 |
| | <u>94,252</u> | <u>107,984</u> |
| 4. REVENUE FROM NON-EXCHANGE TRANSACTIONS | | |
| Funds from the Department (NSG) | 55,597 | 49,000 |
| Funds from National Treasury – development of course material | - | 419 |
| Donations of intangible asset of fair value | - | 786 |
| Total | <u>55,597</u> | <u>50,205</u> |
| Funds are transferred from NSG Vote 12a as an augmentation to revenue earned to enable the Trade to carry out its operating activities. | | |
| 5. EMPLOYEE BENEFITS COSTS | | |
| Short term employee benefits | 61,471 | 58,202 |
| Average number of employees | <u>114</u> | <u>118</u> |

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| | 2014/15 R'000 | 2014/13 R'000 |
|---|------------------|------------------|
| 6. OPERATING EXPENSES | | |
| Property rental payments | 9,785 | 8,263 |
| Equipment rental payment | 4,064 | 2,461 |
| Communication cost | 1,306 | 1,337 |
| Property payments | 1,275 | 1,351 |
| Consumables, materials and supplies | 255 | 159 |
| General administrative expenses | 639 | 329 |
| Gifts and promotional items | 127 | 81 |
| Marketing | - | 3 |
| Training and consultancy services | 42,221 | 46,611 |
| Venue and facilities | 7,958 | 10,800 |
| Travel and subsistence | 6,797 | 19,019 |
| Movement in the allowance for doubtful debt | (2,580) | (1,609) |
| Stationery and printing | 8,922 | 7,116 |
| Staff training and development | 295 | 904 |
| Catering departmental activities | 129 | 195 |
| Impairment of intangible assets | 170 | 58 |
| Disposal of intangible assets | 420 | - |
| Theft and losses- other debt written off | 2,428 | 2 |
| Theft and losses – debtors debt written off | 3,143 | 2,673 |
| Total | 87,354 | 99,753 |

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7. CASH AND CASH EQUIVALENTS

Current cash at commercial banks

| 2014/15 R'000 | 2013/14 R'000 |
|------------------|------------------|
| <u>117,261</u> | <u>113,448</u> |

8. RECEIVABLES FROM EXCHANGE TRANSACTIONS

| | Less than one year R'000 | One to two years R'000 | More than two years R'000 | Total 2014/15 R'000 | Total 2013/14 R'000 |
|------------------------------|--------------------------------|------------------------------|---------------------------------|---------------------------|---------------------------|
| Trade receivables | 19,602 | 6,471 | 8,713 | 34,786 | 33,776 |
| Allowance for doubtful debts | - | - | (8,713) | (8,713) | (11,293) |
| Net trade receivables | 19,602 | 6,471 | - | 26,072 | 22,483 |
| Other receivables | 229 | - | - | 229 | 773 |
| Total | 19,830 | 6,471 | - | 26,301 | 23,256 |

8.1 Trade Receivables

Trade receivables disclosed above are classified as financial assets measured at amortised cost. All the amounts are classified as current assets. The fair value of trade and other receivables are disclosed in note 8.3.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

All invoices issued to customers must be settled within 30 days from date of receipt of the invoice as per Treasury Regulation 8.2.3. However, due to delayed payment from customers the entity is assumed to provide extended credit terms of 92 days (2013/14: 92 days) to customers affecting the fair value of debt raised. Implicit interest is charged in accordance with Section 80 of the PFMA at the rates specified. As at reporting date the rates specified were 9.25% (2013/14: 9.0%) per annum on the outstanding balance.

The entity has recognised an allowance for doubtful debts of 100% against all receivables over 2 years because historical experience has been that receivables that are past due beyond 2 years are not recoverable.

The entity's legislative mandate in terms of the Public Service Act (Act 103 of 1994, as amended) is to provide or oversee the provision of training on a meaningful scale in all three spheres of government.

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8.1 Trade Receivables (continued)

Consequently, the entity does not assess the credit quality of customers and does not set any credit limits per customer.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period, but against which the entity has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

A review of the payment history of NSG's customers, based on transaction data captured in the debtor administration system, revealed an average collection period of 92 days (2013/14: 92 days) from course date. Customers are expected to settle invoices within 60 days from date of issue of the invoice.

The entity does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the entity to the counterparty.

8.2 Trade receivables past due, not impaired – 2014/15

Nominal Value
Impairment Adjustment
Total

| 61 to 365 days | 366 to 730 days | TOTAL 2014/15 |
|----------------|-----------------|---------------|
| R'000 | R'000 | R'000 |
| 20,577 | 6,471 | 27,048 |
| (85) | - | (85) |
| 20,491 | 6,471 | 26,962 |

Trade receivables past due, not impaired – 2013/14

Nominal Value
Impairment Adjustment
Total

| 61 to 365 days | 366 to 730 days | TOTAL 2013/14 |
|----------------|-----------------|---------------|
| R'000 | R'000 | R'000 |
| 12,984 | 4,191 | 17,175 |
| (80) | - | (80) |
| 12,904 | 4,191 | 17,095 |

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| | 2014/15 R'000 | 2013/14 R'000 |
|--|------------------|------------------|
| 8.3 Impairment of trade receivables | | |
| Balance at cost price | 35,031 | 34,005 |
| Less: Impairment adjustment | (245) | (229) |
| Balance | 34,786 | 33,776 |

The Impairment of trade receivables is based on cash flows discounted using the rate prescribed by the Minister of Finance in terms of section 80 of the PFMA of 9.25% (2013/14: 9.0%).

8.4 Movement in the allowance for doubtful debt

| | | |
|--|--------------|---------------|
| Balance at 1 April | 11,293 | 12,902 |
| Impairment losses recognised on receivables | 563 | 1,064 |
| Amounts written off during the year as uncollectible | (3,143) | (2,673) |
| Balance at 31 March | 8,713 | 11,293 |

In determining the recoverability of a trade receivable, the entity considers the movement in debt outstanding for more than 2 years from the date that the service is rendered to the end of the reporting period. The concentration of credit risk is limited due to the large and unrelated customer base and the funding provided by the National Revenue Fund to customers.

The additional allowance for doubtful debt is included in 'operating expenses' in the statement of financial position.

9 INTANGIBLE ASSETS

| | | |
|---|---------------|---------------|
| Cost | 19,994 | 18,800 |
| Accumulated amortisation and impairment | (2,191) | (2,022) |
| Carrying amount | 17,803 | 16,778 |

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Reconciliation

| | Training Courses | TMS | Total 2014/15 |
|--|------------------|--------------|---------------|
| | R'000 | R'000 | R'000 |
| Gross carrying amount at 31 March 2013 | 12,281 | 1,363 | 13,644 |
| Additions * | 2,226 | 965 | 3,191 |
| Impairment | (58) | - | (58) |
| Gross carrying amount 31 March 2014 | 14,449 | 2,328 | 16,778 |
| Additions | 1,615 | - | 1,615 |
| Disposal | (420) | - | (420) |
| Impairment | (170) | - | (170) |
| Gross carrying amount at reporting period | 15,474 | 2,328 | 17,803 |

Training courses: capitalised course development.

TMS: capitalised Training Management System development

The amortisation expense and impairment loss recognised are included in the line item 'amortisation and impairment' in the statement of financial performance.

The following useful lives are used in the calculation of amortisation:

| | 2014/15 | 2013/14 |
|---|------------|------------|
| Capitalised training course development | Indefinite | Indefinite |
| Capitalised training management system | Indefinite | Indefinite |

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I 0. PAYABLE FROM EXCHANGE TRANSACTION

Trade and other payables

Trade creditors

Amounts due to customers: trade debtors

Amount owed to NSG Vote 12a

Total

| 30 Days | 30+ days | Total 2014/15 | Total 2013/14 |
|---------------|--------------|------------------|------------------|
| R'000 | R'000 | R'000 | R'000 |
| 6,282 | - | 6,282 | 7,244 |
| 11,496 | 1,278 | 12,774 | 3,740 |
| 1,693 | - | 1,693 | 3,007 |
| 19,471 | 1,278 | 20,749 | 13,991 |

| 2014/15 | 2013/14 |
|---------|---------|
| R'000 | R'000 |

I 1 PAYABLE FROM NON-EXCHANGE TRANSACTION

National Treasury advance for course development

DPSA advance for anticorruption project

Advance receipts

| | |
|--------------|--------------|
| 1,358 | 1,358 |
| 86 | 185 |
| 1,444 | 1,543 |

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| | 2014/15 R'000 | 2013/14 R'000 |
|--|------------------|------------------|
| 12. EMPLOYEE BENEFITS | | |
| Leave entitlement | 3,935 | 3,691 |
| Carrying amount at the beginning of the period | 3,691 | 3,610 |
| Current service costs | 1,888 | 1,208 |
| Less: benefits utilized | (1,644) | (1,127) |
| 13th cheque | 1,652 | 1,670 |
| Carrying amount at the beginning of the period | 1,670 | 1,515 |
| Current service costs | 1,652 | 1,670 |
| Less: benefits utilized | (1,670) | (1,515) |
| Performance bonus | 1,077 | 1,102 |
| Carrying amount at the beginning of the period | 1,102 | 1,776 |
| Current service costs | 1,009 | 222 |
| Less: benefits utilized | (1,034) | (897) |
| | 6,664 | 6,463 |

The provision for employee benefits represents annual leave and capped leave entitlements and accrued 13th cheque.

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| | 2014/15 | 2013/14 |
|---|--------------|---------------|
| | R'000 | R'000 |
| 13. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES | | |
| (Deficit) / Surplus for the year | 1,024 | 234 |
| <i>Adjusted for Non-cash movements</i> | 3,780 | (519) |
| Allowance for doubtful debt | (2,580) | (1,609) |
| Bad Debts written off | 5,571 | 2,675 |
| Deferred revenue recognised | - | (419) |
| Non-cash donations | - | (786) |
| Disposal of intangible assets | 420 | - |
| Impairment of assets | 170 | 58 |
| Change in estimates of employee benefits | 200 | (438) |
| Operating cash flows before working capital changes | 4,805 | (285) |
| Working capital changes | 623 | 11,908 |
| Decrease/(increase) in receivables from exchange transactions | 5,546 | 6,900 |
| Increase/(Decrease) in payables from exchange transactions | (4,923) | 5,008 |
| Net cash inflows/(outflows) from operating activities | 5,428 | 11,623 |

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14. BUDGET INFORMATION

The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 1 April 2014 to 31 March 2015.

The budget and accounting bases are the same; both are on the accrual basis. The financial statements are prepared using a classification on the nature of expenses in the statement of financial performance.

Reconciliation between budget deficit and statement of financial performance:

| | R'000 |
|--|---------------------|
| Budget Surplus | (591) |
| Capital expenditure | 1,615 |
| Surplus/(deficit) for the year per Financial statements | <u>1,024</u> |

Reason for budget deviation in revenue

The revenue performance for the financial year 2014/15 reflects an unfavourable variance of R37.6 million due to low uptake of courses and the impact of transition to the NSG.

Reason for budget deviation in expenditure

The favourable variance on employee costs is due to vacancies. The entity has 23 funded vacant posts, 7 at senior management level, 8 at middle management level and 8 at junior level. The entity suspended filling of posts while finalising transition to the NSG and implementation of the new strategy. The suspension of filling of positions has since been lifted and all vacant positions will be filled by July 2015.

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15. FINANCIAL INSTRUMENTS

15.1 Capital risk management

The entity does not have share capital that is publicly tradable on the capital markets. Upon closure of the entity all assets and liabilities will be transferred to the controlling department as required by Treasury Regulation 19.9.

The objectives when managing capital (retained earnings) are to safeguard the entity's ability to continue as a going concern on the cost-recovery basis and to execute government priorities through service delivery. The annual financial statements of the entity have been prepared on the going concern basis.

15.2 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in note 1.

15.3 Categories of financial instruments

Amortised cost

Cash and bank balances (Note 7)

Trade and other receivables (Note 8)

| 2014/15 | 2013/14 |
|----------------|----------------|
| R'000 | R'000 |
| 117,261 | 113,448 |
| 26,301 | 23,256 |
| 143,562 | 136,704 |

Financial liabilities

Amortised cost

Trade and other payables (Note 10)

| | |
|---------------|---------------|
| 20,749 | 13,991 |
|---------------|---------------|

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15.4 Financial risk management objectives

The entity has limited exposure to financial risks due to its limited ownership (ownership is limited to the net asset holders of the controlling department – National School of Government Vote 12a) and the funding of any cash deficit by the controlling department. The entity has no exposure to foreign currency risk, cash flow interest rate risk and equity price risk.

15.5 Market risk

Market risk comprises the risk that changes in market prices such as foreign exchange rates, interest rates and equity or other prices will affect the entity's revenue or value of its holdings of financial instruments.

Foreign exchange rate risk

The trade receivables balance comprise South African government debtors only, and thus no exposure to foreign exchange risk, affecting the entity's holding of financial instruments, exists at the reporting date.

Interest rate risk

The entity does not finance its operating activities through borrowings. Only interest revenue is included in the financial statements, comprising interest on bank balances and implicit interest adjustments made in accordance with the fair value adjustment of revenue (GRAP 9) and receivables (GRAP 104).

Due to the nature of the organisation, as well as the nature of the interest reflected in the statement of financial performance, the entity is not exposed to interest rate risk as at the reporting date.

Equity price risk

The entity does not invest in equity and is not exposed to market risk by way of market prices affecting its investment's equity prices.

As the entity is not exposed to any of the components comprising Market Risk, the current management objectives, policies and processes for managing and monitoring of this risk is adequate, and no sensitivity analysis is disclosed. No changes in the market risk profile, or management's considerations and monitoring with regard thereto occurred from the previous accounting period.

15.6 Credit risk management

Credit risk comprises the risk of financial loss to the entity if a counter party to a financial instrument fails to meet its contractual obligations.

The entity only transacts with entities in the national, provincial and local spheres of government and function within the pool of funds managed by National Treasury. The credit quality of government entities is therefore not assessed as these entities are considered creditworthy.

The entity makes use of only National Treasury approved banks representing high credit quality financial institutions.

The entity does not hold any collateral or other credit enhancements to cover credit risk. However, any cash deficit caused by government entities defaulting on their contractual obligations is funded by the controlling department through augmentation as mentioned in Treasury Regulation 19.7.3.

The carrying amount of trade and other receivables recorded in the financial statements, which is net of impairment losses, represents the entity's maximum exposure to credit

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risk without taking into account any funding by the controlling department in accordance with TR 19.7.

There has been no significant change during the financial year, or since the end of the financial year, to the entity's exposure to credit risk, the approach of measurement or the objectives, policies and processes for managing this risk.

15.7 Liquidity risk management

Liquidity risk comprises the risk that the entity will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Accounting Officer, who has established an appropriate liquidity risk management framework for the management of the entity's short-, medium- and long-term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity analysis

The entity's remaining contractual maturity for all its financial liabilities are between one and three months.

15.8 Impairment of financial instruments

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

Financial assets at amortised cost

Trade and other receivables

Financial liabilities at amortised cost

Trade and other payables

The fair value of financial assets and liabilities measured at amortised cost is determined by discounting the future cash flows at the current interest rate prescribed by the Minister of Finance in terms of section 80 of the PFMA.

16. RELATED PARTY TRANSACTIONS AND OUTSTANDING BALANCES

The entity is controlled through the Department of National School of Government at National Government level.

As a result of the constitutional independence of the three spheres of government in South Africa, only parties within the national sphere of government will be considered to be related parties.

Management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. Individuals on top management and executive committee members are considered management.

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16.1 Related party transactions and outstanding balances

| | 2014/15 R'000 | 2013/14 R'000 |
|---|------------------|------------------|
| 16.1.1 Department of National School of Government | | |
| Revenue from non-exchange transactions | <u>55,597</u> | <u>49,000</u> |
| Outstanding balances - claims payable | <u>1,693</u> | <u>3,007</u> |

The National School of Government transfers allocated funds to the Trading Account as non-conditional grant. The NSG operating expenditure that are shared or incurred on behalf of the Trading entity are recovered through claims.

16.2 Key management personnel

MARCH 2015

Mr B Maja - Deputy Director General

Mr S Manana - Acting Deputy Director General

MARCH 2014

Mr B Maja - Deputy Director General

Mr S Manana - Acting Deputy Director General

| Basic salary | Other short term employee benefits | Post-employment benefits | Total |
|--------------|------------------------------------|--------------------------|--------------|
| 743 | 399 | 97 | 1,238 |
| 648 | 469 | 84 | 1,202 |
| 1,391 | 868 | 181 | 2,440 |
| 703 | 377 | 91 | 1,171 |
| 613 | 444 | 80 | 1,137 |
| 1,316 | 821 | 171 | 2,308 |

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The key management personnel of the entity include the following personnel appointed in the controlling department – National School of Government vote 12A:

Official

Prof LS Mollo
 Ms MTshikwatamba
 Ms P Mkwanazi

Position

Principal (DG)- Contract Expired
 Deputy Director General
 Chief Financial Officer

16.2 Key management personnel (continued)

Key management personnel are appointed in terms of the Public Service Act, Act 103 of 1994 as amended. The remuneration of the key management personnel is determined in accordance with the Senior Management Service remuneration scales issued by the Department of Public Service and Administration on an annual basis. Performance awards are approved by the Accounting Officer having regard to the performance of the individuals.

The entity does not provide post-employment benefits or other long-term benefits to key management personnel. Any potential liabilities are disclosed in the annual financial statements of the National Revenue Fund.

17. LEASE COMMITMENTS

All lease agreements are entered into by the controlling department – National School of Government Vote 12a. Therefore, all lease commitments are presented and disclosed in the financial statements of National School of Government Vote 12a. The lease payments are recovered from the National School of Government TTA in accordance with the expenditure allocation policy.

The controlling department, National School of Government Vote 12a, leases office equipment used by the entity for a period of three years to 30 June 2016. The average

lease payment is R 247,629 per month (2013/14: R 130,739) with no contingent lease payments. The lease agreements do not transfer substantially the risks and rewards associated with ownership of the assets to National School of Government. The lease agreements are not renewable at the end of the lease term and the entity does not have the option to acquire the equipment. No lease agreement imposes any restrictions.

The controlling department also leases office accommodation used by the entity. The renewal period is four years and eleven months. The average lease payment is R1,315,125 per month (2013/14: R 1,219,169) escalating at 8.5% per year on 31 October. The agreement contains no contingent lease payments. The agreement does not transfer substantially the risks and rewards associated with ownership of the assets to National School of Government. The lease agreement imposes no restrictions.

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18. IRREGULAR EXPENDITURE

| | 2014/15 | 2013/14 |
|--|----------|----------|
| | R'000 | R'000 |
| Opening balance | - | - |
| Add: Irregular expenditure – current year | 126 | 569 |
| Add: Irregular expenditure – prior year | - | - |
| Less: Amounts condoned | (126) | (569) |
| Irregular expenditure awaiting condonement | <u>-</u> | <u>-</u> |

18.2 Details of irregular expenditure - Current year

| Incident | Disciplinary steps taken | Condoned by (condoning authority) DG | R' 000 |
|--|---|--|-------------------|
| No prior approval was obtained for training rollout services | Written warning Issued to responsible Officials | Condoned | 58 |
| No prior approval was obtained for services rendered outside the contract period | None | Condoned | 68 |
| Total | | | <u><u>126</u></u> |

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19. EVENTS AFTER REPORTING PERIOD

The entity is not aware of any events subsequent to year end which might require adjustment of the stated figures.

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Accounting Officer and authorised for issue.



PART F

Social Responsibility





NSG SOCIAL RESPONSIBILITY ACTIVITIES DURING 2014/15 FINANCIAL YEAR

6.1 MANDELA DAY ACTIVITIES – 18 JULY 2014

The NSG identified impoverished households and an orphanage in an informal settlement (Brazzaville) in Atteridgeville, Pretoria West. The homes and the orphanage were identified through the assistance of a non-governmental organisation (NGO) called STSAVVA, which is listed with the Department of Social Development. NSG employees donated clothes, food parcels and money for the blanket drive. Additionally, each branch of the organisation donated funds, which amounted to R7 000. The NSG also invited the Department of Home Affairs to assist the beneficiaries with ID documents and birth certificates. The Home Affairs team assisted the families in the application of documents. The following were activities done on Mandela Day:

Project 1

The orphanage, which houses six boys aged between 14 and 21 years, is managed by a local church and survives through donations. NSG employees made a vegetable patch at the centre, assisted with washing, and donated food parcels, clothes and blankets.

Project 2

The house housed an unemployed young adult with four children. The NSG team cleaned the house, reconstructed the dilapidated informal dwelling, and donated food parcels, blankets and clothes to the family.

Project 3

NSG employees renovated the house, occupied by three orphaned children. Volunteers installed new doors and floors, and donated food parcels, clothes and blankets to the family.

Project 4

NSG employees reconstructed a run-down house belonging to three orphaned and unemployed sisters. The team repaired the floor, installed window panes, cleaned the house, and donated food parcels, clothes and blankets to the family.

About 50 NSG employees, including five senior managers, participated in the project.



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