

ANNUAL REPORT 2016 – 2017



THE PULSE OF COMMUNICATION EXCELLENCE IN GOVERNMENT

ANNUAL REPORT 2016 – 2017

**GCIS Head Office
Tshedimoseiso House**
1035 cnr Francis Baard and Festival Streets,
Hatfield, Pretoria

Government Communication and Information System
The pulse of communication excellence in government

RP330/2017
ISBN: 978-0-621-45884-8



**government
communications**
Department:
Government Communication and Information System
REPUBLIC OF SOUTH AFRICA



TABLE OF CONTENTS

Government Communication and Information System

Annual Report 2016/17

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A close-up portrait of Ms Phumla Williams, a Black woman with short dark hair, wearing a dark blue blazer, a pearl necklace, and gold hoop earrings. She is looking directly at the camera with a neutral expression. The background is a soft, out-of-focus brown.

Annual Report

2016/17

The pulse of communication excellence in government

**Submission of the Government Communication and Information System (GCIS)
2016/17 Annual Report**

To the Minister of Communications, Ms Ayanda Dlodlo, MP.

I have the honour of submitting to you, in accordance with the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), the GCIS's Annual Report for the period 1 April 2016 to 31 March 2017.

A handwritten signature in black ink, appearing to read 'Phumla Williams', written over a horizontal line.

Ms Phumla Williams

Acting Director-General (ADG) and Accounting Officer

Date of submission: 30 August 2017

TABLE OF CONTENTS

PART A: GENERAL INFORMATION	4	5. TRANSFER PAYMENTS	62
1. DEPARTMENT GENERAL INFORMATION	5	6. CONDITIONAL GRANTS	63
2. LIST OF ABBREVIATIONS/ACRONYMS	5	7. DONOR FUNDS	63
3. FOREWORD BY THE MINISTER	6	8. CAPITAL INVESTMENT	63
4. DEPUTY MINISTER'S STATEMENT	8		
5. REPORT OF THE ACCOUNTING OFFICER	10	PART C: GOVERNANCE	64
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	16	1. INTRODUCTION	65
7. STRATEGIC OVERVIEW	17	2. RISK MANAGEMENT	65
7.1 Vision	17	3. FRAUD AND CORRUPTION	65
7.2 Mission	17	4. MINIMISING CONFLICT OF INTEREST	65
7.3 Values	17	5. CODE OF CONDUCT	66
8. LEGISLATIVE AND OTHER MANDATES	18	6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	66
9. ORGANISATIONAL STRUCTURE	20	7. PORTFOLIO COMMITTEES	66
10. ENTITIES REPORTING TO THE GCIS	21	8. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS	66
		9. PRIOR MODIFICATIONS TO AUDIT REPORTS	66
PART B: PERFORMANCE INFORMATION	22	10. INTERNAL CONTROL UNIT	66
1. AUDITOR-GENERAL'S (A-G) REPORT: PREDETERMINED OBJECTIVES	23	11. INTERNAL AUDIT AND AUDIT COMMITTEES	67
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	23	12. AUDIT COMMITTEE REPORT	69
2.1 Service-delivery environment	23		
2.2 Service Delivery Improvement Plan	25	PART D: HUMAN RESOURCE MANAGEMENT	72
2.3 Organisational environment	29	1. INTRODUCTION	73
2.4 Key policy development and legislative changes	29	2. OVERVIEW OF HUMAN RESOURCES	73
3. STRATEGIC OUTCOME-ORIENTED GOALS	29	3. HUMAN RESOURCE OVERSIGHT STATISTICS	74
4. PERFORMANCE INFORMATION BY PROGRAMME	30		
4.1 Programme 1: Administration	30	PART E: FINANCIAL INFORMATION	108
4.2 Programme 2: Content Processing and Dissemination	38	1. REPORT OF THE AUDITOR-GENERAL	110
4.3 Programme 3: Intergovernmental Coordination and Stakeholder Management	52	2. ANNUAL FINANCIAL STATEMENTS	114
		PART F: APPENDIX	182



PART A:

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS AND ACRONYMS

ADG	Acting Director-General
AFS	Annual Financial Statements
AG	Auditor-General
AGSA	Auditor-General of South Africa
AIDS	Acquired Immunodeficiency Syndrome
APP	Annual Performance Plan
ARC	Audit and Risk Committee
BCM	Business Continuity Management
CDW	Community Development Workers
CSA	Communication Service Agency
DG	Director-General
DoC	Department of Communications
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
EE	Employment Equity

EPMDS	Employment Performance Management Development System
ERM	Enterprise Risk Management
EWD	Employees with Disabilities
FCA	Foreign Correspondents' Association
GCF	Government Communicators' Forum
GCIS	Government Communication and Information System
GCP	Government Communication Programme
GSM	Government Segmentation Model
HCT	HIV Counselling and Testing
HoC	Head of Communication
HoD	Head of Department
HR	Human Resources
HRD	Human Resources Development
HRM	Human Resource Management
HRP	Human Resources Plan
IAA	Internal Audit Activity
ICF	Internal Communicators' Forum
ICT	Information and Communications Technology
IM	Information Management
IM&T	Information Management and Technology
IM&T SC	Information Management and Technology Steering Committee
IRC	Information Resource Centre
IT	Information Technology
Manco	Management Committee
MP	Member of Parliament
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework

NCSF	National Communication Strategy Framework
NDP	National Development Plan
NRF	National Revenue Fund
OHS	Occupational Health and Safety
PDP	Personal Development Plan
PFMA	Public Finance Management Act
PGA	Press Gallery Association
PoA	Programme of Action
PPP	Public-Private Partnerships
PRASA	Passenger Rail Agency of South Africa
PSETA	Public Service Sector Education and Training Authority
PSM	<i>Public Sector Manager</i>
PSR	Public Service Regulations
Q&As	Questions and Answers
SABC	South African Broadcasting Corporation
SADC	Southern African Development Community
SANEF	South African National Editors' Forum
SAYB	<i>South Africa Yearbook</i>
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SETA	Sector Education and Training Authority
SM	Strategic Management
SMS	Senior Management Service
SoNA	State of the Nation Address
TB	Tuberculosis
TVET	Technical and Vocational Education and Training
UNISA	University of South Africa
Vuk	<i>Vuk'uzenzele</i>
Vuk-app	<i>Vuk'uzenzele</i> Application
WIL	Work Integrated Learning
WSP	Workplace Skills Plan



Ms Ayanda Dlodlo, MP
Minister of Communications

3. FOREWORD BY THE MINISTER

Achievements in relation to policy directives and strategic outcome-related goals

Government, through the GCIS, remains committed to empowering South Africans with relevant information that enables them to access government services to improve the quality and standard of their lives. The GCIS has enthusiastically been fulfilling this strategic and legislative responsibility by producing and disseminating relevant information to the target audience. This was achieved against tight budgetary constraints; internally all staff had to cope with budget cuts and limitations while the external environment in which the department operated grew more demanding.

An increase in political activity and greater civil-society activism over a range of issues created a fast-moving and complex communication space. The sluggish economic growth, international ratings downgrade, higher unemployment and challenges around crime contributed to a difficult environment in which government communication had to function.

Through this heightened and challenging environment, the GCIS had to work much harder to ensure government's voice was prominent and that government campaigns were still effectively implemented.

Through our coordination of the *Izimbizo* outreach programme we ensured unmediated, face-to-face communication, which saw government officials and political principals interacting directly with the public to listen to their fundamental concerns, especially about service-delivery issues.

The department continues to build and to sustain partnerships with strategic stakeholders, including the media, in order to accentuate its mandate. During the period under review, the GCIS provided strategic leadership and communication support in the planning and implementation of major government campaigns across all clusters. This forms part of our major task in our broader endeavour to foster effective and efficient communication at all levels.

Through its provincial and district offices, the department has been able to assist national, provincial and local government principals in implementing a significant number of events. In addition to cluster media briefings, the department also facilitated media briefings on various campaigns and key issues.

The department's in-house media bulk-buying service has contributed to government achieving a significant saving on advertising costs.

The department's overall performance can be ascribed to the exceptional leadership of its management team, complemented by the spirit of dedication and cooperation that prevails among staff members.

Challenges for the financial year under review

Despite the acute limited financial and human-resource capacity, which are the two towering challenges hindering the department from fulfilling certain strategic objectives, the GCIS managed to accomplish its major communication objectives.

Another challenge facing the department is the aging equipment currently in use, especially Information Technology and audio-visual equipment, which would require a huge financial injection to replace.

The medium to long-term goals of the department

The GCIS will continue to be at the forefront of promoting nation-building and social cohesion, as part of the Ministry of Communications's mandate to implement Chapter 15 of the National Development Plan.

Through the use of communication products and platforms such as the fortnightly *Vuk'uzenzele* newspaper and the weekly *My District Today* newsletter to reach out to communities in the far-flung rural areas, the GCIS will ensure that the voice of government emerges loud and clear.

Thusong service centres, which are now in their 16th year of operation, will continue to play a crucial role in making life-changing information and services easily accessible to such communities.

We are purposefully geared to sustain the legislative and organisational obligation to disseminate much-needed information to communities in different parts of South Africa. We will continue to reach out to communities in villages, at taxi ranks, in shopping malls and throughout the length and breadth of our country.

Radio is one of the powerful communication tools that the GCIS uses to expressly engage with the public through numerous radio talk shows that are simulcast to community radio stations, thus enabling direct two-way engagement with millions of people. The recently introduced fortnightly Government At Work recordings aim to communicate smarter, better and faster, especially to appeal to the younger generations who access most of their government information on palm tops.

Once approved by Cabinet, the Government Communication Policy will help establish norms and standards to professionalise and strengthen the government communication system to ensure that it is well-integrated, better coordinated and professional, and allows for citizens to interact with government.

Acknowledgements/Appreciation

I would like to express my profound appreciation to the management and staff of the GCIS for their individual and collective contributions to the organisation's overall performance and remarkable achievements. At the same time, I acknowledge the distinctive contributions made by our predecessors – Minister Faith Muthambi and Deputy Minister Stella Ndabeni-Abrahams – to the department's performance during the period under review.

Conclusion

I am proud of the work that the GCIS has achieved during the period under review and foresee an even better performance ahead, as we strive to promote government campaigns and implement policies to move South Africa forward.



Ms Ayanda Dlodlo, MP
Minister of Communications
Date: 30 August 2017





Ms Tandi Mahambehlala, MP
Deputy Minister of Communications

4. DEPUTY MINISTER'S STATEMENT

Activities and highlights of the department for the financial year under review

Effective and cost-efficient communication remains the backbone of government's mandate to keep the public adequately informed about, among other things, its plans, policies and campaigns.

During the period under review, the GCIS managed to live up to and even surpassed its mandate to empower citizens with timeous and accurate information to help improve their lives.

This was achieved against limited financial resources and within a difficult external environment in which government communications had to operate. The heightened political activity and greater civil society activism created a more complex communication space.

Moreover, the rise in unemployment, economic recession, international ratings downgrade and challenges around crime had also contributed to a difficult communication environment.

The demanding communication environment, current deficiency in staff capacity and strained financial resources have not deterred the GCIS from its passionate drive to deliver an excellent performance and subsequently achieve a clean audit. The 2015/16 unaudited annual financial statements were submitted to National Treasury and the Auditor-General of South Africa (AGSA) on time, for which the AGSA issued yet another clean-audit report.

On the communication front, the department has sustained its legacy of bringing government information and services closer to communities. A considerable number of publicising activities were held to promote the use of integrated mobile units and increase the visibility of Thusong service centres, which serve as a connection between communities and government services.

The GCIS has strengthened its strategic engagements with members of the media to establish and reinforce relations, which would inevitably ensure that government messages are articulated as efficiently and extensively as possible. During the period under review, the department provided communication support to, amongst others, the Local Government Elections, SADC Media Awards, *Izimbizo* Programme, SoNA, Fort Hare Centenary and the International AIDS Conference.

The department has been coordinating and simplifying the Post-Cabinet statements, which are translated into all official languages and posted online, and the media briefings, which outline Cabinet decisions on key issues affecting the nation.

In order for the government to live up to its vision of being a caring and responsive government, the GCIS has played a central role in guiding the Imbizo Programme of government, which has yielded tangible successes. There has been a visible improvement in the number of aftercare or follow-up events, as part of upholding the *Batho Pele* principle of redress.

Publications such as the fortnightly *Vuk'uzenzele* newspaper and the weekly *My District Today* assist communities with information that helps them to change their lives for the better. By advertising Public Service vacant posts in the *Vuk'uzenzele* newspaper, the GCIS has also fulfilled the strategic objective of bringing job opportunities to all people, including those living in far-flung rural areas. The daily news bulletins of the SAnews agency and the social-media presence of government on Facebook, Twitter, Flickr and other online platforms continue to make a significant impact on the media landscape of the country.

In support of the government-wide cost-cutting measures, the GCIS's in-house media bulk-buying service has achieved its intended objective of saving government substantial advertising costs.

During the period under review, the department surpassed the targets of the performance indicators for Outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 Medium Term Strategic Framework.

As a diligent department, the Human Resource (HR) Plan Implementation Report, Workplace Skills Plan and HR Development Implementation Plan were approved and implemented in line with the relevant legislative frameworks.

Acknowledgements/Appreciation

I would like to express my appreciation to the management of the GCIS and all employees in their various capacities for their laudable contribution to the outstanding performance of the department in the previous financial year.

As attested by past remarkable successes, the GCIS Team has once again demonstrated its unbridled tenacity to succeed against all odds.

Conclusion

The GCIS has achieved tremendous success in the past financial year and beyond, and it would undoubtedly sustain the distinctive effort to communicate effectively and efficiently with the public going forward.

Ms Tandi Mahambehlala, MP

Deputy Minister of Communications

Date: 30 August 2017





5. REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the department

The GCIS welcomed the newly appointed Minister and Deputy Minister, Ms Ayanda Dlodlo (MP) and Ms Tandi Mahambehlala (MP), as the Executive Authority for the Ministry of Communications, which includes GCIS as one of its entities, on 30 March 2017. The new Executive Authority committed to delivering on the mandate of the GCIS which, is to provide strategic leadership in government.

The media and communication environment form a critical part of the service-delivery environment of the GCIS and has over the financial year been volatile with activity. Issues over the reporting period focused on an upsurge in political activity and increased activism by civil-society organisations over a range of issues. Through this heightened political activity, government communicators had to work much harder to ensure that government's voice was prominent in the media and its campaigns were effectively implemented. In responding to the communication and media environment, daily Rapid Response meetings were held to assess the media environment and produce the recommendations for either a proactive or reactive communication approach.

All 22 *Vuk'uzenzele* editions produced were published on the GCIS website and on the *Vuk'uzenzele* mobile app. In addition, *Vuk'uzenzele* has in the 2016/17 financial year through the sale of advertising space raised R3 446 135.16, of which R3 375 175.00 was paid into the National Revenue Fund (NRF). In turn National Treasury allocated R3.1 million to the GCIS to print additional copies. This amount made it possible for the GCIS to increase the print run of the last three editions for the year, namely February second edition and two March editions. Instead of the normal 850 000 copies per edition, each of these three editions had a print run of 1.732 million copies. Therefore the R3.1 million covered the printing and distribution costs of additional 2.646 million copies.

During the 2016/17 financial year, the GCIS continued to achieve 96% of the targets set in the Annual Performance Plan (APP). This is as a result of innovative and new approaches in approaching the work of government communications.

Overview of the financial results of the department

The GCIS was initially allocated R382.156 million for the 2016/17 financial year. The original appropriation increased with R3.1 million to R385.256 million during the Adjusted Estimates of National Expenditure (AENE). The additional funds were appropriated as self-financing expenditure which would be raised through other government departments' participation in procuring advertising space in the monthly *Vuk'uzenzele* newspaper to advertise vacant posts.

Of the allocated budget, the GCIS spent R380.130 million (98.7%), resulting in an underspending of around R5.126 million (1.3%). The savings within Compensation of Employees (which is an earmarked budget as per the Appropriation Act) at year-end are attributed to vacancies in the three programmes as well as secondment of staff to other departments who refunded the GCIS for salaries and related cost.

The carry-through effect of budget reductions in previous financial years with subsequent budget reprioritisation, together with the lease contract of office accommodation that increased higher than inflation related budget adjustments, resulted in the department approaching National Treasury to support its request to use projected savings in the budget of Compensation of Employees to fund the projected deficit in the operational budget. On both occasions National Treasury rejected the department's request due to the fact that savings within the budget of Compensation of Employees at the end of the financial year should be surrendered to the NRF to reduce the overall fiscal deficit. The savings in Compensation of Employees would also contribute to the reduction of the overall personnel bill of the Public Service.

Funds were also shifted between programmes before and after the adjustments budget. In order to curb a budget deficit in Programme 1: Administration and to prevent unauthorised expenditure, a virement had to be applied from the operational budgets of Programme 2: Content Processing and Dissemination (R2.55 million) as well as Programme 3: Intergovernmental Coordination and Stakeholder Management (R2.33 million) to Programme 1: Administration. This resulted in certain departmental activities having to be scaled down or cancelled.

The GCIS continues to adhere to sound financial management principles as stipulated in the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), and National Treasury Regulations. To ensure that the GCIS maintains sound financial governance that is client-focused and responsive to the overall operating environment, the financial policies are reviewed annually to ensure that they still comply with the PFMA of 1999, National Treasury prescripts, including Treasury Instructions regarding general cost containment measures and subsistence and travel. Financial policies and related amendments are made available to all GCIS staff. In between, financial circulars were issued to staff from time to time as guided by National Treasury and the Department of Public Service and Administration (DPSA) prescripts.

Departmental receipts

Departmental receipts	2016/17			2015/16		
	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
Sale of goods and services other than capital assets	3,359	3,391	(32)	272	3,538	(3,266)
Interest, dividends and rent on land	264	255	9	240	224	16
Sale of capital assets	-	7	(7)	-	-	-
Financial transactions in assets and liabilities	396	342	54	534	441	93
TOTAL	4,019	3,995	24	1,046	4,203	(3,157)

The GCIS produces various information products, including posters, banners, photos and videos. Some of these photos and videos are sold to the public and other departments. The department also provides graphic-design services to government departments and for GCIS-initiated projects. Tariffs are developed after determining the direct costs linked to the production of information products. Tariffs make no provision for a profit margin.

Revenue is also generated from monthly parking deductions made from staff salaries who use parking facilities within the office buildings, commission in respect of insurance deductions from staff salaries and payment thereof to service providers as well as interest generated in the department's bank account and interest-bearing debt by former employees. All income generated is deposited monthly into the NRF.

The projected revenue of R4.019 million was under-recovered with R24 000, resulting in total revenue collected of R3.995 million. The under-recovery is attributed to lower debt recovery than projected.

Included in "Sale of goods and services other than capital assets" is revenue collection of R3.148 million against the projected amount of R3.1 million in respect of the sale of advertising space of vacant posts in the *Vuk'uzenzele* newspaper. The over-recovery of R48 000 is attributed to higher sales of advertising space than projected.

Other revenue collected amount to R847 000 of which R32 000 was as a result of the sales of GCIS products such as photos and videos, parking fees (R136 000) as well as commission on insurance and garnishee deductions (R75 000). Revenue collected in respect of interest amount to R255 000 and R7 000 was collected in respect of the sale of a capital asset. A further R342 000 was generated in respect of financial transactions in assets and liabilities by recovering debt of previous financial years.

Programme Expenditure

The 2016/17 spending trend per programme is as follows:

Programme Name	2016/17			2015/16		
	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
1 Administration	149,394	147,359	2,035	144,921	144,920	1
2 Content Processing and Dissemination	135,030	134,830	200	127,088	126,854	234
3 Intergovernmental Coordination and Stakeholder Management	100,832	97,941	2,891	93,467	93,467	-
TOTAL	385,256	380,130	5,126	365,476	365,241	235

The GCIS spent 98.7% of its allocated budget and realised a nett saving of approximately R5.126 million (1.3%) in 2016/17. The underspending relates to vacant posts. The appropriation for Compensation of Employees was specifically and exclusively appropriated in the Appropriation Act, resulting therein that the budget for compensation of employees may not be used for any other purpose. Notwithstanding the saving in Compensation of Employees, the department experienced funding pressures within the operational budget. In order to prevent excessive expenditure in the operational budget of Programme 1: Administration, the department reprioritised the activities of Programme 2: Content Processing and Dissemination and Programme 3: Intergovernmental Coordination and Stakeholder Management by shifting around R4.8 million to Programme 1. This resulted in 99.98% of the operational budget being spent.

In 2015/16, the department spent 99.9% of its allocated budget and realised a nett saving of approximately R235 000 (0.1%). The underspending relates to Compensation of Employees in Programme 2 of which a Senior Manager is seconded to The Presidency who refunds the salary and related costs to the GCIS. Although the department applied reprioritization and cost-containment measures, funds had to be shifted between programmes to fund projected deficits. The maximum limit of utilisation of savings of main divisions of 8%, as prescribed by Section 43 of the PFMA of 1999, was reached with Programme 2: Content Processing and Dissemination, hence not all the available funds could be used to fund expenditure.

Virement/rollovers

No rollovers were requested from the 2015/16 to the 2016/17 financial years. The following table reflects additional appropriation and virement that was applied through the adjustments budget process:

Main division	Original budget	Virement	Additional appropriation (Self-financing expenditure)	Adjusted Estimates of National Expenditure (ENE)
	R'000	R'000	R'000	R'000
1. Administration	143,064	1,169	-	144,233
2. Content Processing and Dissemination	133,608	(608)	3,100	136,100
3. Intergovernmental Coordination and Stakeholder Management	105,484	(561)	-	104,923
TOTAL	382,156	-	3,100	385,256

The additional appropriation of R3.1 million was allocated as self-financing expenditure in respect of projected revenue that the department would recover due to the sale of advertising space for vacant posts of departments in the *Vukuzenzele* newspaper.

The virement of R1.169 million with which the appropriation of Programme 1: Administration was increased relates to the centralisation of the training budget within Programme 1. In order to ensure that the training budget is allocated and used

in accordance with the determination by the DPSA, it was decided that the Chief-Directorate: Human Resources will coordinate the budget in line with the training needs of staff within all three programmes. The Goods and Services economic classification of expenditure was affected by the virement in all Programmes.

The following virement was applied after the AENE:

Main division	Adjusted ENE (R'000)	Virement (R'000)	Final appropriation (R'000)
1. Administration	144,233	5,161	149,394
2. Content Processing and Dissemination	136,100	(1,070)	135,030
3. Intergovernmental Coordination and Stakeholder Management	104,923	(4,091)	100,832
TOTAL	385,256	-	385,256

The increase in Programme 1: Administration is due to funds that were shifted from Programme 2: Content Processing and Dissemination and Programme 3: Intergovernmental Coordination and Stakeholder Management to fund the projected deficits in Information Management and Technology as well as Facilities Management due to contractual obligations.

The majority of the funds were shifted within the Goods and Services economic classification of expenditure. The nett result of the above virement had the following effect on the economic classification of expenditure:

- R1.163 million was shifted from Compensation of Employees to Transfers and Subsidies to fund leave discounting and leave gratuity due to officials who retired, resigned or died;
- R756 000 was shifted from Goods and Services to Payments for Capital Assets to fund the procurements of capital assets.

Future plans of the department

The department will produce the *Media Landscape* booklet which provides an assessment of the changes in the media environment – ownership and diversity – where different writers who work within the media environment contribute chapters

that bring on developments and dialogues from the dynamic and complex media environment. The *Media Landscape* is published every three years. Therefore it will be published during the 2017/18 financial year.

Public-Private Partnerships (PPP)

The GCIS did not enter into any PPP agreement.

Discontinued activities / activities to be discontinued

No activities were discontinued during the financial year.

New or proposed activities

No new activities were proposed.

Supply Chain Management (SCM)

The department did not procure any goods or services from unsolicited bids for the year under review. The department has a policy on irregular and wasteful expenditure. Internal controls are also reviewed and policies adjusted to prevent irregular expenditure.

Two cases of irregular expenditure to the value of R115 000 occurred as at 31 March 2017. One case is still under investigation while the other has been condoned by the Acting Accounting Officer. Disciplinary action was taken against the relevant official. The department will continue to monitor and review its procurement and internal processes.

Gifts and Donations received in kind from non-related parties

During the 2016/17 financial year, the GCIS received in-kind gifts, donations and sponsorships from non-related parties to the value of approximately R144 000 of which the highest was a sponsorship of R65 000 in respect of the venue, catering and décor for the Forum of the Public Sector Manager (*PSM*) magazine. Refer to Annexures 1C and 1D for full disclosure of gifts, donations and sponsorships received and made.

Exemptions and deviations received from National Treasury

The department did not apply or receive any exemption from National Treasury in respect of the PFMA of 1999, Treasury Regulations or deviation from the financial reporting requirements in respect of the current and/or previous financial year.

Events after the reporting date

In March 2016 the High Court made a ruling that an alleged contract between the GCIS and a service provider for implementation of the Census 2011 Communication Campaign was invalid, and therefore, set aside. The High Court ruling brought to an end a protracted legal dispute that arose in 2012. On 29 June 2017 GCIS received a letter from Statistics SA enquiring about progress made to recover the amount of R7.762 million from third parties with a view that the GCIS will use the funds to settle its debt with Statistics SA. The GCIS is currently seeking a legal opinion with a view to make a determination that will be legally sound and cost-effective in resolving this matter.

A claim of R20 million was instituted in the North Gauteng High Court in respect of a copyright matter.

A disciplinary hearing is in progress against an employee of which the estimated legal cost amount to R250 000.

Other

In accordance with a Memorandum of Understanding (MoU) that was signed by both ADGs of GCIS and DoC, officials from the GCIS rendered Corporate Service functions to the DoC in accordance with the MoU. These Corporate Services functions included all areas of SCM, Information Technology (IT), Internal Audit, and Facilities Management which entailed office accommodation, security as well as asset management. Human Resource Management (HRM) functions relating to appointments, transfers and resignations were provided to DoC for period 1 April 2016 – 31 August 2016.

In certain aspects, the arrangements in accordance with the MoU continues until 31 March 2018 (2017/18 financial year) or until such time that DoC can function independently if earlier than the expiry date. These functions include internal audit, petty cash, which entail daily reconciliation and safekeeping of cash; switchboard functions; administration of the logistics management system (Logis); asset management which entails the maintenance of the departmental asset register, including the verification of assets. In addition the GCIS has allowed the DoC to use its assets to the value of R1.619 million. The DoC will provide legal support to the GCIS.

Acknowledgement/s or Appreciation

I would like express my appreciation to the Executive Authority for their leadership and support during the 2016/17 financial year. I further wish to express my sincere gratitude to the management and staff of the GCIS for ensuring our clean audit status is maintained in the financial year under review.

Conclusion

It is imperative for the GCIS to move South Africa forward by carrying out its communication mandate with renewed confidence and an inspired commitment to make a difference in people's lives. The department used available products and platforms to meet its mandate of informing South African citizens of government's programmes and policies; achieving more than 90% of its planned targets/plans, despite the constrained fiscus.

Approval and sign off

The 2016/17 Annual Financial Statements (AFS) is approved by the Acting Accounting Officer.



Ms Phumla Williams
Director-General and Accounting Officer (Acting)
GCIS
Date: 30 August 2017





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 National Treasury.

The AFS (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by National Treasury.

The Accounting Officer is responsible for the preparation of the AFS 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 as to the integrity and reliability of the performance information, the human resources (HR) information and the AFS.

The external auditors are engaged to express an independent opinion on the AFS.

In my opinion, the annual report fairly reflects the operations, the performance information, the HR information and the financial affairs of the department for the financial year ended 31 March 2017.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Phumla Williams', written over a horizontal line.

Acting Accounting Officer

Ms Phumla Williams

Date: 30 August 2017

7. STRATEGIC OVERVIEW

7.1. Vision

The pulse of communication excellence in government.

7.2. Mission

To deliver effective strategic government communication. Set and influence adherence to standards and coherence of message and proactively communicate with the public about government policies, plans, programmes and achievements.

7.3. Values

Value	Meaning and behaviour associated with the value
Professionalism	<ul style="list-style-type: none"> • The organisation strives to operate at the highest level of professionalism in all business dealings at all times. • Professionalism is embodied in friendly, polite and business-like behaviour. It drives a person's appearance, demeanour and professional interactions, providing others with a positive first impression. • Officials should demonstrate professionalism by being courteous, honest and behaving responsibly when dealing with clients and representing the organisation. • Officials should demonstrate a level of excellence that goes beyond the department's normal work and official requirements.
Diversity	<ul style="list-style-type: none"> • The department contributes to democracy and equality by promoting a safe, positive and nurturing environment for everyone. • Officials should recognise and respect that each person is different. This difference can refer to race, ethnicity, gender, gender preference, age, religious beliefs, socio-economic status or other ideologies. • Officials should strive to understand and embrace each other's points of view, beyond simple tolerance, giving everyone the opportunity to express themselves. This attitude should extend to the public.

Openness and transparency	<ul style="list-style-type: none"> • The organisation should always be open with its communications, disclose all relevant information, and be accountable for its actions. • Officials should be straightforward and honest in their dealings at all times. • Officials should provide colleagues and clients with access to accurate, relevant and timely information. • The department recognises that transparency and accountability are essential for good governance.
Innovation	<ul style="list-style-type: none"> • The department strives to be receptive to new ideas and adopt a flexible approach to problem solving. Officials are encouraged to think beyond the norm. • Officials are encouraged to help each other address issues that cannot be addressed by a person working in isolation.
Honesty and integrity	<ul style="list-style-type: none"> • Officials should exercise honesty in all their business dealings and strive to protect the department's integrity at all times. • Officials should commit to the actions they have undertaken on behalf of their clients. • The department strives for equity, fairness and good ethics in its decision-making and expects its officials to do the same with one another. • The department honours its commitments to build a foundation for trust.



8. LEGISLATIVE AND OTHER MANDATES

- 8.1. The GCIS was formally established in terms of section 239 of the Constitution of the Republic of South Africa of 1996 and as a strategic unit in The Presidency in terms of Section 7 of the Public Service Act of 1994.
- 8.2. The organisation is mandated to coordinate, guide and advise on government communications, including media liaison, development communication and marketing. Its goal is to achieve integrated, coordinated and clear communications between government and South African citizens to enable public involvement in the country's transformation. The work of the GCIS is further informed by:
 - The Constitution of the Republic of South Africa of 1996;
 - The PFMA of 1999, as amended;
 - International bilateral and multilateral agreements;
 - National Treasury's Framework for Strategic Plans and APPs; and
 - The Medium Term Strategic Framework (MTSF) 2014-2019.





<https://www.youtube.com/user/GovernmentZA>



<https://www.flickr.com/photos/governmentza/>



www.instagram.com/governmentza

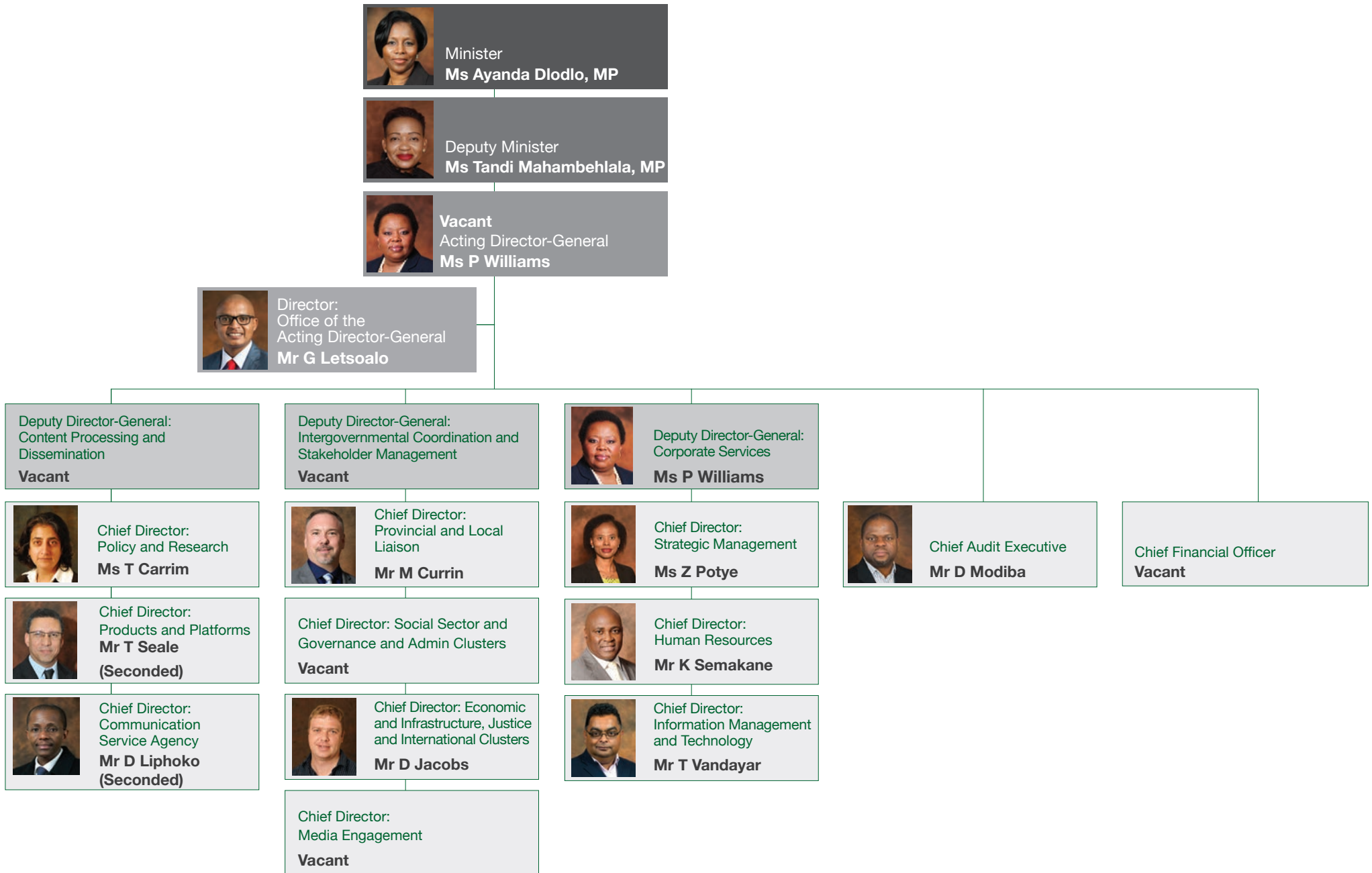


<https://www.facebook.com/GovernmentZA>



https://twitter.com/GCIS_Media

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE GCIS

None





PART B:

PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S (AG) REPORT: PREDETERMINED OBJECTIVES

Refer to page 108 of the Report of the AG, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service-delivery environment

The media and communication environment forms a critical part of the service-delivery environment of the GCIS and has over the financial year been fraught with activity. Issues over the reporting period focused on an upsurge in political activity and increased activism by civil-society organisations over a range of issues. It led to a fast moving and complex communication environment, with rapidly changing media reporting on new and developing issues. Through this heightened political activity, government communicators had to work much harder to ensure that government's voice was prominent in the media and its campaigns were effectively implemented.

In pursuit of its vision of building partnerships with strategic stakeholders, the department increased its engagement with its media partners and held 61 engagements, which was an increase of 40 engagements from the 21 held during the 2015/16 financial year. In responding to the communication and media environment, the daily rapid response meetings were held to assess the media environment and produce recommendations for either a proactive or reactive communication approach. They also produced biweekly rapid response reports for the Minister.

The GCIS has a communication priority of disseminating information that empowers the general public to participate in government programmes. A total of 38 editions of communication products were published to meet the information needs of different target audiences. These included *Vuk'uzenzele*, the fortnightly government-owned newspaper that is distributed for free, mainly in areas with less access to the mainstream media. It is partly published in all

11 official languages and in Braille. Its information focuses on government's key priorities, including employment issues, youth matters, service delivery and rural development. During the 2016/17 financial year, a total of 21.346 million copies of the newspaper and 7 800 Braille copies were distributed. Additional 2.646 million copies were published instead of 18.7 million copies as planned.

Eleven editions (totalling 209 000 copies) of the *PSM* magazine were produced during the period under review. The magazine aims to meet the communication and information needs of public-sector managers. In addition, four editions (totalling 76 000 copies) of *GovComms* – a quarterly newsletter for government and public sector communicators, and a supplement to the *PSM* magazine – were produced. Furthermore, both the *South Africa Yearbook* (SAYB) and *Pocket Guide to South Africa 2015/16* were published as planned.

Government's ability to communicate effectively, and in an integrated and disciplined manner, depends on an efficient government communication system. The system continues to improve in terms of coordination and ensures integrated planning and implementation around the government communication priorities. This is evidenced in the work of the clusters, where five 2016/17 Government Communication Programmes (GCPs) were developed and 50 progress reports on its implementation were presented to the DGs' Cluster.

Furthermore, 44 communication strategies for campaigns were developed together with lead departments to popularise government messages. Four strategic engagements with government communicators were held during the year under review to improve the coherence and alignment of government messages. In addition, the Web Content and Social Media, and the Audio-Visual Forum managers' forums were held to share best practices on ensuring that government information is disseminated as widely as possible.

As the system continued to expand, building capacity and professionalism among communicators remained critical. Ten request-based communication-training sessions for government departments and municipal communicators were conducted. The GCIS provincial and local liaison team conducted councillor induction sessions in some municipalities to equip them with communication skills and techniques to communicate government messages. Together with Media24, the GCIS facilitated the Apex Leadership and Digital Publishing training programmes. These year-long programmes were meant to enhance the GCIS communicators' communication and leadership skills.



During the reporting period, the GCIS prioritised the promotion of awareness and engagement with institutions and programmes on continental and regional integration and development. This included raising public awareness of developments regarding the African Union and its institutions, and the Southern African Development Community (SADC).

The outreach programme of the department has demonstrated the value of unmediated, face-to-face communication where government officials interact directly with the public. A total of 4 521 outreach campaigns were implemented against the planned target of 3 486. These included the 2 127 community and stakeholder liaison visits, 555 marketing events for the Thusong Programme and 1 839 development communication activations.

Information was delivered through channels such as community radio talk shows; taxi ranks and malls activations; blitzes on commuter trains in partnership with the Passenger Rail Agency of South Africa (PRASA); talk shows at local community radio and television stations; open days, especially at Thusong service centres; dialogues; door-to-door/household visits, and project walkabouts and inspections.

The campaign to distribute government messages reached over 53 million people (some of them being repeat audiences). A total of 555 Thusong marketing events were held to intensify the use of integrated mobile units and increase the visibility of Thusong service centres, which serviced 7 527 486 people during the 2016/17 financial year.

The GCIS's in-house media bulk-buying service is designed to save advertising costs for government while maintaining the visibility of government's communication campaigns. During the 2016/17 financial year, 332 media-buying campaigns were approved and implemented for various programmes and services. The cost of the advertising was R227 million.



2.2 Service Delivery Improvement Plan

Main services provided and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of services	2016/17 Actual achievement
Provide accurate relevant information to empower citizens improve their lives	South African citizens/public	Up-to-date and accurate government information	Up-to-date and accurate government information	Up-to-date and accurate government information through: Provided daily news updates on key government programmes and activities (excluding public holidays, weekends and holiday periods) as follows: <ul style="list-style-type: none"> • Stories published: 3 613 • Twitter: 99 300 followers by end of financial year • Facebook: 20 011 likes by the end of the financial year.
		Post-Cabinet media briefings and/or statements issued	18 post-Cabinet media briefings and/or statements issued after ordinary Cabinet meeting per year	14 post-Cabinet media briefings were held and 19 statements issued after ordinary and special Cabinet meeting (five post-Cabinet statements were issued without a media briefing).
		11 editions of <i>Vuk'uzenzele</i> newspaper	21 editions of <i>Vuk'uzenzele</i> newspaper	22 editions of <i>Vuk'uzenzele</i> newspaper published annually

Main services	Beneficiaries	Current/actual standard of service	Desired standard of services	2016/17 Actual achievement
		Distribution to Communities done through knock-and-drops and access points such as post offices, Thusong service centres, provincial and national Information Resource Centres (IRCs), etc.	Distribution to communities done through knock-and-drops and access points such as post offices, Thusong service centres, provincial and national IRCs, etc.	During 2016/17, a total of 21 346 000 million copies of <i>Vuk'uzenzele</i> newspaper were distributed and 95% was knock-and-drop and 5% to about 40 points, including GCIS district and provincial offices. From the 850 000 copies of <i>Vuk'uzenzele</i> newspaper per month, 20 000 went to points and 830 000 to knock-and-drop sites.
Provide accurate relevant information to empower citizens improve their lives	South African citizens/public	Customer feedback undertaken to enhance the quality and content of information products.	Customer feedback undertaken to enhance the quality and content of information products.	Customer feedback was received on the content of <i>Vuk'uzenzele</i> newspaper based on a qualitative study that was conducted during the second quarter of the 2016/17 financial year. Recommendations are being implemented incrementally.
		The GCIS received five complaints through the Presidential Hotline. One was successfully dealt with internally, one was dealt with internally without final resolution and three others were redirected to the relevant public entity, the Independent Communications Authority of South Africa (ICASA).	Complaints and/or feedback received through the GCIS information centre, letters to the DG, editors of publications through emails or telephone calls.	The GCIS received two complaints through the Presidential Hotline. Both were successfully dealt with internally.
Provide accurate relevant information to empower citizens improve their lives	South African citizens/public	Comprehensive, accurate websites and social-media content Provided daily content updates to the <i>www.gov.za</i> website as per items received (excluding weekends and public holiday) as follows: Published: 7 535 speeches, statements and advisories; 66 opinion pieces; 3 940 documents).	Up-to-date, accurate websites and social-media content	Provided daily content updates to the <i>www.gov.za</i> website as per items received (excluding weekends and public holiday) as follows: Published: 6 220 speeches, statements and advisories; 60 opinion pieces; 2 989 documents. Five reports on social media accounts performance (as per weekly content plans) were produced.

Main services	Beneficiaries	Current/actual standard of service	Desired standard of services	2016/17 Actual achievement
Provide accurate relevant information to empower citizens to improve their lives	South African citizens/public	Number of development communication activations (1 920 development communication activations aligned to the GCP)	1 200 development communication activations	1 839 development communication activations
		Number of community and stakeholder liaison visits (2 170 community and stakeholder liaison visits undertaken)	1 800 community and stakeholder liaison visits	2 127 community and stakeholder liaison visits undertaken

Batho Pele arrangements with beneficiaries (consultation access, etc.)

Current/actual arrangement	Desired arrangement	2016/17 actual achievements
Create the following platforms for citizens to interact with government and access information: – <i>Izimbizo</i> /Public-Participation Programme (PPP) – Thusong service centres – Outreach programmes.	Improve the following platforms for citizens to interact with government and access information: – <i>Izimbizo</i> /PPP – Thusong service centres – Outreach programmes.	Political principals implemented 252 <i>Izimbizo</i> events. Implemented 1 839 development communication activations and 555 marketing events for Thusong service centres.

Service delivery information tool

Current/actual information tools	Desired information tools	2016/17 actual achievements
IRCs' websites	Web portals information centre IRCs' websites	The <i>information@gcis.gov.za</i> was used to track the queries regarding government services. • 210 queries were received and resolved within 48 hours.



Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	2016/17 actual achievements
<p>Should we not live up to the above commitments, complaints may be addressed telephonically or in writing to the GCIS:</p> <ul style="list-style-type: none"> • General enquiries: 012 473 0389 (office hours: 07:30 – 16:00) • Email: <i>information@gcis.gov.za</i> • Letters: Chief or Deputy Information Officer • GCIS Tshedimosetso House 1035 Frances Baard Street Hatfield, Pretoria 0083 	<ul style="list-style-type: none"> • Calls: 012 473 0389 • Email: <i>information@gcis.gov.za</i> • Letters: Chief or Deputy Information Officer • GCIS Tshedimosetso House 1035 Frances Baard Street Hatfield 0083 <p>Government-wide complaints</p> <ul style="list-style-type: none"> • Batho Pele Hotline: 1020 • Presidential Hotline: 17737 	<p>The GCIS received two complaints through the Presidential Hotline. Both were successfully dealt with internally.</p> <p>Noted the following walk-in to access information and services:</p> <ul style="list-style-type: none"> • 18 613 people visited IRCs. Of these, 17 896 were in the nine provinces, 279 at head office and 438 in Parliament’s IRC.

2.3 Organisational environment

On 30 March 2017, the GCIS welcomed the newly appointed Minister Ayanda Dlodlo (MP) and Deputy Minister Tandi Mahambehlala (MP), as the Executive Authority for the Ministry of Communications, which includes the GCIS as one of its entities.

The GCIS comprises mostly employees between the ages of 20 to 39 years, who constitute 54.75% of the total establishment. In view of the fact that employees in the aforesaid age-group still aspire for career mobility, growth and development, intervention strategies in the form of retention, succession planning and career management have been developed to ensure that competent and talented staff are retained in the organisation. As a result of implementation of the departmental retention strategy, a total of 19 employees were promoted within the department during the period under review. One employee was promoted to the Senior Management Service (SMS).

Africans were over-represented by 9%, which is 1% increase from 2015/16. Indians were underrepresented by 2% to reach the 5% target in line with the set demographics, while whites and coloureds are underrepresented by 5% and 2% respectively. The department has consequently implemented a targeted recruitment drive to achieve the underrepresented demographic targets. For example, line managers are encouraged to fill vacant posts in line with the Employment Equity (EE) Plan of the relevant unit(s) and much consideration is given to underrepresented areas. Furthermore, the department ensures that job adverts reflect the requirements of underrepresented area(s) in order to attract targeted groups. The EE targets of the branch are sent to managers monthly, and are used during the recruitment and selection processes.

Despite the SMS vacancies and number of people in acting posts, the GCIS has demonstrated strong leadership and organisational harmony. This is partly due to the GCIS team having a long history of working together, with willingness to work across programmes and chief directorates. Despite the staff turnover, the department has maintained a vacancy rate below the legislated 10% throughout the year.

Individual personal development plans (PDPs) were analysed and the Workplace Skills Plan (WSP) compiled and submitted to the Public Service Sector Education and Training Authority (PSETA). The department continued to award bursaries during the 2016/17 financial year and 39 new bursary applications were approved and the total number of bursaries holders is 52 and seven employees completed their studies during the 2016 academic year. The department continued to implement the internship and Work Integrated

Learning (WIL) youth development programmes. During the 2016/17 financial year, 22 interns and 20 WIL learners were appointed. The internship programme focused on addressing the skills challenges in the core business of the organisation while the WIL learners' programmes focused more on the generic and support services of the department.

The 2015/16 unaudited AFS were submitted to National Treasury and the AGSA not later than the legislated date of 31 May 2016, for which the AGSA issued yet another a clean-audit report. The procurement and demand plan for the department were developed and submitted timeously to National Treasury. In addition, the sourcing strategy was developed for goods and services. The procurement of goods and services was rendered successfully, including facilitating media-buying transactions on behalf of government client departments and entities.

The GCIS spent R380.1 million (98.7%) of its allocated budget of R385.2 million in 2016/17. It generated R3.995 million in revenue during the 2016/17 financial year from a variety of sources, including the sale of advertising space for the advertisement of Public Service vacant posts in the *Vuk'uzenzele* newspaper and the sale of products such as photos, videos and other communication material. Apart from the areas that were affected by the lack of funding, the GCIS largely met and exceeded targets stated in the APP 2016/17.

2.4 Key policy development and legislative changes

None

3. STRATEGIC OUTCOME-ORIENTED GOALS

The GCIS has three strategic outcome-oriented goals in support of the departmental mandate:

- A responsive, cost-effective, compliant and business-focused organisation.
- Professionalise the communication system by building a reliable knowledge base and through communication products.
- Maintain and strengthen a well-functioning communication system that proactively informs and engages the public.

The GCIS, a transversal strategic communication organisation, provides strategic communication support to the implementation of government's 14 outcomes. However, the department is responsible for delivering on Outcome 14 (Nation-building and social cohesion).

Outcome 14: Nation-building and Social Cohesion

Sub-outcome 4: Promoting active citizenry and leadership

Performance indicators	2016/17 Target	2016/17 Achievement
Number of community and stakeholder liaison visits undertaken	1 800	2 127
Reports on the number of <i>Izimbizo</i> Programme events held	4	Four quarterly reports (252 events)
Number of reports on post-Cabinet media briefings and/or statements issued after ordinary Cabinet meetings	18	14 post-Cabinet media briefings were held and 19 statements issued
Number of radio products and services provided	200	299
Number of marketing events per Thusong Service Centre	486	555
Number of copies of <i>Vuk'uzenzele</i> newspaper published	21 editions	22 editions
Number of media briefing requests per year	100	128

The National Development Plan (NDP) emphasises the need to unite all South Africans around a common goal, ensure citizens are active in their own development, and build a capable and developmental state. This goal is expressed in Outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 MTSF. To support the realisation of this Outcome, the GCIS identified seven performance indicators to support it. During the period under review, the organisation exceeded the targets for the outcome indicators. A total of 4 521 outreach communication campaigns were implemented to facilitate active citizen participation in government programmes. More than one million people were reached per month.

Radio provides a platform for a two-way interaction with audiences. A total of 299 radio products and services were provided, of which 60 were phone-in programmes for participations to engage in their local languages, seven live

link-ups, 21 radio adverts and 211 recordings of government projects. A total of 22 editions of *Vuk'uzenzele* newspaper were published, and 21.346 million copies of the newspaper in all official languages and 7 800 Braille copies were distributed.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

Purpose: Provide overall management and support for the department.

Subprogrammes

The programme's functions are organised into the following five subprogrammes:

- **Strategic Management** is responsible for the development and implementation of strategic management processes, procedures and systems in compliance with relevant legislation. These include the coordination of strategic planning, performance monitoring and reporting, and risk management for the department.
- **HR** is responsible for strategic leadership in the implementation of the department's HR management strategy.
- **Information Management and Technology (IM&T)** is responsible for the establishment and support of IM&T systems in the GCIS.
- The **Chief Financial Officer** provides the department with overall financial and SCM, auxiliary services, and guides management in complying with legislative requirements, budget planning and administration.
- Internal Audit improves risk management, control and governance processes.

Strategic objective:

Provide adequate and effective Corporate Services functions in pursuit of good governance.

Key achievements and challenges

Subprogramme: Strategic Management

Key achievements

The department complied with National Treasury frameworks by reviewing and tabling the 2017/18-2019/20 APP in Parliament during the 2016/17 financial year. It also compiled and submitted the four quarterly performance reports and to the Executive Authority, Department of Planning, Monitoring and Evaluation (DPME) and National Treasury within the legislated time frames.

The portfolio of evidence was audited quarterly against the reported achievements and contributed to a clean audit on performance information maintained from 2014/15. Furthermore, the 2015/16 Annual Report was tabled in Parliament during September 2016.

During the 2016/17 financial year, the GCIS had an approved risk management framework with implementation plans, and a risk register comprising the strategic, operational and fraud and corruption risks. It reviewed the registers, and monitored and reported quarterly to the Management Committee (Manco) and the Audit and Risk Committee (ARC) on all the 42 risks. During the financial year, Manco approved the establishment of a Risk Management Committee by an External Chairperson. The committee was still being established by the end of the financial year.

Challenges

The department has a challenge of evaluating the impact of government communication programmes due to lack of capacity within the chief directorate. It has also not identified implementation programmes, which were a new requirement for the Management Performance Assessment Tool (MPAT). This led the department receiving a low score on the evaluation and implementation programmes for the MPAT.

The department is gradually increasing its score on the development and implementation of service-delivery mechanisms which were previously also scored very low. A community survey was held with various stakeholders and across the nine provinces to test stakeholder satisfaction with government information, products and platforms. To ensure service-delivery improvement, Manco has set up a team to undertake ongoing and continuous improvement of this work.

Subprogramme: Human Resource Management

Key achievements

The HR Plan (HRP) Implementation Report was approved and submitted in line with the relevant legislative frameworks. The directorate received a positive feedback on the outcome of assessments by DPSA with a score of 68%. Targets for submission of performance agreements were exceeded during the 2015/16 financial year.

Rewards for 2015/16 annual assessments were implemented two months before the legislated time frame as per the Public Service Regulations (PSR), 2016.

The vacancy rate was kept under the legislated percentage (10%) throughout the financial year. On average it was kept at 8%. The EE report was submitted to the Department of Labour a month before the legislated time frame. HR policies were reviewed in line with the PSR, 2016 and approved.

The WSP and HR Development (HRD) Implementation Plan were approved and implemented in line with the relevant legislative framework. Employees attended training on short courses aligned to their PDPs. For long-term career pathing, bursaries were also awarded to employees who applied. To enhance the managerial skills of both middle and senior managers, managers attended management development programmes. The department implemented youth development programmes which included internship and WIL from Technical and Vocational Education and Training (TVET) colleges funded by the PSETA through their discretionary grants.

The department continued to offer 24/7/365 counselling services to employees and their immediate family members. Health screenings – including tuberculosis (TB) and HIV Counselling and Testing (HCT) is conducted to encourage employees to know their status. The implementation of reasonable accommodation for Employees with Disabilities (EWD) and gender mainstreaming was done in line with the legislative framework.

EWD who cannot access public transport receive a monthly transport allowance. The GCIS contributes 15% towards the procurement of assistive devices for EWD and 100% for maintenance. To ensure their smooth reintegration to the workplace, women are granted half days for two weeks after their return from maternity leave.

Challenges

Owing to budgetary constraints, the training budget has decreased below 1% of the personnel budget. This has a negative effect to training and development since employees can only attend no more than two interventions. The department has not yet attained 50% target in employing women at SMS level. The department has also fell short of meeting its 2% target for EWD due to the resignation of EWD.

The EE targets were not met due to lack of applications from designated groups. The department has introduced targeted recruitment and has formed partnerships with external stakeholders to address the challenge. There is lack of capacity within the Directorate: HRM to meet the organisational demands.

Subprogramme: Information Management and Technology

Key achievement

The subprogramme continued to ensure that the IT infrastructure and Information Management (IM) systems were maintained and available with an uptime of above 95%. Initiatives and measures were implemented to address the emerging cybersecurity risks and threats in the environment. Annual enterprise licences for electronic office software and security software were renewed.

IM systems were also maintained and supported with improvements made to the organisational performance reporting systems. An electronic Employee Performance Management and Development System (EPMDS) was developed and tested for implementation in the next employee performance cycle.

Challenges

The subprogramme is still constrained by the fiscal environment with a low budget. Upgrades to the network and Internet lines needed to improve network speed and performance could not be done due to the lack of available funds. The subprogramme was unable to undertake any projects to refresh end-of-life infrastructure in the environment.

Subprogramme: Finance, Supply Chain Management and Auxiliary Services

Key achievements

The chief directorate achieved phenomenal outcomes during the 2016/17 financial year. Operating under the Vote 3 of the Department of Communications (DoC), the GCIS received its funding from the fiscus through Vote 3. It continued to assist the DoC at a decreasing level, as per the MoU reached between the two departments at the inception of the DoC. The DoC is now at an advanced stage of building its financial management capacity, which allowed the GCIS to hand over a significant majority of functions.

Despite a staff shortage and high workload, some targets were achieved in line with plans. All regulatory deadlines as regulated by National Treasury and the PFMA of 1999 and other prescripts were met alongside procuring prudently and confining expenditure within available means. The GCIS complied with all National Treasury requirements in the formulation and submission of the 2017 Medium Term Expenditure Framework (MTEF).

The 2015/16 unaudited AFS were submitted to National Treasury and the AGSA not later than the legislated date of 31 May 2016, for which the AGSA issued yet another a clean-audit report. The chief directorate supported Manco and

various governance committees. The procurement and demand plan for the department were developed and submitted timeously to National Treasury. The procurement plans were monitored consistently throughout the financial year. In addition, the sourcing strategy was developed for goods and services. The unit successfully rendered procurement of goods and services, including facilitating media-buying transactions on behalf of government client departments and entities. Media-buying transactions for the 2016/17 financial year were worth R227 million.

The internal control system continues to respond to risks identified, hence the sustained clean-audit report as reported above. This includes continuous updating and formulation of policies, embarking on awareness programmes and ensuring that there is consequence management where wrongdoing or negligence occurs. Generally, payments are effected within the regulated 30 days after receipt of invoices. All assets are well secured and managed. Staff continues to work in an office space that is enabling, healthy and convenient.

Challenges

Although the chief directorate achieved all its targets for the year under review, pressure was however experienced during the financial year. Staff shortage, work pressure and high workload continue to impact on service delivery, turnaround times, and also increase the risk of making errors. The limited budget continues to restrict the GCIS's ability to render its communication-related services optimally to South Africans.

Subprogramme: Internal Audit

Key achievements

Internal Audit has the primary responsibility of ensuring that the system of governance, risk management and control is designed to ensure that the GCIS's strategic goals and objectives will be achieved.

During the period under review, the unit reviewed its plans and charters for consideration and approval by the Management and Audit Committee aligned to the GCIS enterprise-wide risk assessment register. The unit ensured that the governance structures introduced to monitor the work of internal and external auditors (AGSA), and the management reports are reviewed regularly, and areas requiring attention are identified and monitored regularly.

The unit places a premium on the audits that contribute to positive external audit outcomes, and ensures the improvement of the GCIS's organisational performance and accountability. Key among these audits are Operational (review of implementation of the APP) Supply Chain and Expenditure Management,

Information and Communications Technology (ICT), HR, as well as Quarterly and Annual Financial and Non-Financial Reporting. **Refer to Section C: Governance of this Annual Report for detailed achievements.**

Despite resource constraints, the unit continues to surpass its expectations by contributing to the clean external-audit outcomes, ensuring reliance on internal-audit work on ICTs by the AGSA, and contributing to the overall planning, implementation (including compliance) and reporting on the GCIS's predetermined objectives. During the year under review, the unit continued to assist the DoC with Internal Audit services, including assisting the DoC to achieve clean audit outcomes for the 2015/16 financial year and compliance (level 4) on MPAT on Internal Audit and Audit Committee key performance areas.

In pursuit of the GCIS mandate, the Internal Audit team has ensured that the department continues to empower the people with government information to be able to take advantage of available opportunities to better their lives.

Challenges

The Annual Operational Plan of the unit was successfully implemented, except for audits scheduled in March. Follow-up audits, which are linked to the unit's work, will form the basis of the review of the AFS and Annual Report (Performance Information) prior to submission of the statements and reports to the AGSA on the legislated date of 31 May each year. The outcomes of these March audits form the basis on financial year-end audit procedures to ensure that management reports are stated fairly, informed by among others, the progress made in implementing audit recommendations.

The continued provision of internal-audit services to the under-resourced DoC places undue strain on GCIS resources and has the potential over time to impact on the quality of the services.



Strategic objectives

Programme: Administration					
Strategic objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
Provide adequate and effective Corporate Services functions in pursuit of good governance	Unqualified audit opinion obtained	Unqualified audit opinion	Clean audit opinion obtained	None	None

Performance indicators

Subprogramme: Strategic Management							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Strategic management processes and procedures implemented	Tabled reviewed 2014-2017 APP in Parliament on 12 March 2014	The 2015-2020 Strategic Plan and 2015/18 APP were tabled in Parliament on 11 March 2015	The 2016-2019 APP was tabled in Parliament on 11 March 2016	2017-2020 APP and tabled in Parliament according to prescribed legislation	2017-2020 APP was tabled in Parliament on 14 March 2017	None	None
	Submitted approved 2012/13 fourth quarter and 2013/14 first, second and third-quarter performance reports to National Treasury and Executive Authority	Submitted four approved quarterly performance reports to relevant authorities according to prescribed legislation	Four approved quarterly performance reports were submitted to National Treasury, DPME and Executive Authority. However, one report was submitted outside the legislated time frame	Four approved quarterly performance reports submitted to National Treasury, DPME and Executive Authority according to prescribed legislation	Four approved quarterly performance reports submitted to National Treasury, DPME and Executive Authority according to prescribed legislation	None	None

Subprogramme: Strategic Management							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
	Tabled the 2012/13 Annual Report in Parliament on 28 September 2013	The 2013/14 Annual Report was tabled on 30 September 2014	The 2014/15 Annual Report was tabled on 30 September 2015	Departmental Annual Report tabled in Parliament within National Treasury guidelines and legislative time frames	The 2015/16 Annual Report was tabled in Parliament on 7 September 2016	None	None
	Progress reports on the implementation of risk-mitigation plans produced and approved by Manco and the ARCs	Four progress reports on the implementation of the risk mitigation plans were produced and approved by Manco	Four progress reports on the implementation of the risk mitigation plans were produced and approved by Manco	Four progress reports on the implementation of risk-mitigation plans produced	Four progress reports on the implementation of the risk mitigation plans were produced and approved by Manco	None	None
MTEF HRP implemented	Approved and implemented HRP 2013-2017	Implementation reports on the strategic elements of the 2013-2017 HR Strategy were not submitted to the DPSA	The strategic elements of the 2013-2017 HR Strategy were implemented	Annual adjusted HRP and HRP implementation report submitted to the DPSA	The department sent a letter to the DPSA for not adjusting the HRP and HRP implementation report submitted to the DPSA on 31 May 2016	None	None
IM&T governance implemented	Renewed anti-virus and web-security licences updated and presented two IT asset reports to IM&T Steering Committee (SC). Produced four IT support reports	Renewed the following licences: <ul style="list-style-type: none"> • Web security licences • Microsoft licences renewed • AV licence • Two IT asset reports presented to IM&T SC. Produced four IT support reports 	Four reports on the availability of IT infrastructure were presented to the IM&T SC	Four reports on the availability of IT infrastructure presented to the IM&T SC	Four reports on the availability of IT infrastructure presented to the IM&T SC	None	None

Subprogramme: Strategic Management							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
	Compiled four reports on IM systems development and support. Presented two IM systems project progress reports and two feasibility study reports for new systems to IM&T SC. Enhanced seven IM systems and helped GCIS Information Centre with procurement process for a new library system	Compiled four reports on systems development and support provided	Four reports on IM systems development were presented to the IM&T SC	Four reports on IM systems development presented to the IM&T SC	Four reports on IM systems development presented to the IM&T SC	None	None
AFS prepared and issued within legislated prescripts	Submitted four interim financial statements and accurate AFS to National Treasury within the legislated time frames	Submitted four interim financial statements to National Treasury within the legislated time frames	The 2014/15 AFS were prepared and issued within legislated time frames Three 2015/16 interim financial statements were compiled and submitted to National Treasury within the legislated time frames	AFS prepared and issued within legislated time frames	The 2015/16 AFS were prepared and issued within legislated time frames. Three 2016/17 interim financial statements were compiled and submitted to National Treasury within the legislated time frames	None	None

Subprogramme: Strategic Management							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Performance, compliance, financial audit conducted	Updated risk-based internal audit plan and 2013/14 Operational Plan approved by Audit Committee on 22 May 2013	Three-year strategic and operational plans were approved by Internal (IA&RC) and the external (ARC) in March and April 2014 respectively	Updated three-year risk-based internal audit plan, and 2015/16 Operational Plan were approved by the ARC and implemented Developed the 2016/17 Operational Plan which was approved by the ARC	Updated risk-based internal audit plan and 2016/17 Operational Plan approved	Updated three year risk-based internal audit plan, and 2016/17 Operational Plan were approved by the ARC and implemented. Developed the 2017/18 Operational Plan which was approved by the ARC	None	None
	Produced four progress reports on assurance audits	Produced four progress reports on assurance audits	Produced four progress reports on assurance audits	Four progress reports on performance, compliance, financial audit conducted	Four progress reports on performance, compliance, financial audit conducted were produced	None	None

Strategy to overcome areas of underperformance

Manco discussed and approved quarterly performance reports before they were submitted to National Treasury, DPME and the Executive Authority as a legislative requirement. Non-achieved and delayed targets from the previous quarters were updated by implementing corrective action plans and reports were regularly provided to Manco on these.

Changes to planned targets

There were no changes on the planned targets for the year under review.

Linking performance with budgets

Subprogramme expenditure

Subprogramme Name	2016/17			2015/16		
	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
1.1. Departmental Management	5,928	5,643	285	6 479	6 479	-
1.2. Corporate Services	47,938	47,177	761	50 828	50 829	(1)
1.3. Financial Administration	33,052	32,325	727	29 755	29 754	1
1.4. Internal Audit	8,133	7,871	262	7 720	7 719	1
1.5. Office Accommodation	54,343	54,343	-	50 139	50 139	-
TOTAL	149,394	147,359	2,035	144 921	144 920	1

The nett underspending realised mainly within Compensation of Employees that was specifically and exclusively appropriated, and which could not be used for any other purpose. The underspending is due to vacant posts that occurred during the 2016/17 financial year, and the period that lapsed to finalise interviews and verification processes before the posts could be filled.

4.2 Programme 2: Content Processing and Dissemination

Purpose: Provide strategic leadership in government communication to ensure coherence, coordination, consistency, quality, impact and responsiveness of government communication.

The programme's functions are organised into the following three subprogrammes:

- **Products and Platforms** develops content for the GCIS. Funding for the subprogramme is used for writing assignments; language services for products that require translation, editing and proofreading content; managing the development of government and departmental/provincial websites; and the production of government publications. The subprogramme is also responsible for the development of the government communication strategy.
- **Policy and Research** conducts research through independent service-providers to assess how government should address the public's information needs. It also monitors media coverage of issues affecting government and the country. It further provides an analysis on how the media interprets government policies and programmes; formulates policy proposals where it is required and assesses public perceptions in relation to government performance.
- **Communication Service Agency (CSA)** provides media bulk-buying services and media production services to government. It also develops distribution strategies for all government communications and oversees distribution services outsourced to service providers. The chief directorate manages national government's corporate identity. It further provides marketing and distribution services for the GCIS and other government departments.

Strategic objectives:

- Produce government communication products and provide services to grow the share of the voice of government messages in the public arena.
- Provide strategic leadership and support in government communication through public opinion research and analysis of media coverage to understand the communication environment and inform government messages.
- Provide efficient and effective communication services.

Key achievements and challenges

Subprogramme: Products and Platforms

Key achievements

GCIS products and platforms continue to empower the general public with much-needed information on government's programmes and policies. The GCIS updates the South African Government website (www.gov.za) daily with statements, documents and multimedia content. For the 2016/17 financial year, the website was used by 7,7 million users (5,2 million in the previous year) who viewed 21 million webpages (15 million in the previous year).

The South African Government social media accounts have also seen a significant growth in followers. By end of 2016, the Facebook page had 232 000 followers and the Twitter account 710 000. The GCIS also supported numerous departments to improve their use of digital communications technologies and amplify their campaigns.

Vuk'uzenzele, the government-owned newspaper, is distributed free of charge, with particular attention given to making it available in areas with less access to the mainstream media. It is partly published in all 11 official languages and in Braille. Its information is focused on government's key priorities, including employment issues, youth matters, service delivery and rural development. The newspaper has since September 2015 been featuring a message from President Jacob Zuma in every edition, and also paid government recruitment vacancies and other generic government campaigns. For the last financial year, a total of 21 346 million copies of the newspaper in all official languages and 7 800 Braille copies were distributed. Additional 2,646 million copies were published instead of 18,7 million, as per the APP.

All 22 editions were also published on the GCIS website and on the *Vuk'uzenzele* mobile app. The *Vuk'uzenzele* newspaper and *PSM* magazine Facebook and Twitter accounts are also growing steadily. These social-media accounts allow

users to interact and share content more easily. On average per week the website has over 26 000 page impressions. The *Vuk'uzenzele* mobile app allows users to access the newspaper on smartphones, tablets and other mobile devices.

The *Vuk-app* is available on Google Play Store and Apple Store for download. During the period under review, the *Vuk'uzenzele* website page received 1 085 182 views and 3 225 likes of its stories on Facebook.

In addition, *Vuk'uzenzele* has in the 2016/17 financial year through the sale of advertising space raised R3 446 135.16, of which R3 375 175.00 was paid into the NRF. In turn, National Treasury allocated R3.1 million to the GCIS to cover the printing and distribution costs of additional 2.646 million copies. This amount made it possible for the GCIS to increase the print run of the last three editions for the year, namely February second edition and two March editions. Instead of the normal 850 000 copies per edition, each of these three editions had a print run of 1.732 million copies.

Eleven editions (totalling 209 000 copies) of *PSM* magazine were produced during the period under review. The magazine aims to meet the communication and information needs of public-sector managers. *PSM* magazine is self-sustaining as it generates sales and advertising revenue for its production. It is also available in a digital format. In addition, four editions (totalling 76 000 copies) of *GovComms*, a quarterly newsletter for government and public sector communicators and a supplement to the *PSM* magazine, were produced. Furthermore, four electronic *Government Dialogue* newsletters for public servants were published.

The chief directorate completed 1 672 requests for language services during the 2016/17 financial year, overachieving the annual target by 172 requests. Despite capacity challenges, both the SAYB and *Pocket Guide to South Africa 2015/16* were published as planned. To prevent potential delays in the production of the 4 000 DVDs containing the content of the *Pocket Guide to South Africa 2015/16* and 2016/17 editions respectively, a two-year production contract was signed with an audio-visual company.

The South African Government News Agency, *SANews.gov.za*, published over 300 stories every month – with this going beyond as more critical programmes unfolded on the government programme. Many of these stories were published in the mainstream media and online web portals. At the end of March 2017 – the *SANews* Twitter account (@SAGovnews) following was close to 100 000 followers – sitting at around 99 300.

The SAnews Twitter account has become the Flagship Twitter account in the organisation. Social media plans for GCIS-supported projects nearly always rely on live tweets from SAnews; while other accounts retweet SAnews.

Challenges

The lack of capacity and severe budget restrictions in the chief directorate had an impact on the ability to cover all government programmes.

Subprogramme: Policy and Research

Key achievements

The subprogramme produced a number of media content analysis reports on major issues in the environment, including the Local Government Elections, attacks on foreign nationals, energy issues, economy and the drought. Monitoring and evaluation of communications in the departments of Tourism and Small Business Development was also completed. There was an increased demand for the production of key messages spanning various topics and themes. Opinion pieces were also drafted on behalf of political principals for placement in the media. Furthermore, the subprogramme expanded its writing to cover not only opinion pieces, but also draft keynote addresses and other media content. In addition, it produced four *Insight* newsletters during the year under review.

Research support was consistently provided to guide communication planning by clusters and for key government communication campaigns such as the State of the Nation Address (SoNA), Women's Month, Youth Month, etc. Ten cluster reports and two *Pulse of the Nation* reports were produced during the 2016/17 financial year. Furthermore, a growing demand for advisory research reports on communication environment and key areas of performance by government and departments was observed. A total of 97 advisory research reports were produced during the 2016/17 financial year, which is an increase of 14 from the 83 produced during 2015/16.

Communication research support was provided by producing a research report for the Premiers' offices to inform planning and communication at that level. In addition, the Government Segmentation Model (GSM) has been introduced to government communicators and various research bodies. The demand for use of the GSM is growing and the GCIS is aligning its communication products with the GSM in order to generate relevant content for target audiences in the South African population.

The chief directorate has met with various stakeholders to discuss a wide range of topics, including what media transformation and diversity mean, how diversity can be measured, issues relating to media regulation, ownership as well as issues relating to community media. These discussions culminated in a Colloquium on Print Media Transformation where industry players debated and made recommendations on these issues.

Challenges

The chief directorate did not experience any challenges that impacted negatively on service delivery.

Subprogramme: Communication Service Agency

Key achievements

The CSA produced 60 radio talk shows that were transmitted on 65 community radio stations. It also produced 460 news bulletins that were transmitted to community radio stations. It provided photographic coverage of all major government activities, including those of The Presidency. These photographs were published in many newspapers. It has continued to monitor the correct use of the Corporate Identity of national government and has given feedback to government departments. The CSA has continued to run a graphic design service for departments and has produced over 472 graphic designs. During the 2016/17 financial year, the subprogramme facilitated the distribution of 21 346 000 million copies of *Vuk'uzenzele* newspaper.

The GCIS has continued to conduct media placement on behalf of government departments and their agencies. Particular attention has been given to placing advertising on community media, including print radio and television. A total of 333 media-buying campaigns were approved and implemented for various programmes and services during the 2016/17 financial year. The cost of the advertising was R227 million.

Challenges

There has been the challenge of lack of funding, aging equipment and an overstretched workforce due to the large number of projects.

Strategic objective

Programme: Content Processing and Dissemination					
Subprogramme: Products and Platforms					
Strategic objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
Produce government communication products and provide services to grow the share of voice of government messages in the public arena	32 communication products/editions published	37 editions of communication products published	38 editions of communication products published	Target overachieved by one edition	Funds were raised through the sale of advertising space on the <i>Vuk'uzenzele</i> newspaper, which allowed the department to publish an additional edition and increase the print run

Performance indicators

Subprogramme: Products and Platforms							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number of editions of <i>Vuk'uzenzele</i> newspaper published annually	Produced 21 million copies of the newspaper	11 editions of the newspaper published annually	Published 16 editions of <i>Vuk'uzenzele</i> newspaper	21 editions of <i>Vuk'uzenzele</i> newspaper published annually	22 editions of <i>Vuk'uzenzele</i> newspaper published annually	Target overachieved by one edition	Funds were raised through the sale of advertising space on the <i>Vuk'uzenzele</i> newspaper, which allowed the department to publish an additional edition and increase the print run
Number of editions of <i>GovComms</i> published annually	Produced 56 000 <i>GovComms</i> copies	Published four editions of <i>GovComms</i>	Published four editions of <i>GovComms</i>	Four editions of <i>GovComms</i> published	Four editions of <i>GovComms</i> published	None	None

Subprogramme: Products and Platforms							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number of editions of <i>PSM</i> magazine published annually	Produced 175 000 of <i>PSM</i> magazine	Published 11 editions of <i>PSM</i> magazine	Published 11 editions of <i>PSM</i> magazine	11 editions of <i>PSM</i> magazine published	11 editions of <i>PSM</i> magazine published	None	None
An annual edition of <i>SAYB</i> and <i>Pocket Guide to South Africa</i> published, and 4 000 DVDs produced	Produced 45 000 copies and 4 000 DVDs of <i>SAYB</i> and 20 000 copies of <i>Pocket Guide to South Africa</i>	One edition of the <i>SAYB</i> and <i>Pocket Guide to South Africa</i> published and 4 000 DVD copies produced	Published one annual edition of 2014/15 <i>SAYB</i> and <i>Pocket Guide to South Africa</i> and 4 200 DVD copies	One annual edition of <i>SAYB</i> and <i>Pocket Guide to South Africa</i> published, and 4 000 DVDs produced	2015/16 <i>SAYB</i> and <i>Pocket Guide to South Africa</i> published, and 4 000 DVDs produced	None	None
Number of language services requests completed	Attended to 1 151 language services requests received from GCIS and other government departments	Received and completed 1 705 (100%) language services requests from the GCIS and other government departments	Received and completed 1 958 language services approved requests from the GCIS and other government departments. This translates to 100%	1 500 language services requests completed	1 672 language services requests completed	Target over-achieved by 172. More requests for language services were received	None

Subprogramme: Products and Platforms							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
News updates on key government programmes and activities (excluding public holidays, weekends and holiday periods)	Provided daily news updates on key government programmes and activities through various platforms	Provided daily news updates on key government programmes and activities. Published 4 046 stories	Provided daily news updates on key government programmes and activities (excluding public holidays, weekends and holiday periods) as follows: <ul style="list-style-type: none"> • Stories published: 4 022. • Twitter: 71 818 followers. • Facebook – 4 459 likes. • Page impressions: 3 495 405. • Website hits: 4 066 958. 	Daily news updates on key government programmes and activities (excluding public holidays, weekends and holiday periods)	Provided daily news updates on key government programmes and activities (excluding public holidays, weekends and holiday periods) as follows: <ul style="list-style-type: none"> • Stories published: 3 613. • Twitter: 99 300 followers by end of the financial year. • Facebook: 20 011 likes by end of financial year. 	None	None
Updated content on the <i>www.gov.za</i> website	New look <i>www.gov.za</i> was implemented in September. Review of the GCIS website content was completed Service provider continued with developments for new CMS for <i>www.gov.za</i> and <i>www.services.gov.za</i>	No baseline	Provided daily content updates to the <i>www.gov.za</i> website as per items received (excluding weekends and public holiday) as follows: Published: 7 535 speeches, statements and advisories; 66 opinion pieces; 3 940 documents	Daily content updates to the <i>www.gov.za</i> website as per items received (excluding weekends and public holiday)	Provided daily content updates to the <i>www.gov.za</i> website as per items received (excluding weekends and public holiday) as follows: Published: 6 220 speeches, statements and advisories; 60 opinion pieces; 2 989 documents	None	None

Subprogramme: Products and Platforms							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Updated content on the <i>www.gov.za</i> website Number of reports on social media accounts performance as per weekly content plans	The following social media platforms were used to complement distribution government of information: Facebook 367 posts with 963 339 views/ impressions. Created descriptions for 251 videos on Government YouTube page	No baseline Implemented daily posts on GCIS social media accounts. Content was published daily on social networks, including Facebook, Twitter and Flickr	Provided daily content updates to GCIS managed social media channels as per the weekly content plan and ad hoc items as per government's Programme of Action (PoA) (Excluding weekends and public holidays) as follows: Posted 5 458 tweets and 2 171 Facebook messages	12 reports per year on social media accounts performance (as per weekly content plans)	Five reports on social media accounts performance (as per weekly content plans) were produced	Target underachieved by seven reports	Oversight by management due to leadership changes

Strategic objective

Programme: Content Processing and Dissemination					
Subprogramme: Policy and Research					
Strategic objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
Provide strategic leadership and support in government communication through public opinion research and analysis of media coverage to understand the communication environment and inform government messages	12 research, surveys and analysis reports to understand the communication environment	16 research, surveys and analysis reports to understand the communication environment	Produced 16 research, surveys and analysis reports to understand the communication environment	None	None

Performance indicators

Subprogramme: Policy and Research							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number of cluster reports on priorities produced	Produced two reports per cluster biannually	Produced two reports per cluster biannually and two integrated overview cluster reports biannually	Produced two reports per cluster	10 cluster reports produced per year	Produced 10 cluster reports per year	None	None
Number of <i>Pulse of the Nation</i> reports produced	Produced two <i>Pulse of the Nation</i> research reports	Produced two <i>Pulse of the Nation</i> research reports	Produced two <i>Pulse of the Nation</i> reports	Two <i>Pulse of the Nation</i> reports produced	Produced two <i>Pulse of the Nation</i> reports	None	None
Number of reports on government communication monitoring and evaluation produced	Produced four reports on communication monitoring and evaluation	Produced three reports on communication monitoring and evaluation	Produced two reports on government communication monitoring and evaluation	Two reports on government communication monitoring and evaluation produced	Produced two reports on government communication monitoring and evaluation	None	None
Number of media content analysis reports produced	No historical information	No historical information	Produced two media content analysis reports	Two media content analysis reports produced	Produced two media content analysis reports	None	None
Number of <i>Insight</i> newsletters published	Drafted eight newsletters for political principals and government communicators	Eight <i>Insight</i> newsletters published	Four <i>Insight</i> newsletters published	Four <i>Insight</i> newsletters published	Published four <i>Insight</i> newsletters	None	None
Percentage of key messages produced (excluding weekends, public holidays and holiday periods)	Drafted 158 sets of key messages drafted for government spokespersons and the government departments to inform government communications	Received 154 requests for developing key messages and developed all (100%)	100% of key messages produced Received and produced 169 key messages (100%)	Produce 100% of key messages requested (excluding weekends, public holidays and holiday periods)	Produced 142 (100%) sets of key messages as per requests. (excluding weekends, public holidays and holiday periods)	None	None

Subprogramme: Policy and Research							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Percentage of opinion pieces produced (excluding weekends, public holidays and holiday periods)	No historical information	Two opinion pieces produced for placement in the media per week (excluding weekends, public holidays and holiday periods) except for the following weeks: <ul style="list-style-type: none"> • 16-20 February 2015 • 23-27 February 2015 • 16-20 March 2015 	100% of opinion pieces produced annually (excluding public holidays, weekends and holiday periods) Produced 126 opinion pieces (excluding public holidays, weekends and holiday periods) as required 100%	Produced 100% of opinion pieces requested (excluding weekends, public holidays and holiday periods)	Produced 129 (100%) of opinion pieces requested (excluding weekends, public holidays and holiday periods)	None	None

Strategic objective

Programme: Content Processing and Dissemination					
Subprogramme: Communication Service Agency					
Strategic objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
Provide efficient and effective communication services	100% of approved services and products implemented	2 000 communication services provided	2 758 communication services provided	Target overachieved by 758	More requests for communication services were received than planned

Performance indicators

Subprogramme: Communication Service Agency							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number of approved media buying campaigns implemented	Implemented 214 media-buying campaigns	272 approved media-buying campaigns were implemented. This translates to 100%	280 media-buying campaigns were approved. Of these; 141 were completed and 139 were implemented This translates to 50%	250 media-buying campaigns implemented	333 approved media-buying campaigns were implemented	Target overachieved by 83	More media buying campaigns were briefed in by departments
Number of photographic products and services provided	Handled 819 requests for photographs	2 189 requests for photographic products and services were received and responded to (100%)	1 049 requests for photographic products and services were approved and implemented (100%). Of these 564 were for photographic coverage and 485 were for photographs	500 photographic products and services provided	582 photographic products and services provided. Of these 334 for The Presidency, 59 for the GCIS, 94 for other government departments and 95 for related parties	Target overachieved by 82	More requests for photographic coverage were received than planned
Number of video products and services provided	Handled 378 requests for video footage	1 080 requests for video products and services were received and responded to (100%)	1 337 requests for video products and services were approved and implemented (100%). Of these 572 were for video coverage, 183 for production of videos and 582 for the supply of video footage	520 video products and services provided	664 video products and services provided. Of these 333 for The Presidency, 70 for the GCIS, 177 for other government departments and 84 for related parties	Target overachieved by 144	More requests for video coverage were received than planned

Subprogramme: Communication Service Agency							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number of radio products and services provided	Produced/ transmitted 70 radio programmes and live link-ups Produced 51 radio adverts	652 requests for radio products and services were received and responded to (100%)	220 requests for radio products and services were approved and implemented (100%). Of these 113 were for audio recordings, 66 were for phone-in programmes and live linkups and 41 were for radio productions (Adverts)	200 radio products and services provided	299 radio products and services provided. Seven were live link-ups of government events, 60 were phone in programmes, 21 was for the production of adverts and 211 were recordings of government events	Target overachieved by 99 radio products and services	More requests for radio products and services were received than planned
Number of graphic designs completed	Designed 315 electronic and print products	584 requests for graphic design were received and responded to (100%)	294 requests for graphic designs were approved and implemented (100%)	500 graphic designs completed	472 graphic designs completed. 10 was for The Presidency, 182 for the GCIS, 175 for other government departments and 105 were for related parties	Target underachieved by 28	Fewer campaigns were briefed by clients

Subprogramme: Communication Service Agency							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number of Corporate Identity services provided	Held five training sessions	Conducted 12 Corporate Identity workshops	441 approved requests for assistance with Corporate Identity were approved and implemented (100%). Of these 25 were for information on protocol around official photographs, 21 were for training and workshops, 209 were for advice on Corporate Identity and 186 were for Corporate Identity quality control	340 Corporate Identity services provided	408 Corporate Identity services provided. Eight for assistance with the protocol on the display of official photographs, 140 for advice on Corporate Identity, training and workshops, and 252 for Corporate Identity quality control	Target overachieved by 68	More requests for Corporate Identity approvals were received than planned
Percentage of approved marketing services requests implemented	Conducted 25 corporate marketing activities	No baseline	Received and implemented 71 approved marketing services requests (100%)	100% approved marketing services requests implemented	Received and implemented 101 approved requests for marketing services (100%)	None	None

Subprogramme: Communication Service Agency							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number of GCIS print products distributed	Distributed 21,9 million information products	Distributed five print and electronic information products	Distributed 19 GCIS print products: <ul style="list-style-type: none"> • 16 x <i>Vuk'uzenzele</i> newspaper editions. • 1 x SoNA posters project. • 1 x Development Indicator Book Project (DPME). • 1 x <i>Pocket Guide to South Africa</i> 	22 print products produced by the GCIS distributed (21 editions of <i>Vuk'uzenzele</i> and one edition of the <i>Pocket Guide to South Africa</i>)	Distributed 24 GCIS print products: <ul style="list-style-type: none"> • 22 <i>Vuk'uzenzele</i> • One edition of the <i>Pocket Guide to South Africa</i> • GCIS Annual Report 	Target overachieved by two	Annual Report and the January <i>Vuk'uzenzele</i> edition were not planned for and were briefed in as ad hoc requests

Strategy to overcome areas of underperformance

Manco discussed and approved quarterly performance reports before they were submitted to National Treasury, DPME and the Executive Authority as a legislative requirement. Non-achieved and delayed targets from the previous quarters were updated by implementing corrective action plans and reports were regularly provided to Manco on these.

Changes to planned targets

There were no changes on the planned targets for the year under review.

Linking performance with budgets

Subprogramme expenditure

Subprogramme Name	2016/17			2015/16		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
2.1 Programme Management for Content Processing and Dissemination	2,778	2,778	-	2 984	2 984	-
2.2 Policy and Research	31,548	31,548	-	29 582	29 566	16
2.3 Products and Platforms	44,413	44,413	-	42 612	42 395	217
2.4 Communication Service Agency	56,291	56,091	200	51 910	51 909	1
TOTAL	135,030	134,830	200	127,088	126,854	234

4.3 Programme 3: Intergovernmental Coordination and Stakeholder Management

Purpose: Implementation of development communication, through mediated and unmediated communication and sound stakeholder relations and partnerships.

Subprogrammes

The programme's functions are organised into the following subprogrammes:

- **Cluster Communication** provides strategic cluster communication advice, coordination and support to departments. It provides leadership on key cluster communication issues, as well as professional project management services for government communication campaigns.
- **Provincial and Local Liaison** ensures that the National Communication Strategy Framework (NCSF) is presented to the provinces for alignment. Funding will be used to procure various media channels, HR capacity, platforms and materials to promote government messages to the public at local levels. The subprogramme is also responsible for promoting the Thusong Service Centres to the public, as well as ensuring that government departments send different print products and materials to these centres. The subprogramme also coordinates the *Izimbizo* Programme of government.
- **Media Engagement** leads and drives interaction and communication between government and the media. Funding in this subprogramme will be used to ensure effective liaison between Ministers and the media; manage ongoing media liaison services to government by providing government information; establishing, strengthening and maintaining working relationships with foreign media and independent media; and establishing relations with South African missions with the view of disseminating government information and key targeted messages.

Strategic objectives:

- Improve interdepartmental coordination by joint planning and sharing of messages across the three spheres of government to ensure coherence and alignment of government messages.
- An informed and empowered citizenry on government's policies, plans, programmes and achievements to increase public participation in government.
- Implement a proactive and reactive media engagement system by building, maintaining and improving relations with the media and drive the government communication agenda.

Key achievements and challenges

Subprogramme: Clusters

Key achievements

Between April 2016 and March 2017, the GCIS provided strategic leadership and communication support in the planning and implementation of major government campaigns in each cluster. Annual communication programmes for clusters were developed and implemented in collaboration with the respective departments. Joint planning, sharing of resources and integration of efforts help to promote more efficient and cost-effective communication. The GCIS provided support to clusters and departments such as conceptualising campaigns, developing communication strategies/plans, content development, information dissemination, stakeholder engagement, internal communication, and coordinating government communications.

The clusters coordinated 11 cluster media briefings to inform the media, public and stakeholders of progress made in implementing government's PoA (MTSF 2014-2019). The GCIS video unit facilitated, recorded, edited and widely shared post cluster media briefing video messages through communicators and social media. These briefings reflected on progress made in implementing the pronouncements made during the SoNA. In addition to the cluster briefings, the department also facilitated media briefings on campaigns and key issues.

A range of communication opportunities were sourced and implemented to further amplify the achievements and good-news stories following the cluster media briefings, using various internal and external platforms. Some of the content on Cabinet decisions was translated into various official languages.

The GCIS also coordinated and achieved 10 request-based communication training sessions for government departments and municipal communicators. The GCIS Provincial and Local Liaison team conducted Councillor Induction sessions in some municipalities to equip them with communication techniques and skills to communicate government messages. A total of 54 sessions were held reaching around 1 500 attendees, which included community development workers (CDWs), municipal communicators, ward committees and councillors. Together with Media24, the GCIS facilitated the Apex Leadership and Management and Digital Publishing training programmes. These year-long programmes were aimed to enhance the GCIS communicators' knowledge and skills in communication and leadership.

The attendees of the Apex Leadership and Management programmes graduated in December 2016 and the Digital Publishing participants were by March 2017 still awaiting their certificates from the SETA, which is finalising their assessments. Higher Education institutions communication students and lecturers were also engaged where government communication information was shared with them to realise the linkage between acquired theory and the practical government work environment. This process led to them realising some communication gap between knowledge imparted and what is happening in the real work environment. In professionalising government communications, the GCIS was, in collaboration with UNISA, developing the Memorandum of Agreement for producing the Level 7 Communicators' course. This course aims to enable government communicators to sharpen their skills in the field of government communications.

Challenges

- Sourcing content and approval of content drafted by the GCIS from departments such as paragraphs, Q&As, fact sheets and key messages remain a challenge with some departments. This leads to the late dissemination of products and information to stakeholders and communities.
- Some departments fail to submit their monthly progress reports on the implementation of their communication strategies.
- A gap still exists with implementing post-communication plans for programmes, especially international engagements, to ensure government sustains the message.
- Despite numerous attempts by some clusters to encourage communicators to attend communication forums and cluster meetings, attendance has been very poor.
- A commitment is needed to have cluster media briefings within a stipulated period or consider other communication platforms for providing updates to the public, to ensure impact. This matter has been raised through meetings, communiques and the DGs' Cluster.

Provincial and Local Liaison

Key achievements

Despite an ever-decreasing resource base, the GCIS has made significant strides in implementing development communication in the past year, with firm plans to enhance this service in the year ahead. Solid progress has also been made in maintaining and strengthening a well-functioning communication system that is a backbone in driving this information programme, including the fostering of sound stakeholder relationships and partnerships.

Through direct and unmediated communication engagements in the 2016/17 financial year, over 53 million people were reached with government messages

(some being repeat audiences). The GCIS implemented 1 839 communication activations, each of which was optimised by using supplementary and multiple communication platforms, including social media. Prominent GCIS outreach platforms include activations at taxi ranks and malls, and recently blitzes on commuter trains in partnership with PRASA; talk shows at local community radio and television stations; open days, especially at Thusong Service Centres; dialogues; door-to-door/household visits, and project walkabouts and inspections.

A major positive this past year has been the continued central and strategic role played by the GCIS in guiding the system-wide Imbizo programme of government. There has been a noteworthy improvement in reaching provinces under-visited in previous reports, including the Northern Cape. There has been a marked and significant improvement in the number of events which were aftercare or follow-up events. In this regard there is a clear indication that Izimbizo and the overall public participation programme is upholding the Batho Pele principle of redress and gives credence to a responsive government. The GCIS, particularly through its provincial and district offices, has been able to assist national, provincial and local government political principals in implementing over 252 events last year. This significant achievement bears witness to government's accountability and direct communication with citizens. This ensures that we continue to build a caring society where issues raised through such direct engagements are addressed and responded to, and government is immediate, accessible and transparent.

The GCIS has sustained and enhanced critical direct communication platforms, particularly through its provincial and district offices. The weekly editions of *My District Today* give expression to development communication by profiling government interventions and their socio-economic impact on ordinary citizens as beneficiaries of government programmes.

My District Today now reaches over 13 000 users from local and district municipalities; Thusong Service Centres; communicators; CDWs; provincial and district forums; civil society; business formations; government departments; the Parliamentary Office and constituencies, and is also available on the GCIS website. Nine of the 49 editions were customised editions in support of the National Imbizo Focus Week, 2016 Local Government Elections, the Annual Thusong Week, SoNA and NDP-focused Back-to-School Campaign in February 2017. While significantly reduced due to a declining personnel budget, the district presence of the GCIS had ensured that around 2 127 community and stakeholder liaison engagements/content work sessions took place last year, where information and content were shared with stakeholders.



The showcasing event of the Annual Thusong Service Centre Week was implemented in from 18-22 September 2016 during the Public Service Month. Recognition was given to public servants who adhered to the Batho Pele principles. The week coincided with the commemoration of Heritage Month under the Theme: Human Treasures and Legends: Our Living Heritage. The Annual Week was also celebrated in line with 20th Anniversary of the South African Constitution. The campaign also served to highlight progress made in the transformation of the country since the signing of the Constitution and to mobilise different stakeholders to participate in the promotion of constitutional rights.

The week comprised a series of multimedia events, including a Community Radio talk show, a showcasing Constitutional celebration event, outreach events and service-delivery blitzes. Key highlights for the week included the official opening of the Annual Thusong Week and 20th anniversary of the Constitution through the Let's Talk Justice Talk Show by the Deputy Minister of Justice and Correctional Services, Mr John Jeffery, MP.

This was followed by the showcasing event by the then Deputy Minister of Communications Ms Ndabeni-Abrahams at the Mossel Bay Thusong Centre in the Western Cape and the closing event at the Breyten Thusong Service Centre in Mpumalanga, where the best integrated mobile outreach typology of the Thusong Programme was showcased. Through creative partnerships, a total of 112 activities were implemented for the third annual week.

Through these events, an estimated total of 852 215 beneficiaries were reached. The foot traffic around the centres also increased and an estimated total of 50 beneficiaries were interviewed to obtain their views on how the centres had helped them and what could be done to improve service delivery within Thusong Service Centres.

Challenges

- While local community protests have many different causes, inadequate communication of successes and challenges by municipalities contributes to this contested local environment. The frontline/coalface service presence of the GCIS human capital continued to decrease in 2016/17.
- A limited budget has impacted on the scale and scope of development communication activations, narrowing the reach and scale of GCIS provincial and district offices.

Subprogramme: Media Engagement

Key achievements

The chief directorate held 47 strategic engagements with members of the media to establish and strengthen relations, and ensure that government messages are articulated effectively. These were in support of amongst others, the Local Government Elections, SADC Media Awards, *Izimbizo* Programme, SoNA, Fort Hare Centenary, International AIDS Conference and the communication of Cabinet decisions.

In support of communication of Cabinet decisions, a total of 14 post-Cabinet media briefings were held and 19 statements were issued. Communication of government messages was further enhanced through the placement of 65 opinion pieces on various print media platforms covering different topics pertaining to key government programmes. Through the Rapid Response early-warning system, 24 biweekly reports were produced to appraise the Minister, and 50 media statements responding to issues in the media environment were issued and covered by the media.

As part of Rapid Response recommendations and issues, the chief directorate established and managed operations rooms on key communication issues such as tertiary fees student protests, respond to drought, social grants payment and Local Government Elections.

Challenges

The lack of financial and HR continues to be a major challenge. The chief directorate was forced to cover a large amount of work whilst operating with a lesser number of staff members and financial resources than before

Strategic objective

Programme: Intergovernmental Coordination and Stakeholder Management					
Subprogramme: Clusters					
Strategic objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
Improve interdepartmental coordination by joint planning and sharing of messages across the three spheres of government to ensure coherence and alignment of government messages	Four reports on the functioning of interdepartmental communication system produced	Four strategic platforms for government communicators held	Held four strategic platforms with government communicators	None	None

Performance indicators

Subprogramme: Clusters							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number of GCPs developed for the clusters	Reviewed and aligned four cluster strategies with the NCSF and government's priorities Compiled reports on cluster communication programmes Developed the 2013/14 GCP	Developed/drafted communication strategies aligned to the NCSF and the GCP Developed the 2015/16 GCP	No historical information	Developed five 2016/17 GCPs	Five cluster communication programmes for 2016/17 were developed and presented to the DGs' Cluster 50 reports on the implementation of the 2016/17 GCP were developed and presented to the DGs' Cluster	None	None

Subprogramme: Clusters							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Percentage of communication strategies developed for cluster campaigns/projects/ programmes (Based on demand)	Compiled monthly reports on strategic communication support to departments	No historical information	No historical information	100% communication strategies for departments developed for cluster campaigns/projects/ programmes. (Based on demand).	44 (100%) communication strategies developed for cluster campaigns/projects/ programmes (Based on demand).	None	None
Number of Internal Communicators' Forum (ICF) coordinated	Held three forums	The Internal Communication Plan was reviewed and implemented	Produced four reports on the functioning of the internal communication system	Two ICFs coordinated	Two ICFs held	None	None
Number of reports on government communication training produced	Held nine induction sessions	Conducted five training sessions for newly appointed political principals	Produced four reports on government communication training	Four reports on government communication training produced	Four reports on government communication training produced	None	None
Number of Government Communicators' Forums (GCF) coordinated	Held two GCF meetings	Held one GCF	Produced one report on one GCF held. Produced one concept document on the functioning of the GCF	Two GCFs coordinated	Two meetings were held with government communicators and chiefs of staff to plan for the Imbizo Focus Week and Imbizo on Education, including feedback from the Inter-Ministerial Committee on Publicity and Information	None	None

Subprogramme: Clusters							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Percentage of communication projects implemented (Based on demand)	A 12-month project schedule was produced and approved by Content Hub in July 2013	Four quarterly progress reports on the implementation of the GCIS portfolio of projects were produced and approved by Manco	Four quarterly progress reports on the implementation of the GCIS's portfolio of projects produced	100% of communication projects implemented	59 requests (100%) of communication projects implemented (Based on demand)	None	None

Strategic objective

Programme: Intergovernmental Coordination and Stakeholder Management					
Subprogramme: Provincial and Local Liaison					
Strategic objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
An informed and empowered citizenry on government's policies, plans, programmes and achievements to increase public participation in government	5 490 outreach campaigns implemented through different platforms	3 486 outreach campaigns implemented	4 521 outreach campaigns implemented	Target overachieved by 1 035	Owing to increased demand for communication campaigns in response to issues in the communication environment

Performance indicators

Subprogramme: Provincial and Local Liaison							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number of reports on support to the functioning of government communication system produced (provincial and local level)	Compiled four quarterly reports on the functioning of government communication system provincially and locally	Compiled four quarterly reports on support to the functioning of the intergovernmental communication system	Four reports on support to the functioning of government communication system produced (provincial and local level)	Four reports on support to the functioning of government communication system produced (provincial and local level)	Produced four reports on support to the functioning of government communication system (provincial and local level)	None	None
Number of development communication activations aligned to the GCP	Implemented 2 910 development communication activations	2 238 of development communication activations aligned to the GCP	1 920 development communication activations aligned to the GCP	1 200 development communication activations aligned to the GCP	1 839 development communication activations aligned to the GCP	Target overachieved by 639	Owing to an increased demand for communication campaigns in response to unforeseen communication issues in the environment
Number of marketing events for Thusong Programme held	Held 654 marketing events for Thusong Programme	746 marketing events of the Thusong Programme were done	580 marketing events for Thusong Programme were done	486 marketing events for Thusong Programme held	555 marketing events for Thusong Programme held	Target overachieved by 69	Most events were packaged as part of the Digital Terrestrial Television led by the DoC as such the Thusong Programme formed part of the exhibitions in those events

Subprogramme: Provincial and Local Liaison							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number of community and stakeholder liaison visits undertaken	Conducted 3 879 community and stakeholder liaison visits	2 506 community and stakeholder liaison visits were done	2 170 community and stakeholder liaison visits undertaken	1 800 community and stakeholder liaison visits undertaken	2 127 community and stakeholder liaison visits undertaken	Target overachieved by 327	Had to respond to the issues around drought in the country, Local Government Elections and the International AIDS Conference which called for more engagements on the relevant role players
Number of reports on <i>Izimbizo</i> events held	Compiled four quarterly reports on 346 events held	Compiled a consolidated report on the number of PPP events held. A total of 326 events were supported	Compiled four reports on 326 <i>Izimbizo</i> events held	Four quarterly reports on <i>Izimbizo</i> events held	Compiled four reports on 252 <i>Izimbizo</i> events held	None	None
Number of electronic <i>My District Today</i> newsletters published	Produced 48 <i>My District Today</i> newsletters	Published 47 electronic <i>My District Today</i> newsletters	Published 48 electronic <i>My District Today</i> newsletters	44 electronic <i>My District Today</i> newsletters published	Published 49 electronic <i>My District Today</i> newsletters	Target overachieved by five	Five special editions had to be issued to reinforce communication on drought, Local Government Elections and SoNA 2017

Strategic objective

Programme: Intergovernmental Coordination and Stakeholder Management					
Subprogramme: Media Engagement					
Strategic objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
Implement a proactive and reactive media engagement system by building, maintaining and improving relations with the media and drive the government communication agenda	Held 21 engagements between government officials and senior journalists on the government's PoA and policy issues	34 strategic engagements with the media held	61 strategic engagements with the media held	Target overachieved by 27	Overachievement was as a result of the need to respond to developments in the communication environment

Performance indicators

Performance indicators							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number of engagements between government officials and senior journalists on the government's PoA and policy issues	Held biannual and planned engagements between government communicators and senior journalists Hosted SANEF, FCA and PGA, pre-SoNA media networking sessions	Ministerial meet-and-greet held with senior journalists Coordinated and hosted a Pre-SoNA media networking session and a Presidential Post-SoNA Cocktail between government communicators and the media	Held 21 engagements between government officials and senior journalists on the government's PoA and policy issues	16 engagements between government officials and senior journalists on the government's PoA and policy issues	Held 47 engagements between government officials and senior journalists on the government's PoA and policy issues	Target overachieved by 31	Overachievement was as a result of the need to respond to developments in the communication environment

Performance indicators							
Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement 2016/17	Comment on deviations
Number on post-Cabinet media briefings and/or statements issued after ordinary Cabinet meetings	Issued 22 post-Cabinet media briefings and/or statements issued after ordinary Cabinet meetings	Post-Cabinet media briefings and/or statements issued after ordinary Cabinet meetings	18 post-Cabinet media briefings and/or statements issued after ordinary Cabinet meeting	18 post-Cabinet media briefings and/or statements issued after ordinary Cabinet meetings	14 post-Cabinet media briefings held and 19 post-Cabinet statements were issued (five statements were issued without holding a media briefing)	Target over achieved by one	One post-Cabinet media briefing and statement were due to the Cabinet Lekgotla held in August 2016
Number of biweekly Rapid Response reports for the Minister produced (excluding December and January)	Issued 301 Rapid Response reports	Produced biweekly Rapid Response reports for the Minister	Produced 23 biweekly Rapid Response reports for the Minister). 22 biweekly Rapid Response reports were shared with the Minister	24 biweekly Rapid Response reports produced for the Minister (excluding December and January)	24 biweekly Rapid Response reports produced for the Minister (excluding December and January)	None	None

Strategy to overcome areas of underperformance

Manco discussed and approved quarterly performance reports before they were submitted to National Treasury, DPME and the Executive Authority as a legislative requirement. Non-achieved and delayed targets from the previous quarters were updated by implementing corrective action plans and reports were regularly provided to Manco on these.

Changes to planned targets

There were no changes on the planned targets for the year under review.

Linking performance with budgets

Subprogramme Name	2016/17			2015/16		
	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
3.1. Programme Management for Intergovernmental Coordination and Stakeholder Management	3,035	1,956	1,079	2 856	2 856	-
3.2. Provincial and Local Liaison	71,333	70,058	1,275	68 045	68 043	2
3.3. Media Engagement	12,703	12,174	529	13 198	13 200	(2)
3.4. Cluster Supervision (Human Development, Social Protection and Governance and Administration)	6,635	6,627	8	5 482	5 482	-
3.5. Cluster Supervision (Economic and Infrastructure, Justice and International)	7,126	7,126	-	3 886	3 886	-
TOTAL	100,832	97,941	2,891	93 467	93 467	-

5. TRANSFER OF PAYMENTS

Transfer payments to public entities

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
South African Broadcasting Corporation (SABC)	Television licence fees	R45 000	Not applicable	Not applicable

Television licence fees were paid to the SABC in accordance with legislation for the period 1 April 2016 to 31 March 2017. Monitoring systems are in place to determine the cost and timing of payments to the SABC.

Transfer payments to all organisations other than public entities

Other transfer payments to households for the period 1 April 2016 to 31 March 2017, comprise of:

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with Section 38(1)(j) of the PFMA of 1999	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Households	Not applicable	Leave gratification due to the retirement of officials		R889 000	Not applicable	Not applicable
Households	Not applicable	Leave gratification due to the death of one official		R19 000	Not applicable	Not applicable
Households	Not applicable	Leave discounting		R252 000	Not applicable	Not applicable

6. CONDITIONAL GRANTS
Not applicable.

7. DONOR FUNDS
Not applicable

8. CAPITAL INVESTMENT
Not applicable.



PART C:

GOVERNANCE

1. INTRODUCTION

As required by the PFMA of 1999, the GCIS maintains an effective, efficient and transparent internal control system to ensure proper use of financial and other resources within the Accounting Officer's area of responsibility.

The GCIS is committed to the philosophy of effective risk management as a core managerial capability. It is our policy that, to fulfil the public's performance expectations and our strategic objectives as an organisation, we must pursue opportunities involving some degree of risk.

Our policy gives full and due consideration to the balance of risk and reward, as far as it is practically possible to optimise the rewards gained from our activities.

To this extent, the Batho Pele principles and Code of Conduct for the Public Service are central ethical standards upon which decisions are made in pursuit of the organisation's overarching mandate.

2. RISK MANAGEMENT

Risk management is a strategic imperative in the department to ensure that the department sets clear and realistic objectives, understands critical risks associated therewith and develops mitigation strategies to manage such risks. The department recognises the King III Report on Corporate Governance as best practice. It requires that the department should establish a risk management structure that will adequately identify, measure, monitor and control the risks involved in its various operations and lines of business. The department's risk management framework is in line with the PFMA of 1999, as amended; and the Public Sector Risk Management Framework (2010).

The GCIS Enterprise Risk Management (ERM) recognises that risks (including opportunities) are dynamic, often highly interdependent and ought not to be considered and managed in isolation. It is the application of risk management throughout the department, rather than only in selected business areas or disciplines. All organisations face uncertainty. ERM responds to this challenge by providing a methodology for managing department wide risks in a comprehensive and integrated way.

During the 2016/17 financial year, the department had an approved risk management framework with implementation plans, and a risk register comprising the strategic, operational and fraud and corruption risks. It reviewed the registers, monitored and reported to Manco and the ARC, on all the 42 risks quarterly. During the 2016/17 financial year, the GCIS Manco approved the establishment of a Risk Management Committee by an External Chairperson. The committee was still being established by the end of the financial year.

3. FRAUD AND CORRUPTION

The GCIS risk management policy and philosophy also focus on fraud prevention as a cornerstone for preventing fraud and corruption in the organisation. The department has an approved fraud prevention policy, strategy with an implementation plan, the whistle-blowing policy and the minimum anti-corruption capacity that guide the implementation of anti-fraud and corruption mechanisms throughout the organisation.

During the financial year under review, the Risk Management Unit published fraud prevention articles, newsletters and messages using internal communication platforms.

Through these interventions, the use of the Public Service National Anti-Corruption Hotline: 0800 701 701 was encouraged. The organisation also tracked the implementation of the ethics framework and reported to management and the ARC quarterly.

The GCIS had an approved Business Management Continuity Policy and a Business Continuity Plan for the 2016/17 financial period. These are designed to manage the continuity of GCIS business in the event of threats to operations and to plan how the impact of disruption can be minimised. They are reviewed, approved and implemented annually.

Four quarterly impact assessment reports were compiled and presented to the management and ARCs for approval. There were no threats to the continuity of the business of the department that were detected and recorded during the reporting period. The Facilities Management ensured the organisation complied with the requirement for regular fire drills which are meant to ensure safety of human life, in the event of a disaster, threat or event occurring.

4. MINIMISING CONFLICT OF INTEREST

In compliance with PSR and the DPSA request, all senior managers disclosed their financial interests for 2016/17 online. The department has also extended the requirement to disclose financial interests annually to employees on salary levels 12 and below, and these disclosures are analysed. All panel members of recruitment interviews declared their interests to ensure that there was no conflict of interest when making recruitment decisions.

5. CODE OF CONDUCT

To promote and maintain a high standard of professional ethics in the department, employees are expected to adhere to the Code of Conduct for the Public Service. The code is from time to time circulated to all staff members and is also easily accessible from the intranet. New employees are inducted on the code and an explanatory manual has been circulated among existing employees. “Contravening any prescribed Code of Conduct for the Public Service” is listed as one of the acts of misconduct in the departmental Disciplinary Code and Procedure. This code has a clear disciplinary process based on the seriousness of the contravention.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The GCIS has a health and safety programme in place. The ADG appointed the Occupational Health and Safety (OHS) Committee in writing for the 2016/17 financial year and some of their duties include OHS inspections and conducting evacuation drills.

7. PORTFOLIO COMMITTEES

The GCIS was invited and attended the four Portfolio Committee on Communications meetings as follows:

- 7.1 **12 April 2016:** Presentation of the GCIS 2016/17-2018/19 APP.
- 7.2 **29 November 2016:** Presentation of the first and second quarter 2016/17 performance reports to the Portfolio Committee on Communications.
- 7.3 **11 October 2016:** Presentation of the GCIS 2015/16 Annual Report.
- 7.4 **14 March 2017:** Presentation of the third quarter 2016/17 performance reports.

8. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS

- 8.1 The department did not appear before SCOPA.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
None	None	None

10. INTERNAL CONTROL UNIT

Work performed by the internal control units:

Subprogramme: Strategic Planning and Programme Management

The subprogramme facilitated the review and tabling of the 2017/18-2019/20 APP to Parliament during the 2016/17 financial year. It compiled four quarterly performance reports and submitted the first, second and the third 2016/17 quarterly performance reports to the Portfolio Committee on Communications. The portfolio of evidence was submitted to Internal Audit for auditing purposes. The department has improved on the data collection process and maintained a clean audit on performance information for the 2015/16 financial year. The 2015/16 Annual Report was tabled in September 2016 as a legislative requirement.

During the reporting period, the subprogramme reviewed the Risk Management Framework. It also compiled and submitted analysis reports and dashboards on organisational performance and risk management mitigation plans. The Risk Management Unit published newsletters and posters on the prevention of fraud and corruption, as part of communication and to create awareness across the organisation.

Subprogramme: Information Management and Technology

The subprogramme facilitated all the IM&T SC meetings for the period in line with the GCIS Corporate Governance of ICT Policy. Quarterly IT availability reports and IM systems reports were presented to the IM&T SC as well as progress reports on IM&T initiatives and projects.

The unit also ensured that the IM&T SC meeting deliberations, decisions and resolutions were presented in a report to the GCIS Manco for endorsement and approval.

Subprogramme: Human Resources

The department has maintained a vacancy rate of less than 10% throughout the year. Targets for submission of performance agreements were exceeded during the 2016/17 financial year. Rewards for 2016/17 annual assessments were implemented two months before the legislated time frame as per the PSR, 2016. The WSP and HRD Implementation Plan were approved and implemented in line with the relevant legislative framework. Employees attended training on short courses aligned to their PDPs. For long-term career pathing, bursaries were also awarded to employees who applied. Middle and senior managers attended management development programmes to enhance their managerial skills.

The department continued to offer 24/7/365 counselling services to employees and their immediate family members. Participation in health screenings, including TB and HIV HCT, has increased in the department. The department implemented youth development programmes in terms of internship and TVET programmes. Implementation of reasonable accommodation for EWD and gender mainstreaming done in line with the legislative framework.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The audit committee plays an important role in ensuring that an entity functions according to good governance, accounting and audit standards. It also monitors the adoption of appropriate risk management arrangements.

11.1 Objectives of the Internal Audit

Provide professional internal audit services for the improvement of governance, risk and control.

11.2 Key Activities of the Internal Audit

- a) Review of the Internal Audit Risk-based Three-Year Rolling and Annual Operational Plan;
- b) Review the audit charters for consideration and approval by those charged with governance responsibilities;
- c) Implement the approved Annual Operational Plan with the primary focus on the adequacy and effectiveness of controls in the following areas:

- i. Operations and Compliance
 - SCM
 - Implementation of the APP (focusing on core business operations)
 - IT Governance and Control Environment
 - HR
 - Asset Management
 - Physical and Logical Security Management and Document Management.
 - ii. Financial Discipline
 - Expenditure Management
 - Financial Reporting (Interim and Annual Financial Statements).
 - iii. Strategic Management
 - Strategic Planning (review of Strategic Plan and APP;
 - Non-financial reporting (quarterly and annual performance reports/statements).
- d) Provide secretariat support and report to the Internal Audit Steering Committee (chaired by the DG), and to the Audit Committee.
 - e) Continue to build and maintain Customer Relations (regular contact with auditee before, during and after audits are concluded including customer surveys to assess quality of service).
 - f) Quarterly Dashboard Assessment of the Internal Controls – Towards a clean governance and administration for Quarter 2 and Quarter 3.
 - g) MPAT 2016.
 - h) Follow-up on management implementation of prior audit recommendations of both Internal Audit and AG.

11.3 Work done by Internal Audit

- a) Reviewed and obtained approval of the Internal Audit Three-Year Rolling Plan 2016-2019 and the Annual Operational Plan 2016/17;
- b) Performed the following audits:
 - i. AFS and Annual Report 2015/16 before submission to the AG on 31 May 2016;
 - ii. Interim Financial Statements 2016/17 for Quarter 2 and 3;
 - iii. Quarterly Performance Information 2016/17 for Quarter 1, 2 and 3;
 - iv. Organisational APP and Technical Indicator Descriptors 2017-2021
 - v. Supply Chain and Expenditure Management;
 - vi. Physical and Logical Security Management, and Document Management;

- vii. HRD;
- viii. Operational audits – focusing on media buying, cluster communication and provincial audits;
- ix. IT and Management (general IT controls, governance and transversal systems);
- x. Follow-up on management implementation of prior audit recommendations of both Internal Audit and AG;
- xi. Quarterly Dashboard Assessment of the internal controls – Towards a clean governance and administration for Quarter 2 and Quarter 3;
- xii. MPAT 2016.



12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017. The Audit Committee consists of the members listed hereunder and meets at least four times per year as per its approved Audit Committee Charter. During the year under review 2016/17, four meetings were held, and below-mentioned are records of the profiles of each member of the committee and their attendance of Audit Committee meetings.

Name of the member	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date resigned	No. of meetings attended
Shirley Machaba	<ul style="list-style-type: none"> Chartered Accountant (SA) Certificate in Theory of Accounting Certificate in Risk Management Assurance Certification in Control Self-Assessment Certification in Quality Assurance Review Honours Bachelor of Commerce in Accounting Postgraduate Diploma in Auditing Bachelor of Commerce Postgraduate Diploma in Education 	External member		1 March 2012		4/4
Seipati Nekhondela	<ul style="list-style-type: none"> Honours Bachelor of Commerce in Business Management Bachelor of Commerce Central Banking Diploma 	External member		1 March 2012		2/4
Tendani Mutshutshu	<ul style="list-style-type: none"> Chartered Accountant (SA) Master of Commerce (Financial Management) Accounting Professional Training Bachelor of Commerce, Honours Bachelor of Commerce (Accounting) 	External member		1 November 2015		4/4

Objectives of the Audit Committee

Provide oversight services to the GCIS on the adequacy and effectiveness of governance, risk management, the system of internal control, and the audit process.

Key activities of the Audit Committee

- i. Review the **AFS** to ensure they are fairly presented, complete and reflect appropriate accounting principles;
- ii. Review other sections of the **Annual Report** before release and consider the accuracy and completeness of the information;
- iii. The quality of **in-year management and quarterly reports** submitted in terms of the PFMA of 1999 and Treasury Regulations;
- iv. Review the **Internal Audit Charter**, strategic and operational plans, internal audit activities, staffing and organisational structure of the Internal Audit Activity (IAA), progress report against annual operational plan, and compliance with IAA standards;
- v. Review the **risk management framework** (including the risk policy, strategic and plan) for identifying, assessing, monitoring and managing significant risks and implementation thereof, including reporting;
- vi. Review the adequacy and effectiveness of governance and management of the **ICTs** in conformance with the Corporate Governance of ICT Framework of government and related prescripts, including reporting.
- vii. Review the **AG's** (external auditors') proposed Audit Strategy and Engagement Letter and approach, including audit fees and coordination of audit efforts with Internal Audit.
- viii. Monitor implementation by management of the agreed **audit action list with recommendations** arising from Internal and External Audit reports.

Summary of the work done by the Audit Committee

- i. **Risk Management** – considered and recommended for approval by the DG the risk management strategy, risk assessment report, policy, whistle blowing policy, fraud risk strategy, fraud policy and fraud implementation plan. The committee also received progress reports on the implementation of risk and fraud mitigation plans;
- ii. **Business Continuity Management (BCM)** – considered and recommended for approval of the Director-General the BCM policy, implementation plan including progress reports;
- iii. **Financial Management and Reporting** – received and considered the expenditure against budget for the year under review, including Interim Financial Statements;

- iv. **Performance Planning and Reporting** – received and considered the APP and related technical indicators, as well as quarterly performance information reports, including progress on the implementation of the catch-up plans for missed quarterly targets;
- v. **Internal Audit** – received and considered the Internal Audit Charter, revised risk-based Three-Year Rolling Plan 2016-2019 and Annual Operational Plan 2016/17, Audit Committee Charter, progress reports against approved Annual Plan, as well as detailed reports on the audit projects performed; The committee also considered Internal Audit assessment of the implementation of previous audit recommendations of Internal Audit and AG by management;
- vi. **AG** – received and considered the Audit Strategy, Engagement Letter and Interim and Final Management Letters, including Final Audit Report for 2016/17.
- vii. **ICTs** – the committee considered IT quarterly progress reports tabled at the Audit Committee (and received update on measures instituted by GCIS to deal with cybersecurity issues) against plans, including related IT risks as per GCIS risk register.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the PFMA of 1999 and Treasury Regulation 3.1.13.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

Refer to par. 2.5.11.3 for the audit work done by Internal Audit.

The following were areas of concern raised by Internal Audit:

Area covered	Audit Concern
AFS 2015/16 and interim financial statements 2016/17 (Q2 and 3)	Misstatement of commitments and accruals
Annual Report 2015/16 and quarterly reports 2016/16 (Q1,2 and 3)	Annual Report achievements not agreeing with quarterly reports achievements Reported quarterly achievements not agreeing with the targets; on insufficient evidence or evidence not relevant to reported achievements and targets.
HR	Partially effective controls over leave management, performance management and development.
Supply Chain and Expenditure Management	Partially effective controls over administration of non-automated suppliers' orders, including related payments source documents.
ICTs	Controls partially adequate and effective on administration of user access and monitoring of administrators' activities.
Security Management	Controls partially adequate and effective to ensure secured environment.

In-Year Management and Monthly/Quarterly Report

The department has reporting monthly and quarterly to the Treasury as is required by the PFMA of 1999.

Evaluation of financial statements

The Audit Committee:

- reviewed and discussed of the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer
- reviewed the Auditor-General's management report and management's response thereto

- reviewed changes in accounting policies and practices
- reviewed the departments compliance with legal and regulatory provisions
- reviewed the information on predetermined objectives to be included in the annual report
- reviewed significant adjustments resulting from the audit
- is satisfied with the quality and timeliness of the financial information availed to the audit committee for oversight purposes during the year such as interim financial statements.

AG's Report

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the AG on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the AG.

The committee further noted AG management report and matters contained therein, including management correction actions, which will be monitored in the 2017/18 financial year.

The Auditor-General was independent throughout the financial year under review, and the Audit Committee met with the Auditor-General to ensure that there are no unresolved issues.



Ms Shirley Machaba (CA/SA)

Chairperson of the Audit Committee

GCIS

Date: 31 July 2017



PART D:

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

1.1.HRM and Development approach in the department is guided and regulated by the Constitution of the Republic of South Africa of 1996; Public Service Act of 1994 as amended; PSR, 2001 as amended; Labour Relations Act, 1995 (Act 66 of 1995) as amended; Basic Conditions of Employment Act, 1997 (Act 75 of 1997); Skills Development Act, 1998 (Act 97 of 1998) as amended; Skills Development Levies Act, 1999 (Act 9 of 1999); National Skills Development Strategy III; OHS Act, 1993 (Act 85 of 1993), and the collective agreements signed in the Public Service Coordinating Bargaining Council and General Public Service Sectoral Bargaining Council.

2. OVERVIEW OF HUMAN RESOURCES

2.1.During the year under review, the department set itself the following HR priorities:

- Implement training programmes in line with the GCIS strategic training priorities informed by the WSP and HRD Implementation Plan.
- Implement the reviewed departmental HR Strategy/HRP/EE Plan.
- Continuously promote sound employee relations and labour peace.
- Enhance performance management by making clear-links between individual and organisational performance, and create uniform standards against which performance will be evaluated in various units and similar occupations.
- Capacitate managers to measure the impact of training and development.
- Implement youth development programmes such as Internships, WIL and In-Service training.
- Implement the Compulsory Induction Programme to new employees in the Public Service.
- Implement EH&W through the outsourced ICAS services to take care of the psycho – social well-being of employees and their immediate family members.
- Conduct Health Screening such as HCT and TB testing to encourage healthy living.
- Implement Gender Mainstreaming and Disability Management.

2.2.The department reviewed its HR policies.

2.3.EWD made up 1.80% of the departmental staff complement. Targeted recruitment was implemented to ensure that the departmental EE targets are addressed. The departmental HRP was implemented and the Implementation report was submitted to the DPSA.

2.4.With the implementation of the HRD Plan and the WSP, the focus was again on the development of leadership and/or managerial competencies in all levels of management. The Emerging and Advanced Management Development programmes were implemented, targeting emerging and middle managers.

2.5. The training budget was centralised under HRD to ensure that training is aligned to PDPs.

2.6. Bursaries are awarded to internal staff members annually and seven bursary holders successfully completed their studies.

2.7. The department continued to implement EH&W, Gender Mainstreaming and Reasonable Accommodation for EWD. EH&W conducted health screening, rehabilitation sessions continued to be offered to EWD. Sickbay in the wellness utilised for both female and male employees who were not feeling well.

2.8.924/7/365 counselling services were made available to all employees and their immediate family members. Awareness and sensitisation messages on EH&W issues including HIV and AIDS and other chronic illnesses were provided.

2.9.In addition to the above achievements, the department faced the following challenges:

- The personnel suitability checks conducted by the State Security Agency negatively impact on the pace of filling vacant posts.
- Budget cuts had a significant impact on the implementation of EH&W programmes. The future HRPs are as follows:
- Review and implement the departmental HRP and EE Plan;
- Continuously implement and enhance the EPMDS in the department;
- Continuously promote sound employee relations and labour peace;
- Implement training programmes in line with the WSP and the HRD Implementation Plan;
- Proactive wellness programme for employees and their immediate family members;
- Continuously implement reasonable accommodation for EWD;
- Implement gender mainstreaming and job-access plans;
- Intensify education on HIV and AIDS and other chronic illnesses.

3. HR OVERSIGHT STATISTICS

3.1. Personnel-related expenditure

Table 3.1.1 Personnel expenditure by programme between 1 April 2016 and 31 March 2017.

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
1. Administration	147 359	60 204	617	84	41	102
2. Content Processing and Dissemination	134 830	77 607	-	-	58	132
3. Intergovernmental Coordination and Stakeholder Management	97 941	78 725	-	-	80	134
TOTAL	380 130	216 536	617	84	57	368

Table 3.1.2 Personnel costs by salary band for the period 1 April 2016 and 31 March 2017.

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (level 1-2)	184	0.1	-	-
Skilled (level 3-5)	5 681	2.6	28	203
Highly skilled production (level 6-8)	50 387	23.3	157	327
Highly skilled supervision (level 9-12)	110 170	50.9	205	542
Senior and Top Management (level 13-16)	46 552	21.5	41	1174
Periodical remunerations	3 562	16.4	158	31
TOTAL	216 536	100	589	367

Table 3.1.3 Salaries, Overtime, Homeowners' Allowance and Medical Aid by programme for the period 1 April 2016 and 31 March 2017.

Programme	Salaries		Overtime		Homeowners' Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs		Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)
1. Administration	40 564	18.7	950	0.4	1 343	0.6	2 064	1
2. Content Processing and Dissemination	50 792	23.5	1 646	1	1 337	0.6	2 127	1
3. Intergovernmental Coordination and Stakeholder Management	54 055	25	252	0.1	1 987	0.9	3 076	1.4
TOTAL	145 411	67.2	2 848	1	4 667	2.2	7 267	3.4

Table 3.1.4 Salaries, Overtime, Homeowners' Allowance and Medical Aid by salary band for the period 1 April 2016 and 31 March 2017.

Salary band	Salaries		Overtime		Homeowners' Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs		Amount (R'000)	Salaries as a % of personnel	Amount (R'000)
Skilled (level 1-2)	-	-	-	-	18	-	22	-
Skilled (level 3-5)	3 319	1.5	37	-	414	0.2	517	0.2
Highly skilled production (level 6-8)	34 258	15.8	1 272	0.6	1 898	0.9	2 619	1.2
Highly skilled supervision (level 9-12)	79 121	36.5	1 525	0.7	1 704	0.8	3 377	1.6
SMS (level 13-16)	28 713	13.3	-	-	636	0.3	741	0.3
TOTAL	145 411	67.2	2 848	1.3	4 667	2.2	7 267	3.4

3.2. Employment and vacancies

The tables in this section summarise the position regarding employment and vacancies.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2017.

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
1. Administration	144	133	7.59	18
2. Communication Service Agency	57	53	7.02	5
3. Content Processing and Dissemination	94	83	11.70	6
4. Intergovernmental Coordination and Stakeholder Management	175	162	10	4
TOTAL	470	431	9.24	33

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2017.

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (level 1-2)	0	0	0	0
Skilled (level 3-5)	30	28	13.33	2
Highly skilled production (level 6-8)	172	156	10.20	25
Highly skilled supervision (level 9-12)	215	205	6.10	4
SMS (level 13-16)	53	42	22.64	0
TOTAL	470	431	9.24	33

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2017.

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related, Permanent	5	5	0	1
Cleaners in offices, workshops, hospitals, etc., Permanent	5	5	0	0
Client information clerks (switchboard, reception, information clerks)	3	1	66.67	0
Communication and information-related, Permanent	180	170	5.56	3
Finance and economics-related, Permanent	8	7	11.11	0
Financial and related professionals, Permanent	11	10	9.09	1
Financial clerks and credit controllers, Permanent	3	3	0	0
Food services aids and waiters, Permanent	7	5	28.57	0
HR and organisational development and related professions, Permanent	6	6	0	1
HR clerks, Permanent	6	6	0	1
HR-related, Permanent	6	4	33.33	1
Language practitioners, interpreters and other communicators, Permanent	43	37	13.64	6
Library mail and related clerks, Permanent	3	3	0	0
Light vehicle drivers, Permanent	2	2	0	0
Logistical support personnel, Permanent	2	2	0	0
Material recording and transport clerks, Permanent	12	12	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Messengers, porters and deliverers, Permanent	6	6	0	0
Other administrators and related clerks and organisers, Permanent	25	24	4	4
Other administrative policy and related officers, Permanent	3	3	0	0
Other IT personnel, Permanent	13	13	0	2
Printing and related machine operators, Permanent	1	1	0	0
Secretaries and other keyboard operating clerks, Permanent	60	54	9.68	11
Security officers, Permanent	2	2	0	0
Statisticians and related professionals, Permanent	1	1	0	0
Trade labourers, Permanent	5	4	20	1
TOTAL	470	431	9.24	313

3.3. Filling of SMS posts

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed time frames and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2017.

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
DG/Head of Department (HoD)	1	0	0%	1	100%
Salary level 16	0	0	0	0	0%
Salary level 15	3	1	33%	2	67%
Salary level 14	12	10	77%	2	16.66%
Salary level 13	37	31	84%	6	16.2%
TOTAL	53	42	78%	11	21%

Table 3.3.2 SMS post information as on 30 September 2016.

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
DG/HoD	1	0	0	1	100%
Salary level 16	0	0	0	0	0%
Salary level 15	3	2	66	1	33.33%
Salary level 14	12	11	92	1	7.69%
Salary level 13	37	31	86	6	13.88%
TOTAL	53	44	84	9	15.09%

Table 3.3.3 Advertising and filling of SMS posts between 1 April 2016 and 31 March 2017.

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
DG/HoD	1	0	0
Salary level 16	0	0	0
Salary level 15	2	0	0
Salary level 14	2	0	0
Salary level 13	6	0	0
TOTAL	11	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts advertised within six months and filled within 12 months after becoming vacant between 1 April 2016 and 31 March 2017.

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within 12 months

Posts were re-advertised twice as there could not be suitable candidates

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 and 31 March 2017.

Reasons for vacancies not advertised within six months

Reasons for vacancies not filled within six months

3.4. Job evaluation

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 3.4.1 Job evaluation by salary band for the period 1 April 2016 and 31 March 2017.

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 (level 1-2)	0	0	0	0	0	0	0
Skilled (level 3-5)	35	0	0	0	0	0	0
Highly skilled production (level 6-8)	164	0	0	0	0	0	0
Highly skilled supervision (level 9-12)	218	3	1.37%	0	0	0	0
SMS Band A	37	0	0	0	0	0	0
SMS Band B	12	0	0	0	0	0	0
SMS Band C	3	0	0	0	0	0	0
SMS Band D	1	0	0	0	0	0	0
TOTAL	470	3	0.63%	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post 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 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 and 31 March 2017.

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

Employees with a disability	0
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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 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 and 31 March 2017.

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	0	0	0	
	0	0	0	
	0	0	0	
	0	0	0	
Total number of employees whose salaries exceeded the level determined by job evaluation				None
Percentage of total employed				None

The following table summarises the beneficiaries of the above in terms of race, gender and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 and 31 March 2017.

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

Employees with a disability	0	0	0	0	
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Total number of employees whose salaries exceeded the grades determined by job evaluation	None
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3.5. Employment changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2016 and 31 March 2017.

Salary band	Number of employees at beginning of period-1 April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (level 1-2)	0	0	0	0
Skilled (level 3-5)	32	1	3	9.38
Highly skilled production (level 6-8)	153	23	14	9.21
Highly skilled supervision (level 9-12)	196	13	17	8.67
SMS Band A	33	2	2	6.06
SMS Band B	9	0	1	11.11
SMS Band C	3	0	2	66.67
TOTAL	426	39	39	9.15

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 and 31 March 2017.

Critical occupation	Number of employees at beginning of period-April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	7	0	0	0
Cleaners in offices, workshops hospitals, etc.	5	0	0	0
Client information clerks (switchboard, reception, information clerks)	2	0	0	0
Communication and information related	167	5	9	5.39

Critical occupation	Number of employees at beginning of period-April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Communication and information related	1	0	0	0
Finance and economics related	9	1	1	11.11
Financial and related professionals	9	0	0	0
Financial clerks and credit controllers	3	0	1	33.33
Food services aids and waiters	7	0	2	28.57
HR and organisational development and related professionals	5	1	0	0
HR clerks	7	2	1	14.29
HR related	4	2	2	50.00
Language practitioners, interpreters and other communicators	43	2	3	6.98
Library mail and related clerks	3	0	0	0
Light vehicle drivers	2	1	0	0
Logistical support personnel	2	0	0	0.00
Material-recording and transport clerks, Permanent	12	0	1	8.33
Messengers, porters and deliverers, Permanent	6	0	0	0.00
Other administrative and related clerks and organisers, Permanent	22	3	1	4.55
Other administrative, policy and related officers, Permanent	2	1	0	0.00
Other IT personnel, Permanent	14	2	1	7.14
Printing and related machine operators, Permanent	1	0	0	0.00

Critical occupation	Number of employees at beginning of period-April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Secretaries and other keyboard operating clerks, Permanent	56	4	3	5.36
Security officers, Permanent	2	0	0	0.00
Senior managers, Permanent	42	1	3	7.14
Trade labourers, Permanent	4	0	0	0.00
TOTAL	426	39	39	6.41

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2016 and 31 March 2017.

Termination type	Number	% of total resignations
Death	3	7.69
Resignation	22	56.41
Expiry of contract	2	5.13
Dismissal – operational changes	0	0
Dismissal – misconduct	1	2.56
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	3	7.69
Transfer to other Public Service departments	8	20.52
Other	0	0
TOTAL	39	100.00
Total number of employees who left as a % of total employment	39/426	9.15

Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 and 31 March 2017.

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	5	1	14.29	5	71.43
Cleaners in offices, workshops, hospitals, etc.	5	0	0.00	4	80.00
Client information clerks (switchboard, reception, information clerks)	1	0	0.00	1	50.00
Communication and Information related	170	14	8.33	126	75.00
Finance and economics related	7	0	0.00	7	77.78
Financial and related professionals	10	1	11.11	4	44.44
Financial clerks and credit controllers	3	1	33.33	2	66.67
Food services aids and waiters	5	0	0.00	7	100.00
HR and organisational development and related professions	6	0	0.00	4	80.00
HR clerks	6	0	0.00	5	71.43
HR related	4	1	25.00	2	50.00
Language practitioners, interpreters and other communicators	37	1	2.33	29	67.44
Library mail and related clerks	3	0	0.00	3	100.00
Light vehicle drivers	2	0	0.00	1	50.00
Logistical support personnel	2	0	0.00	1	50.00
Material-recording and transport clerks	12	1	8.33	9	75.00
Messengers, porters and deliverers	6	0	0.00	5	83.33
Other administrative and related clerks, and organisers	24	0	0.00	16	72.73

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Other administrative, policy and related officers	3	0	0.00	2	100.00
Other IT personnel	13	2	14.29	7	50.00
Printing and related machine operators	1	0	0.00	0	0.00
Secretaries and other keyboard operating clerks	54	1	1.79	36	64.29
Security officers	2	0	0.00	1	50.00
Senior managers	45	0	0.00	31	73.81
Statisticians and related professionals, Permanent	1	0	0.00	1	100.0
Trade labourers	1	0	0.00	3	75.00
Trade labourers	1	0	0.00	3	75.00

Table 3.5.5 Promotions by salary band for the period 1 April 2016 and 31 March 2017.

Salary band	Employees 1 April 2016	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 (level 1-2)	0	0	0	0	0
Skilled (level 3-5)	32	1	3.12	0	69%
Highly skilled production (level 6-8)	152	6	3.94	0	45%
Highly skilled supervision (level 9-12)	196	17	8.67	0	140%
SMS (level 13-16)	45	3	4.44	0	70%
TOTAL	426	27	20.17	0	69%

3.6. Employment Equity

Table 3.6.1 Total number of employees (including EWD) in each of the following occupational categories as on 31 March 2017.

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	14	3	1	5	12	3	3	1	42
Professionals	97	7	2	5	84	4	4	7	210
Technicians and associate professionals	8	0	0	1	7	0	0	0	16
Clerks	28	3	1	1	93	6	1	3	135
Service and sales workers	2	0	0	0	0	0	0	0	2
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	7	0	0	0	11	1	0	1	20
Plant and machine operators and assemblers	3	0	0	0	3	0	0	0	6
Elementary occupations	0	0	0	0	0	0	0	0	0
TOTAL	159	13	3	12	210	14	8	12	431
EWD	4	1	0	1	1	0	0	1	8

Table 3.6.2 Total number of employees (including EWD) in each of the following occupational bands as on 31 March 2017.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	1
SMS	14	3	1	5	11	3	3	1	41
Professionally qualified and experienced specialists and mid-management	97	7	2	5	84	4	4	5	205
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	36	5	0	1	100	6	1	4	153
Semi-skilled and discretionary decision-making	15	0	0	0	10	2	0	1	28
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
TOTAL	162	15	3	11	206	15	8	11	431

Table 3.6.3 Recruitment for the period 1 April 2016 to 31 March 2017.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
SMS	1	0	0	0	0	1	0	0	2
Professionally qualified and experienced specialists and mid-management	3	0	0	0	9	1	0	0	13

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision-making	1	0	0	0	0	0	0	0	1
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
TOTAL	10	1	0	0	26	2	0	0	39
EWD	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2016 to 31 March 2017.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
SMS	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	3	0	0	0	14	0	0	0	17
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	0	5	0	0	6

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
TOTAL	7	0	0	0	15	5	0	0	27
EWD	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2016 to 31 March 2017.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
SMS	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	10	0	0	2	3	0	0	2	17
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	0	0	5	1	0	0	11
Semi-skilled and discretionary decision-making	0	0	0	0	4	1	0	1	6

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
TOTAL	18	0	0	2	14	2	0	3	39
EWD	0	0	0	1	0	0	0	0	1

Table 3.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2017.

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

Table 3.6.7 Skills development for the period 1 April 2016 to 31 March 2017.

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	8	2	0	1	9	0	1	2	23
Professionals	9	0	0	0	7	0	1	3	20
Technicians and associate professionals	1	0	0	0	6	0	0	0	7
Clerks	2	0	0	0	0	0	0	0	2
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Elementary occupations	0	0	0	0	0	0	0	0	0
TOTAL	20	2	0	1	22	0	2	5	52
EWD	0	0	0	0	0	0	0	0	0

3.7. Signing of performance agreements by SMS members.

Table 3.7.1 Signing of performance agreements by SMS members as on 31 May 2016.

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
DG/HoD	1	0	0	0
Salary level 16	0	0	0	0
Salary level 15	3	3	3	100
Salary level 14	12	11	11	100
Salary level 13	37	31	31	100
TOTAL	53	45	45	100

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 March 2017.

Reasons
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2017.

Reasons
None

3.8. Performance rewards

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

Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017.

Race and Gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	101	151	66.89	1,128.16	11,169.87
Female	129	207	62.32	1,137.83	8,820.39
Asian					
Male	3	3	100	71.09	23,697.84
Female	8	8	100	134.11	16,763.75
Coloured					
Male	10	14	71.43	130.14	13,013.84
Female	13	16	81.25	124.14	9,549.45
White					
Male	7	10	70	123.70	17,671.53
Female	12	15	80	128.31	10,692.66
TOTAL	283	424	66.67	2 977.45	10,549.48

Table 3.8.2 Performance rewards by salary band for personnel below SMS for the period 1 April 2016 to 31 March 2017.

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 (level 1-2)	0	0	0	0	0	
Skilled (level 3-5)	27	28	96	93.03	5 894.22	
Highly skilled production (level 6-8)	91	157	91	543.78	11 214.93	
Highly skilled supervision (level 9-12)	143	205	149	1 844.11	24 965.00	
TOTAL	261	390	66.92	2 480.00	8,900.06	

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2016 to 31 March 2017.

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Administrative related	5	5	57.14	46.41	11,602.29
Cleaners in offices, workshops, hospitals, etc.	4	5	100.00	18.55	3,709.97
Client information clerks (switchboard, reception, information clerks)	1	1	0.00	0.00	0.00
Communication and information related	126	170	71.76	1,447.49	11,864.65
Finance and economics related	7	7	75.00	109.93	18,320.86
Financial and related professionals	4	10	40.00	25.65	6,412.49
Financial clerks and credit controllers	2	3	66.67	13.42	6,711.51

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
HR and organisational development and related professionals	4	6	33.33	15.24	7,621.50
HR clerks	5	6	50.00	21.39	7,128.75
HR related	2	4	75.00	32.15	10,715.28
Language practitioners, interpreters and other communicators	29	37	68.42	172.56	6,637.03
Library mail and related clerks	3	3	66.67	13.97	6,984.39
Light vehicle drivers	1	2	50.00	2.44	2,440.26
Logistical support personnel	1	2	50.00	5.82	5,821.00
Material-recording and transport clerks	9	12	83.33	55.22	5,521.51
Messengers, porters and deliverers	5	6	83.33	17.18	3,436.57
Other administrative and related clerks and organisers	16	24	62.50	100.12	6,674.93
Other administrative policy and related officers	2	3	33.33	8.47	8,467.02
Other IT personnel	7	13	53.33	66.13	8,266.13
Printing and related machine operators	0	1	100.00	2.48	2,476.64
Secretaries and other keyboard operating clerks	36	54	53.57	159.26	5,308.52

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Security officers	1	2	50.00	2.48	2,476.64
Senior managers	31	45	65.79	662.94	26,517.47
Statisticians and elated professionals	0	1	100.00	7.61	7,606.24
Trade labourers	3	4	75.00	10.65	3,549.21
TOTAL	311	431	66.67	3,038.25	10,549.48

Table 3.8.4 Performance related rewards (cash bonus), by salary band for SMS for the period 1 April 2016 to 31 March 2017.

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	19.00	31.00	61.29	465.66	24,508.46	31,816.54
Band B	7.00	8.00	87.50	219.55	31,364.73	11,938.07
Band C	1.00	3.00	33.33	30.12	30,122.62	5,650.95
TOTAL	27.00	42.00	64.29	715.34	26,493.94	49,405.56

3.9. Foreign workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2016 and 31 March 2017.

Salary band	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (level 6-8)	0	0	0	0	0	0
Highly skilled supervision (level 9-12)	0	0	0	0	0	0

Salary band	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation between 1 April 2016 and 31 March 2017.

Major occupation	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	0	0	0	0	0	0
N/A	0	0	0	0	0	0

3.10. Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2016 to 31 December 2017.

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)
Lower skills (level 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	224	61.09	32	7.51	7.13	131.00
Highly skilled production (level 6-8)	1 021	52.53	157	34.14	6.59	1 053.00
Highly skilled supervision (level 9 -12)	1 454	60.56	185	43.34	7.93	2 889.00
Top Management and SMS (level 13-16)	245	54.59	36	8.47	6.54	875.00
TOTAL	2 944	56.49	410	100	7.14	5 196.00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2017.

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)
Lower skilled (level 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	48	100	1	20	48	30.00
Highly skilled production (level 6-8)	0	0	0	0	0	0
Highly skilled supervision (level 9-12)	191	100	4	80	122	424.00
SMS (level 13-16)	0	0	0	0	0	0
TOTAL	239	100	5	100	47.8	454.00

Table 3.10.3 Annual leave for the period 1 January 2016 to 31 December 2017.

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (level 1-2)	0	0	0
Skilled (level 3-5)	747	12.05	62
Highly skilled production (level 6-8)	3 380	15.87	213
Highly skilled supervision (level 9-12)	4 247	18.88	225
SMS (level 13-16)	1 103	22.06	50
TOTAL	9 477	17.23	550

Table 3.10.4 Capped leave for the period 1 January 2016 to 31 December 2017.

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2017
Lower skilled (level 1-2)	0	0	0	0
Skilled (level 3-5)	0	0	0	45.97
Highly skilled production (level 6-8)	1	1	1	29.06
Highly skilled supervision (level 9-12)	1	1	1	31.36
SMS (level 13-16)	3	1	3	41.65
TOTAL	5	3	1.67	34.1

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

Table 3.10.5 Leave payouts for the period 1 April 2016 and 31 March 2017.

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay out for 2016/17 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2016/17	1 064	15	70 919
Current leave payout on termination of service for 2016/17	273	13	20 990
TOTAL	1 337	28	47 738

3.11. HIV and AIDS and Health Promotion programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure.

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk

Table 3.11.2 Details of Health Promotion and HIV and AIDS programmes (tick the applicable boxes and provide the required information).

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the PSR, 2001? If so, provide her/his name and position.	X		DH Nthite – Acting Director
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose	X		Four employees with an annual budget of R650 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.		X	24/7 365 days counselling through out-sourced services of ICAS. <ul style="list-style-type: none"> • Regular HCTs • Occupations Health and safety • Health and Productivity Management

<p>4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the PSR, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	<p>X</p>		<p>Wellness Committee:</p> <ul style="list-style-type: none"> • Keitumetse Semakane • Dikeledi Nthite • Zanele Ramatsebe • Avhasei Tshirangwana • Middah Spaumer • Annalie Language • Calvin Augustine • Puleng Sithebe • Georgina Mokoena • Delia Rossouw • Xikombiso Khosa • Niko Allie • Kolani Neba • Maniki Bambalala • Matona Fatman • Adam Ledwaba
<p>Question</p>	<p>Yes</p>	<p>No</p>	<p>Details, if yes</p>
<p>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.</p>	<p>X</p>		<p>The department's employment policies and practices are revised annually and are as follows:</p> <ul style="list-style-type: none"> • Recruitment and Selection Policy • Leave Policy • Overtime Policy • Employment Policy • Job Evaluation Policy • EPMDS Policy • Retention Policy • HIV and AIDS Policy • Disability Policy • Training and Development Policy • Resettlement Policy.
<p>6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV positive from discrimination? If so, list the key elements of these measures.</p>	<p>X</p>		<ul style="list-style-type: none"> • Awareness sessions, and • Sensitisation messages on HIV and AIDS discrimination.

7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		<ul style="list-style-type: none"> In the 2016/17 financial year, 175 (40.6%) employees participated during HCT sessions. Three (1.7%) out of the 175 employees tested HIV positive.
8. Has the department developed measures/indicators to monitor and evaluate the impact of its Health Promotion Programme? If so, list these measures/indicators.	X		<p>Good attendance by employees during health-screening sessions.</p> <p>Good attendance by employees during health weeks.</p>

3.12. Labour relations

Table 3.12.1 Collective agreements for the period 1 April 2016 and 31 March 2017.

Subject matter	Date
None	

Notes

- If there were no agreements, keep the heading and replace the table with the following:

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2016 and 31 March 2017.

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling		
Verbal warning		
Written warning		
Final written warning		
Suspended without pay		
Fine		
Demotion		

Outcomes of disciplinary hearings	Number	% of total
Dismissal	1	
Not guilty		
Case withdrawn		
TOTAL	1	100%

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of disciplinary hearings finalised	1
--	----------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 and 31 March 2017.

Type of misconduct	Number	% of total
Gross misconduct, gross dishonesty and gross dereliction of duties	1	100%
Repeated absenteeism without authorisation, gross dereliction of duties and gross negligence	1	100%
TOTAL	2	100%

Table 3.12.4 Grievances logged between 1 April 2016 and 31 March 2017

Grievances	Number	% of Total
Number of grievances resolved	2	
Number of grievances not resolved	0	
Total number of grievances lodged	2	100%

Table 3.12.5 Disputes logged with councils for the period 1 April 2016 and 31 March 2017.

Disputes	Number	% of Total
Number of disputes upheld	0	
Number of disputes dismissed	0	
Total number of disputes lodged	0	0%

Table 3.12.6 Strike actions for the period 1 April 2016 and 31 March 2017.

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2016 and 31 March 2017

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	+ - 383 days
Cost of suspension (R'000)	R864 903.00

3.13. Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2016 and 31 March 2017.

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Training needs identified at start of the reporting period	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female		0	39	0	39
	Male		0	13	0	13
Professionals	Female		15	82	0	82
	Male		10	94	0	94
Technicians and associate professionals	Female		0	5	0	5
	Male		0	7	0	7
Clerks	Female		12	80	0	80
	Male		8	19	0	19
Service and sales workers	Female		0	0	0	0
	Male		0	0	0	0
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male		0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Training needs identified at start of the reporting period	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female		0	39	0	39
	Male		0	13	0	13
Craft and related trades workers	Female		0	0	0	0
	Male		0	0	0	0
Plant and machine operators and assemblers	Female		0	0	0	0
	Male		0	2	0	2
Elementary occupations	Female		0	3	0	3
	Male		0	4	0	4
Subtotal	Female		27	209	0	209
	Male		18	139	0	139
TOTAL			45	348	0	348

Table 3.13.2 Training provided for the period 1 April 2016 and 31 March 2017.

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female		0	22	0	22
	Male		0	12	0	12
Professionals	Female		0	72	0	72
	Male		0	63	0	63
Technicians and associate professionals	Female		0	6	0	6
	Male		0	2	0	2
Clerks	Female		0	44	0	44
	Male		0	8	0	8
Service and sales workers	Female		0	0	0	0
	Male		0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male		0	0	0	0
Craft and related trades workers	Female		0	0	0	0
	Male		0	0	0	0
Plant and machine operators and assemblers	Female		0	1	0	1
	Male		0	1	0	1
Elementary occupations	Female		0	4	0	4
	Male		0	0	0	0
Subtotal	Female		0	149	0	149
	Male		0	86	0	86
TOTAL			0	235		235

3.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2016 and 31 March 2017.

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

3.15. Utilisation of consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 and 31 March 2017.

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None			
Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in Rand
None			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2016 and 31 March 2017.

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2016 and 31 March 2017.

Project title	Total number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
None			
Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in Rand
None			

Table 3.15.4 Analysis of consultant appointments using donor funds in terms of HDIs for the period 1 April 2016 and 31 March 2017.

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

3.16. Severance packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2016 and 31 March 2017.

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (level 1-2)	0	0	0	0
Highly skilled production (level 6-8)	0	0	0	0
Highly skilled supervision (level 9-12)	0	0	0	0
SMS (level 13-16)	0	0	0	0
TOTAL	0	0	0	0



PART E:

FINANCIAL INFORMATION



Report of the Auditor-General to Parliament on vote no. 46: Government Communication and Information System.

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Government Communication and Information System on pages 115 to 168, which comprise the appropriation statement, statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net asset and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Government Communication and Information System as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with modified cash standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the Government Communication and Information Systems in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matters

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. The supplementary information set out on pages 169 to 181 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Accounting Officer's responsibility for the financial statement

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Modified Cash Basis Standard (MCS) 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.
9. In preparing the financial statements, the accounting officer is responsible for assessing the Government Communication and Information System's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the department or to cease operations, or has there is no realistic alternative but to do so.

Auditor-General's responsibilities for the audit of the separate financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11.A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12.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 material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

13.My procedures address the reported performance information, which must be based on the approved performance planning documents of the Government Communication and Information Systems. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14.I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Government Communication and Information System for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2: Content Dissemination and Processing	38 – 51
Programme 3: Intergovernmental Coordination and Stakeholder Management	52 – 60

15.I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16.I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: Content Dissemination and Processing.
- Programme 3: Intergovernmental Coordination and Stakeholder Management.

Report on audit of compliance with legislation

Introduction and scope

17.In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the Government Communication and Information Systems with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

18.I did not identify any material findings in respect of the compliance criteria for the applicable subject matters.

Other information

19.The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

20.My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Internal control deficiencies

22. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in the internal controls.

Auditor-General



Pretoria
31 July 2017

Annexure – Auditor-General's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the separate financial statements, and the procedures performed on reported performance information for selected programmes and on the Constitutional Institution's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the separate financial statements as described in the auditor's report, I also:

- identify and assess the risks of material misstatement of the separate financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 constitutional institution's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer [insert other.
- conclude on the appropriateness of the accounting officer use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Government Communication and Information System ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a constitutional institution to cease to continue as a going concern.

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the department's activities to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.



Annual Financial Statements

For

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM

for the year ended 31 March 2017

Appropriation Statement	115
Notes to the Appropriation Statement	146
Statement of Financial Performance	148
Statement of Financial Position	148
Statement of Changes in Net Assets	149
Cash Flow Statement	149
Accounting Policies	150
Notes to the Annual Financial Statements	154
Annexures	169

Appropriation per programme								
2016/17							2015/16	
Voted funds and Direct charges	Adjusted Appropriation	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
1. Administration	144,233	5,161	149,394	147,359	2,035	98.6%	144,921	144,920
2. Content Processing and Dissemination	136,100	(1,070)	135,030	134,830	200	99.9%	127,088	126,854
3. Intergovernmental Coordination and Stakeholder Management	104,923	(4,091)	100,832	97,941	2,891	97.1%	93,467	93,467
TOTAL	385,256	-	385,256	380,130	5,126	98.7%	365,476	365,241
Reconciliation with statement of financial performance								
Add:								
Departmental receipts			3,995				4,203	
Actual amounts per statement of financial performance (total revenue)			389,251				369,679	
Actual amounts per statement of financial performance (total expenditure)				380,130				365,241

Appropriation per economic classification								
2016/17							2015/16	
	Adjusted Appropriation	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
Current payments	384,094	(1,685)	382,409	376,979	5,430	98.6%	363,239	362,855
Compensation of employees	222,801	(1,163)	221,638	216,536	5,102	97.7%	202,676	202,461
Salaries and wages	195,187	189	195,376	191,231	4,145	97.9%	178,532	178,346
Social contributions	27,614	(1,352)	26,262	25,305	957	96.4%	24,144	24,115
Goods and services	161,293	(522)	160,771	160,443	328	99.8%	160,563	160,394
Administrative fees	695	(158)	537	537	-	100.0%	478	478
Advertising	4,058	(1,411)	2,647	2,645	2	99.9%	5,078	5,078
Minor assets	222	62	284	282	2	99.3%	156	156
Audit costs: External	1,988	480	2,468	2,467	1	100.0%	2,349	2,349
Bursaries: Employees	416	302	718	702	16	97.8%	460	460
Catering: Departmental activities	1,216	(326)	890	891	(1)	100.1%	700	679
Communication (G&S)	8,943	(164)	8,779	8,628	151	98.3%	9,880	9,988
Computer services	14,553	51	14,604	14,604	-	100.0%	15,129	15,129
Consultants: Business and advisory services	1,704	(1,620)	84	84	-	100.0%	2,349	2,349
Laboratory services	-	5	5	5	-	100.0%	-	-
Legal services	475	321	796	796	-	100.0%	740	740
Contractors	3,512	(218)	3,294	3,294	-	100.0%	3,894	3,895
Agency and support/outsourced services	5,425	(707)	4,718	4,718	-	100.0%	3,481	3,460
Fleet services (including government motor transport)	1,234	190	1,424	1,423	1	99.9%	1,999	2,000
Consumable supplies	731	(208)	523	523	-	100.0%	711	709
Consumable: Stationery, printing and office supplies	3,664	(884)	2,780	2,782	(2)	100.1%	3,108	3,118
Operating leases	48,185	3,503	51,688	51,688	-	100.0%	47,582	47,556

Appropriation per economic classification								
2016/17							2015/16	
	Adjusted Appropriation	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
Property payments	6,045	3,258	9,303	9,302	1	100.0%	8,813	8,799
Travel and subsistence	17,680	(37)	17,643	17,486	157	99.1%	21,223	21,137
Training and development	1,814	(1,197)	617	617	-	100.0%	829	827
Operating payments	38,246	(1,434)	36,812	36,811	1	100.0%	30,948	30,833
Venues and facilities	327	(310)	17	17	-	100.0%	546	545
Rental and hiring	160	(20)	140	141	(1)	100.7%	110	109
Transfers and subsidies	56	1,163	1,219	1,205	14	98.9%	1,020	1,019
Departmental agencies & accounts	56	-	56	45	11	80.4%	57	56
Departmental agencies (non-business entities)	56	-	56	45	11	80.4%	57	56
Households	-	1,163	1,163	1,160	3	99.7%	963	963
Social benefits	-	1,163	1,163	1,160	3	99.7%	963	963
Payments for capital assets	1,106	522	1,628	1,627	1	99.9%	1,217	1,216
Building and other fixed structures	-	31	31	31	-	100.0%	81	81
Building	-	31	31	31	-	100.0%	81	81
Machinery and equipment	855	689	1,544	1,543	1	99.9%	1,136	1,135
Other machinery and equipment	855	689	1,544	1,543	1	99.9%	1,136	1,135
Software and other intangible assets	251	(198)	53	53	-	100.0%	-	-
Payments for financial assets	-	-	-	319	(319)	-	-	151
Total	385,256	-	385,256	380,130	5,126	98.7%	365,476	365,241

Programme 1: Administration								
2016/17							2015/16	
Subprogramme	Adjusted Appropriation	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
1.1 Departmental Management	7,169	(1,261)	5,928	5,643	285	95.2%	6,479	6,479
1.2 Corporate Services	50,095	(2,157)	47,938	47,177	761	98.4%	50,828	50,829
1.3 Financial Administration	30,746	2,306	33,052	32,325	727	97.8%	29,755	29,754
1.4 Internal Audit	7,632	501	8,133	7,871	262	96.8%	7,720	7,719
1.5 Office Accommodation	48,571	5,772	54,343	54,343	-	100.0%	50,139	50,139
TOTAL	144,233	5,161	149,394	147,359	2,035	98.6%	144,921	144,920

Appropriation per economic classification								
2016/17							2015/16	
Programme 1 per economic classification	Adjusted Appropriation	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
Current payments	143,659	4,842	148,501	146,445	2,056	98.6%	144,088	144,045
Compensation of employees	64,087	(1,850)	62,237	60,203	2,034	96.7%	59,505	59,506
Salaries and wages	56,203	(1,226)	54,977	53,378	1,599	97.1%	52,546	52,542
Social contributions	7,884	(624)	7,260	6,825	435	94.0%	6,959	6,964
Goods and services	79,572	6,692	86,264	86,242	22	100.0%	84,583	84,539
Administrative fees	226	(86)	140	140	-	100.0%	151	151
Advertising	537	(335)	202	201	1	99.5%	511	511

Appropriation per economic classification								
Programme 1 per economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Minor assets	85	60	145	144	1	99.3%	68	68
Audit costs: External	1988	480	2,468	2,467	1	100.0%	2,349	2,349
Bursaries: Employees	416	302	718	702	16	97.8%	460	460
Catering: Departmental activities	80	2	82	83	(1)	101.2%	60	60
Communication (G&S)	1,319	181	1,500	1,500	-	100.0%	1,494	1,606
Computer services	11,101	(51)	11,050	11,050	-	100.0%	12,062	12,062
Consultants: Business and advisory services	80	4	84	84	-	100.0%	108	108
Laboratory services	-	5	5	5	-	100.0%	-	-
Legal services	475	103	578	578	-	100.0%	572	572
Contractors	2,026	109	2,135	2,135	-	100.0%	2,513	2,513
Agency and support/outsourced services	173	(144)	29	29	-	100.0%	39	39
Fleet services (including government motor transport)	113	66	179	179	-	100.0%	167	167
Consumable supplies	231	29	260	260	-	100.0%	465	464
Consumable: Stationery, printing and office supplies	970	(247)	723	724	(1)	100.1%	902	916
Operating leases	47,156	3,709	50,865	50,865	-	100.0%	46,686	46,685
Property payments	5,947	3,287	9,234	9,233	1	100.0%	8,760	8,747
Travel and subsistence	2,228	(58)	2,170	2,166	4	99.8%	3,709	3,674
Training and development	1,814	(1,197)	617	617	-	100.0%	384	383
Operating payments	2,598	476	3,074	3,074	-	100.0%	3,112	2,993
Rental and hiring	9	(3)	6	6	-	100.0%	11	11
Transfers and subsidies	44	221	265	263	2	99.2%	150	150

Appropriation per economic classification								
Programme 1 per Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Departmental agencies and accounts	44	-	44	42	2	95.5%	46	46
Departmental agencies (non-business entities)	44	-	44	42	2	95.5%	46	46
Households	-	221	221	221	-	100.0%	104	104
Social benefits	-	221	221	221	-	100.0%	104	104
Payments for capital assets	530	98	628	627	1	99.8%	683	683
Buildings and other fixed structures	-	31	31	31	-	100.0%	81	81
Building	-	31	31	31	-	100.0%	81	81
Machinery and equipment	490	107	597	596	1	99.8%	602	602
Other machinery and equipment	490	107	597	596	1	99.8%	602	602
Software and other intangible assets	40	(40)	-	-	-	-	-	-
Payments for financial assets	-	-	-	24	(24)	-	-	42
TOTAL	144,233	5,161	149,394	147,359	2,035	98.6%	144,921	144,920

Subprogramme 1.1: Departmental Management								
Economic classification	2016/17						2015/16	
	Adjusted Appropriation	Virement	Final	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	Appropriation	R'000	R'000	%	R'000	expenditure
Current payments	7,147	(1,236)	5,911	5,626	285	95.2%	6,391	6,372
Compensation of employees	6,336	(1,749)	4,587	4,301	286	93.8%	4,101	4,101

Subprogramme 1.1: Departmental Management								
Economic classification	2016/17						2015/16	
	Adjusted Appropriation	Virement	Final	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	Appropriation	R'000	R'000	%	R'000	expenditure
Salaries and wages	5,613	(1,535)	4,078	3,865	213	94.8%	3,710	3,710
Social contributions	723	(214)	509	436	73	85.7%	391	391
Goods and services	811	513	1,324	1,325	(1)	100.1%	2,290	2,271
Administrative fees	14	(2)	12	12	-	100.0%	18	18
Advertising	-	6	6	6	-	100.0%	-	-
Minor assets	3	(1)	2	2	-	100.0%	2	2
Catering: Departmental activities	6	3	9	9	-	100.0%	4	4
Communication (G&S)	173	37	210	210	-	100.0%	254	254
Computer services	-	1	1	1	-	100.0%	1	1
Consultants: Business and advisory services	-	22	22	22	-	100.0%	-	-
Legal services	45	8	53	53	-	100.0%	170	170
Contractors	-	-	-	-	-	100.0%	2	2
Fleet services (including government motor transport)	7	6	13	13	-	100.0%	12	12
Consumable supplies	26	5	31	31	-	100.0%	20	20
Consumable: Stationery, printing and office supplies	113	(50)	63	63	-	100.0%	83	83
Operating leases	34	41	75	75	-	100.0%	40	40
Travel and subsistence	390	352	742	743	(1)	100.1%	1,553	1,535
Training and development	-	-	-	-	-	100.0%	25	25
Operating payments	-	85	85	85	-	100.0%	106	105
Payments for capital assets	42	(25)	17	17	-	100.0%	88	88
Machinery and equipment	42	(25)	17	17	-	100.0%	88	88
Other machinery and equipment	42	(25)	17	17	-	100.0%	88	88
Payments for financial assets	-	-	-	-	-	-	-	19
TOTAL	7,189	(1,261)	5,928	5,643	285	95.2%	6,479	6,479

Economic classification	Subprogramme 1.2: Corporate Services							
	2016/17						2015/16	
	Adjusted Appropriation	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	
Current payments	49,897	(2,448)	47,449	46,666	783	98.3%	50,565	50,543
Compensation of employees	28,459	(468)	27,991	27,231	760	97.3%	29,467	29,468
Salaries and wages	25,116	(114)	25,002	24,361	641	97.4%	26,156	26,152
Social contributions	3,343	(354)	2,989	2,870	119	96.0%	3,311	3,316
Goods and services	21,438	(1,980)	19,458	19,435	23	99.9%	21,098	21,075
Administrative fees	40	(24)	16	16	-	100.0%	16	16
Advertising	520	(329)	191	190	1	99.5%	505	505
Minor assets	65	(27)	38	37	1	97.4%	12	12
Bursaries: Employee	416	302	718	702	16	97.8%	460	460
Catering: Departmental activities	74	(5)	69	70	(1)	101.4%	51	51
Communication (G&S)	583	145	728	728	-	100.0%	735	847
Computer services	11,060	(74)	10,986	10,986	-	100.0%	11,920	11,920
Consultants: Business and advisory services	50	(13)	37	37	-	100.0%	91	91
Legal services	430	53	483	483	-	100.0%	402	402
Contractors	2,026	(698)	1,328	1,328	-	100.0%	2,042	2,042
Agency and support / outsourced services	173	(144)	29	29	-	100.0%	39	39
Fleet services (including government motor transport)	13	(6)	7	7	-	100.0%	20	20
Consumable supplies	104	(12)	92	92	-	100.0%	78	77
Consumable: Stationery, printing and office supplies	365	(65)	300	300	-	100.0%	275	276
Operating leases	108	15	123	123	-	100.0%	123	123
Travel and subsistence	1,100	(187)	913	907	6	99.3%	1,207	1,184

Economic classification	Subprogramme 1.2: Corporate Services							
	2016/17						2015/16	
	Adjusted Appropriation	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
Training and development	1,814	(1,215)	599	599	-	100.0%	295	294
Operating payments	2,488	307	2,795	2,795	-	100.0%	2,816	2,705
Rental and hiring	9	(3)	6	6	-	100.0%	11	11
Transfers and subsidies	-	119	119	119	-	100.0%	41	41
Households	-	119	119	119	-	100.0%	41	41
Social benefits	-	119	119	119	-	100.0%	41	41
Payments for capital assets	198	172	370	369	1	99.7%	222	222
Buildings and other fixed structures	-	6	6	6	-	100.0%	-	-
Buildings	-	6	6	6	-	100.0%	-	-
Machinery and equipment	158	206	364	363	1	99.7%	222	222
Other machinery and equipment	158	206	364	363	1	99.7%	222	222
Software and other intangible assets	40	(40)	-	-	-	-	-	-
Payment for financial assets	-	-	-	23	(23)	-	-	23
TOTAL	50,095	(2,157)	47,938	47,177	761	98.4%	50,828	50,829

Economic classification	Subprogramme 1.3: Financial Administration							
	2016/17						2015/16	
	Adjusted Appropriation	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
Current payments	30,437	2,260	32,697	31,972	725	97.8%	29,361	29,360
Compensation of employees	24,047	382	24,429	23,704	725	97.0%	21,149	21,149

Subprogramme 1.3: Financial Administration								
Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Salaries and wages	20,780	439	21,219	20,678	541	97.5%	18,380	18,380
Social contributions	3,267	(57)	3,210	3,026	184	94.3%	2,769	2,769
Goods and services	6,390	1,878	8,268	8,268	-	100.0%	8,212	8,211
Administrative fees	157	(46)	111	111	-	100.0%	110	110
Advertising	17	(12)	5	5	-	100.0%	6	6
Minor assets	8	88	96	96	-	100.0%	52	52
Catering: Departmental activities	-	2	2	2	-	100.0%	4	4
Communication (G&S)	494	(14)	480	480	-	100.0%	430	430
Computer services	1	7	8	8	-	100.0%	74	74
Laboratory services	-	5	5	5	-	-	-	-
Legal services	-	28	28	28	-	100.0%	-	-
Contractors	-	807	807	807	-	100.0%	469	469
Fleet services (including government motor transport)	90	68	158	158	-	100.0%	131	131
Consumable supplies	97	37	134	134	-	100.0%	365	365
Consumable: Stationery, printing and office supplies	458	(127)	331	332	(1)	100.3%	521	534
Operating leases	370	(178)	192	192	-	100.0%	365	365
Property payments	3,979	1,355	5,334	5,333	1	100.0%	4,738	4,725
Travel and subsistence	639	(230)	409	409	-	100.0%	759	765
Training and development	-	18	18	18	-	100.0%	34	34
Operating payments	80	70	150	150	-	100.0%	154	147
Transfers and subsidies	44	87	131	129	2	98.5%	103	103
Departmental agencies and accounts	44	-	44	42	2	95.5%	46	46

Subprogramme 1.3: Financial Administration								
Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Departmental agencies (non-business entities)	44	-	44	42	2	95.5%	46	46
Households	-	87	87	87	-	100.0%	57	57
Social benefits	-	87	87	87	-	100.0%	57	57
Payments for capital assets	265	(41)	224	224	-	100.0%	291	291
Buildings and other fixed structures	-	25	25	25	-	100.0%	81	81
Buildings	-	25	25	25	-	100.0%	81	81
Machinery and equipment	265	(66)	199	199	-	100.0%	210	210
Other machinery and equipment	265	(66)	199	199	-	100.0%	210	210
Payment for financial assets	-	-	-	-	-	-	-	-
TOTAL	30,746	2,306	33,052	32,325	727	97.8%	29,755	29,754

Subprogramme 1.4: Internal Audit								
Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Current payments	7,607	494	8,101	7,838	263	96.8%	7,632	7,631
Compensation of employees	5,245	(15)	5,230	4,967	263	95.0%	4,788	4,788
Salaries and wages	4,694	(16)	4,678	4,474	204	95.6%	4,300	4,300
Social contributions	551	1	552	493	59	89.3%	488	488
Goods and services	2,362	509	2,871	2,871	-	100.0%	2,844	2,843
Administrative fees	15	(14)	1	1	-	100.0%	7	7

Subprogramme 1.4: Internal Audit								
Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Minor assets	9	-	9	9	-	100.0%	2	2
Audit costs: External	1,988	480	2,468	2,467	1	100.0%	2,349	2,349
Catering: Departmental activities	-	2	2	2	-	100.0%	1	1
Communication	69	13	82	82	-	100.0%	75	75
Computer services	40	15	55	55	-	100.0%	67	67
Consultants: Business and advisory services	30	(5)	25	25	-	100.0%	17	17
Legal services	-	14	14	14	-	100.0%	-	-
Fleet services (including government motor transport)	3	(2)	1	1	-	100.0%	4	4
Consumable supplies	4	(1)	3	3	-	100.0%	2	2
Consumable: Stationery, printing and office supplies	34	(5)	29	29	-	100.0%	23	23
Operating leases	41	(9)	32	32	-	100.0%	41	40
Travel and subsistence	99	7	106	107	(1)	100.9%	190	190
Training and development	-	-	-	-	-	-	30	30
Operating payments	30	14	44	44	-	100.0%	36	36
Transfers and subsidies	-	15	15	15	-	100.0%	6	6
Households	-	15	15	15	-	100.0%	6	6
Social benefits	-	15	15	15	-	100.0%	6	6
Payments for capital assets	25	(8)	17	17	-	100.0%	82	82
Machinery and equipment	25	(8)	17	17	-	100.0%	82	82
Other machinery and equipment	25	(8)	17	17	-	100.0%	82	82
Payment for financial assets	-	-	-	1	(1)	-	-	-
TOTAL	7,632	501	8,133	7,871	262	96.8%	7,720	7,719

Subprogramme 1.5: Office Accommodation								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Current payments	48,571	5,772	54,343	54,343	-	100.0%	50,139	50,139
Goods and services	48,571	5,772	54,343	54,343	-	100.0%	50,139	50,139
Operating leases	46,603	3,840	50,443	50,443	-	100.0%	46,117	46,117
Property payments	1,968	1,932	3,900	3,900	-	100.0%	4,022	4,022
TOTAL	48,571	5,772	54,343	54,343	*	100.0%	50,139	50,139

Programme 2: Content Processing and Dissemination								
2016/17							2015/16	
Subprogramme	Adjusted Appropriation	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
2.1 Programme Management for Content Processing and Dissemination	3,411	(633)	2,778	2,778	-	100.0%	2,984	2,984
2.2 Policy and Research	32,905	(1,357)	31,548	31,548	-	100.0%	29,582	29,566
2.3 Products and Platforms	47,004	(2,591)	44,413	44,413	-	100.0%	42,612	42,395
2.4 Communication Service Agency	52,780	3,511	56,291	56,091	200	99.6%	51,910	51,909
TOTAL	136,100	(1,070)	135,030	134,830	200	99.9%	127,088	126,854

Appropriation per economic classification								
2016/17							2015/16	
Programme 2 per Economic classification	Adjusted Appropriation	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
Current payments	135,604	(1,175)	134,429	133,958	471	99.6%	126,270	126,020
Compensation of employees	74,346	3,461	77,807	77,608	199	99.7%	70,607	70,390
Salaries and wages	65,181	4,188	69,369	69,170	199	99.7%	62,682	62,501
Social contributions	9,165	(727)	8,438	8,438	-	100.0%	7,925	7,889
Administrative fees	222	4	226	226	-	100.0%	175	175
Advertising	2,519	(675)	1,844	1,844	-	100.0%	3,813	3,813
Minor assets	41	43	84	83	1	98.8%	45	45
Catering: Departmental activities	257	(203)	54	54	-	100.0%	117	117
Communication	2,958	(120)	2,838	2,688	150	94.7%	3,524	3,524
Computer services	3,436	100	3,536	3,536	-	100.0%	3,064	3,064
Consultants: Business and advisory services	1,619	(1,619)	-	-	-	-	2,238	2,238
Legal services	-	109	109	109	-	100.0%	84	84
Contractors	260	55	315	315	-	100.0%	145	146
Agency and support/outsourced services	5,252	(563)	4,689	4,689	-	100.0%	3,442	3,421
Fleet services (including government motor transport)	74	(30)	44	44	-	100.0%	23	23
Consumable supplies	268	(119)	149	149	-	100.0%	136	136
Consumable: Stationery, printing and office supplies	1,756	(195)	1,561	1,562	(1)	100.1%	1,452	1,452

Appropriation per economic classification								
2016/17							2015/16	
Programme 2 per economic classification	Adjusted Appropriation	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
Operating leases	309	16	325	325	-	100.0%	303	303
Property payments	2	2	4	4	-	100.0%	-	-
Travel and subsistence	7,785	(13)	7,772	7,651	121	98.4%	9,560	9,548
Training and development	-	-	-	-	-	-	401	401
Operating payments	34,330	(1,265)	33,065	33,064	1	100.0%	26,690	26,690
Venues and facilities	170	(170)	-	-	-	-	425	424
Rental and hiring	-	7	7	7	-	100.0%	26	26
Transfers and subsidies	-	86	86	85	1	98.8%	587	587
Households	-	86	86	85	1	98.8%	587	587
Social benefits	-	86	86	85	1	98.8%	587	587
Payments for capital assets	496	19	515	515	-	100.0%	231	230
Machinery and equipment	285	177	462	462	-	100.0%	231	230
Other machinery and equipment	285	177	462	462	-	100.0%	231	230
Software and other intangible assets	211	(158)	53	53	-	100.0%	-	-
Payments for financial assets	-	-	-	272	(272)	-	-	17
TOTAL	136,100	(1,070)	135,030	134,830	200	99.9%	127,088	126,854

Subprogramme 2.1: Programme Management for Content Processing and Dissemination

2016/17								2015/16	
Economic classification	Adjusted Appropriation	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	
Current payments	3,381	(649)	2,732	2,732	-	100.0%	2,929	2,921	
Compensation of employees	3,043	(584)	2,459	2,459	-	100.0%	2,538	2,538	
Salaries and wages	2,709	(485)	2,224	2,224	-	100.0%	2,294	2,294	
Social contributions	334	(99)	235	235	-	100.0%	244	244	
Goods and services	338	(65)	273	273	-	100.0%	391	383	
Administrative fees	5	(3)	2	2	-	100.0%	2	2	
Advertising	-	-	-	-	-	-	3	3	
Catering: Departmental activities	10	(8)	2	2	-	100.0%	-	-	
Communication	102	(36)	66	66	-	100.0%	86	86	
Legal services	-	6	6	6	-	100.0%	84	84	
Fleet services (including government motor transport)	2	(2)	-	-	-	-	-	-	
Consumable supplies	8	(6)	2	2	-	100.0%	3	3	
Consumable: Stationery, printing and office supplies	35	(35)	-	-	-	-	16	16	
Travel and subsistence	170	25	195	195	-	100.0%	197	189	
Operating payments	6	(6)	-	-	-	-	-	-	
Transfers and subsidies	-	20	20	20	-	100.0%	-	-	
Households	-	20	20	20	-	100.0%	-	-	
Social benefits	-	20	20	20	-	100.0%	-	-	
Payments for capital assets	30	(4)	26	26	-	100.0%	55	55	
Machinery and equipment	30	(4)	26	26	-	100.0%	55	55	
Other machinery and equipment	30	(4)	26	26	-	100.0%	55	55	
Payment for financial assets	-	-	-	-	-	-	-	8	
TOTAL	3,411	(633)	2,778	2,778	-	100.0%	2,984	2,984	

Subprogramme 2.2: Policy and Research

Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Current payments	32,855	(1,420)	31,435	31,436	(1)	100.0%	29,113	29,092
Compensation of employees	24,328	(856)	23,472	23,473	(1)	100.0%	22,305	22,306
Salaries and wages	21,357	(328)	21,029	21,030	(1)	100.0%	19,920	19,921
Social contributions	2,971	(528)	2,443	2,443	-	100.0%	2,385	2,385
Goods and services	8,527	(564)	7,963	7,963	-	100.0%	6,808	6,786
Administrative fees	18	(14)	4	4	-	100.0%	5	5
Advertising	10	20	30	30	-	100.0%	145	145
Minor assets	26	18	44	43	1	97.7%	14	14
Catering: Departmental activities	21	(19)	2	2	-	100.0%	28	28
Communication	524	6	530	530	-	100.0%	422	422
Computer services	1,299	386	1,685	1,685	-	100.0%	538	538
Consultants: Business and advisory services	100	(100)	-	-	-	-	77	77
Legal services	-	23	23	23	-	100.0%	-	-
Contractors	60	(56)	4	4	-	100.0%	9	9
Agency and support/outsourced services	5,180	(491)	4,689	4,689	-	100.0%	3,442	3,421
Fleet services (including government motor transport)	12	(3)	9	9	-	100.0%	7	7
Consumable supplies	40	(6)	34	34	-	100.0%	20	20
Consumable: Stationery, printing and office supplies	240	(114)	126	127	(1)	100.8%	114	114
Operating leases	152	(50)	102	102	-	100.0%	111	111
Travel and subsistence	527	10	537	537	-	100.0%	699	699
Training and development	-	-	-	-	-	-	353	353

Subprogramme 2.2: Policy and Research								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Operating payments	198	(54)	144	144	-	100.0%	420	420
Venues and facilities	120	(120)	-	-	-	-	404	403
Transfers and subsidies	-	5	5	4	1	80.0%	440	440
Households	-	5	5	4	1	80.0%	440	440
Social benefits	-	5	5	4	1	80.0%	440	440
Payments for capital assets	50	58	108	108	-	100.0%	29	29
Machinery and equipment	50	58	108	108	-	100.0%	29	29
Other machinery and equipment	50	58	108	108	-	100.0%	29	29
Payments for financial assets	-	-	-	-	-	-	-	5
TOTAL	32,905	(1,357)	31,548	31,548	-	100.0%	29,582	29,566

Subprogramme 2.3: Products and Platforms								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Current payments	46,845	(2,637)	44,208	44,053	155	99.6%	42,427	42,206
Compensation of employees	20,605	3,516	24,121	24,121	-	100.0%	20,665	20,448
Salaries and wages	17,974	3,493	21,467	21,467	-	100.0%	18,201	18,019
Social contributions	2,631	23	2,654	2,654	-	100.0%	2,464	2,429
Goods and services	26,240	(6,153)	20,087	19,932	155	99.2%	21,762	21,758
Administrative fees	26	(21)	5	5	-	100.0%	7	7

Subprogramme 2.2: Policy and Research								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Advertising	-	5	5	5	-	100.0%	2,411	2,411
Minor assets	-	17	17	17	-	100.0%	6	6
Catering: Departmental activities	70	(34)	36	36	-	100.0%	47	47
Communication	476	88	564	414	150	73.4%	493	493
Computer services	1,728	(464)	1,264	1,264	-	100.0%	2,118	2,118
Consultants: Business and advisory services	1,427	(1,427)	-	-	-	-	2,161	2,161
Legal services	-	28	28	28	-	100.0%	-	-
Contractors	-	136	136	136	-	100.0%	-	-
Agency and support/outsourced services	72	(72)	-	-	-	100.0%	-	-
Fleet services (including government motor transport)	11	3	14	14	-	100.0%	4	4
Consumable supplies	36	(29)	7	7	-	100.0%	34	34
Consumable: Stationery, printing and office supplies	1,096	(431)	665	665	-	100.0%	655	655
Operating leases	75	(9)	66	66	-	100.0%	53	53
Travel and subsistence	1,108	(496)	612	608	4	99.3%	1,079	1,075
Training and development	-	-	-	-	-	-	10	10
Operating payments	20,115	(3,447)	16,668	16,667	1	100.0%	12,660	12,660
Rental and hiring	-	-	-	-	-	-	24	24
Transfers and subsidies	-	24	24	24	-	100.0%	128	128
Households	-	24	24	24	-	100.0%	128	128
Social benefits	-	24	24	24	-	100.0%	128	128
Payments for capital assets	159	22	181	181	-	100.0%	57	57

Subprogramme 2.2: Policy and Research								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Machinery and equipment	159	22	181	181	-	100.0%	57	57
Other machinery and equipment	159	22	181	181	-	100.0%	57	57
Payments for financial assets	-	-	-	155	(155)	-	-	4
TOTAL	47,004	(2,591)	44,413	44,413	-	100.0%	42,612	42,395

Subprogramme 2.4: Communication Service Agency								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Current payments	52,523	3,531	56,054	55,737	317	99.4%	51,801	51,801
Compensation of employees	26,370	1,385	27,755	27,555	200	99.3%	25,099	25,098
Salaries and wages	23,141	1,508	24,649	24,449	200	99.2%	22,267	22,267
Social contributions	3,229	(123)	3,106	3,106	-	100.0%	2,832	2,831
Goods and services	26,153	2,146	28,299	28,182	117	99.6%	26,702	26,703
Administrative fees	173	42	215	215	-	100.0%	161	161
Advertising	2,509	(700)	1,809	1,809	-	100.0%	1,254	1,254
Minor assets	15	8	23	23	-	100.0%	25	25
Catering: Departmental activities	156	(142)	14	14	-	100.0%	42	42
Communication (G&S)	1,856	(178)	1,678	1,678	-	100.0%	2,523	2,523
Computer services	409	178	587	587	-	100.0%	408	408
Consultants: Business and advisory services	92	(92)	-	-	-	-	-	-

Subprogramme 2.4: Communication Service Agency

Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Legal services	-	52	52	52	-	100.0%	-	-
Contractors	200	(25)	175	175	-	100.0%	136	137
Fleet services (including government motor transport)	49	(28)	21	21	-	100.0%	12	12
Consumable supplies	184	(78)	106	106	-	100.0%	79	79
Consumable: Stationery, printing and office supplies	385	385	770	770	-	100.0%	667	667
Operating leases	82	75	157	157	-	100.0%	139	139
Property payments	2	2	4	4	-	100.0%	-	-
Travel and subsistence	5,980	448	6,428	6,311	117	98.2%	7,585	7,585
Training and development	-	-	-	-	-	-	38	38
Operating payments	14,011	2,242	16,253	16,253	-	100.0%	13,610	13,610
Venues and facilities	50	(50)	-	-	-	-	21	21
Rental and hiring	-	7	7	7	-	100.0%	2	2
Transfers and subsidies	-	37	37	37	-	100.0%	19	19
Households	-	37	37	37	-	100.0%	19	19
Social benefits	-	37	37	37	-	100.0%	19	19
Payments for capital assets	257	(57)	200	200	-	100.0%	90	89
Machinery and equipment	46	101	147	147	-	100.0%	90	89
Other machinery and equipment	46	101	147	147	-	100.0%	90	89
Software and other intangible assets	211	(158)	53	53	-	100.0%	-	-
Payments for financial assets	-	-	-	117	(117)	-	-	-
TOTAL	52,780	3,511	56,291	56,091	200	99.6%	51,910	51,909

Programme 3: Intergovernmental Coordination and Stakeholder Management								
2016/17							2015/16	
Subprogramme	Adjusted Appropriation	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
3.1 Programme Management for Intergovernmental Coordination and Stakeholder Management	3,054	(19)	3,035	1,956	1,079	64.4%	2,856	2,856
3.2 Provincial and Local Liaison	73,273	(1,940)	71,333	70,058	1,275	98.2%	68,045	68,043
3.3 Media Engagement	13,183	(480)	12,703	12,174	529	95.8%	13,198	13,200
3.4 Cluster Supervision (Human Development, Social Protection and Governance and Administration)	8,201	(1,566)	6,635	6,627	8	99.9%	5,482	5,482
3.5 Cluster Supervision (Economic and Infrastructure, Justice and International)	7,212	(86)	7,126	7,126	-	100.0%	3,886	3,886
TOTAL	104,923	(4,091)	100,832	97,941	2,891	97.1%	93,467	93,467

Programme 3: Intergovernmental Coordination and Stakeholder Management								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Current payments	104,831	(5,352)	99,479	96,576	2,903	97.1%	92,881	92,790
Compensation of employees	84,368	(2,774)	81,594	78,725	2,869	96.5%	72,564	72,565
Salaries and wages	73,803	(2,773)	71,030	68,683	2,347	96.7%	63,304	63,303
Social contributions	10,565	(1)	10,564	10,042	522	95.1%	9,260	9,262
Goods and services	20,463	(2,578)	17,885	17,851	34	99.8%	20,317	20,225

Programme 3: Intergovernmental Coordination and Stakeholder Management

Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Administrative fees	247	(76)	171	171	-	100.0%	152	152
Advertising	1,002	(401)	601	600	1	99.8%	754	754
Minor assets	96	(41)	55	55	-	100.0%	43	43
Catering: Departmental activities	879	(125)	754	754	-	100.0%	523	502
Communication (G&S)	4,666	(225)	4,441	4,440	1	100.0%	4,862	4,858
Computer services	16	2	18	18	-	100.0%	3	3
Consultants: Business and advisory services	5	(5)	-	-	-	-	3	3
Legal services	-	109	109	109	-	100.0%	84	84
Contractors	1,226	(382)	844	844	-	100.0%	1,236	1,236
Fleet services (including government motor transport)	1,047	154	1,201	1,200	1	99.9%	1,809	1,810
Consumable supplies	232	(118)	114	114	-	100.0%	110	109
Consumable: Stationery, printing and office supplies	938	(442)	496	496	-	100.0%	754	750
Operating leases	720	(222)	498	498	-	100.0%	593	568
Property payments	96	(31)	65	65	-	100.0%	53	52
Travel and subsistence	7,667	34	7,701	7,669	32	99.6%	7,954	7,915
Training and development	-	-	-	-	-	-	44	43
Operating payments	1,318	(645)	673	673	-	100.0%	1,146	1,150
Venue and facilities	157	(140)	17	17	-	100.0%	121	121
Rental and hiring	151	(24)	127	128	(1)	100.8%	73	72
Transfers and subsidies	12	856	868	857	11	98.7%	283	282
Departmental agencies and accounts	12	-	12	3	9	25.0%	11	10

Programme 3: Intergovernmental Coordination and Stakeholder Management								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Departmental agencies (non-business entities)	12	-	12	3	9	25.0%	11	10
Households	-	856	856	854	2	99.8%	272	272
Social benefits	-	856	856	854	2	99.8%	272	272
Payments for capital assets	80	405	485	485	-	100.0%	303	303
Machinery and equipment	80	405	485	485	-	100.0%	303	303
Other machinery and equipment	80	405	485	485	-	100.0%	303	303
Payment for financial assets	-	-	-	23	(23)	-	-	92
TOTAL	104,923	(4,091)	100,832	97,941	2,891	97.1%	93,467	93,467

Subprogramme 3.1: Programme Management for Intergovernmental Coordination and Stakeholder Management								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Current payments	3,054	(116)	2,938	1,859	1,079	63.3%	2,844	2,844
Compensation of employees	2,706	(97)	2,609	1,530	1,079	58.6%	2,323	2,324
Salaries and wages	2,428	(97)	2,331	1,394	937	59.8%	2,118	2,118
Social contributions	278	-	278	136	142	48.9%	205	206
Goods and services	348	(19)	329	329	-	100.0%	521	520
Administrative fees	10	(7)	3	3	-	100.0%	5	5

Subprogramme 3.1: Programme Management for Intergovernmental Coordination and Stakeholder Management								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Catering: Departmental activities	5	-	5	5	-	100.0%	1	1
Communication (G&S)	75	(10)	65	65	-	100.0%	82	82
Legal services	-	6	6	6	-	100.0%	84	84
Fleet services (including government motor transport)	1	-	1	1	-	100.0%	1	1
Consumable supplies	7	(3)	4	4	-	100.0%	5	4
Consumable: Stationery, printing and office supplies	35	(22)	13	13	-	100.0%	21	21
Travel and subsistence	215	17	232	232	-	100.0%	322	322
Transfers and subsidies	-	97	97	97	-	100.0%	-	-
Households	-	97	97	97	-	100.0%	-	-
Social benefits	-	97	97	97	-	100.0%	-	-
Payments for capital assets	-	-	-	-	-	-	12	12
Machinery and equipment	-	-	-	-	-	-	12	12
Other machinery and equipment	-	-	-	-	-	-	12	12
TOTAL	3,054	(19)	3,035	1,956	1,079	64.4%	2,856	2,856

Subprogramme 3.2: Provincial and Local Liaison								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Current payments	73,183	(2,975)	70,208	68,929	1,279	98.2%	67,749	67,710
Compensation of employees	57,547	(1,072)	56,475	55,211	1,264	97.8%	51,531	51,531

Subprogramme 3.2: Provincial and Local Liaison								
Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Salaries and wages	49,977	(1,081)	48,896	47,904	992	98.0%	44,581	44,580
Social contributions	7,570	9	7,579	7,307	272	96.4%	6,950	6,951
Goods and services	15,636	(1,903)	13,733	13,718	15	99.9%	16,218	16,179
Administrative fees	175	(32)	143	143	-	100.0%	121	121
Advertising	1,002	(403)	599	598	1	99.8%	728	728
Minor assets	85	(36)	49	49	-	100.0%	32	32
Catering: Departmental activities	479	(8)	471	471	-	100.0%	279	279
Communication (G&S)	3,688	(361)	3,327	3,327	-	100.0%	3,834	3,834
Computer services	16	2	18	18	-	100.0%	-	-
Legal services	-	68	68	68	-	100.0%	-	-
Contractors	1,038	(216)	822	822	-	100.0%	1,198	1,198
Fleet services (including government motor transport)	945	112	1,057	1,056	1	99.9%	1,610	1,611
Consumable supplies	145	(67)	78	79	(1)	101.3%	82	82
Consumable: Stationery, printing and office supplies	575	(263)	312	312	-	100.0%	606	606
Operating Leases	466	(86)	380	380	-	100.0%	416	410
Property payments	96	(31)	65	65	-	100.0%	52	52
Travel and subsistence	5,393	191	5,584	5,569	15	99.7%	6,057	6,018
Training and development	-	-	-	-	-	-	35	35
Operating payments	1,225	(609)	616	616	-	100.0%	1,019	1,025
Venues and facilities	157	(140)	17	17	-	100.0%	93	93
Rental and hiring	151	(24)	127	128	(1)	100.8%	56	55
Transfers and subsidies	10	704	714	705	9	98.7%	121	120

Subprogramme 3.2: Provincial and Local Liaison								
Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Departmental agencies and accounts	10	-	10	3	7	30.0%	10	9
Departmental agencies (non-business entities)	10	-	10	3	7	30.0%	10	9
Households	-	704	704	702	2	99.7%	111	111
Social benefits	-	704	704	702	2	99.7%	111	111
Payments for capital assets	80	331	411	411	-	100.0%	175	175
Machinery and equipment	80	331	411	411	-	100.0%	175	175
Other machinery and equipment	80	331	411	411	-	100.0%	175	175
Payment for financial assets	-	-	-	13	(13)	-	-	38
TOTAL	73,273	(1,940)	71,333	70,058	1,275	98.2%	68,045	68,043

Subprogramme 3.3: Media Engagement								
Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Current payments	13,181	(535)	12,646	12,119	527	95.8%	13,034	13,007
Compensation of employees	10,398	(276)	10,122	9,596	526	94.8%	10,515	10,515
Salaries and wages	9,226	(298)	8,928	8,510	418	95.3%	9,354	9,354
Social contributions	1,172	22	1,194	1,086	108	91.0%	1,161	1,161
Goods and services	2,783	(259)	2,524	2,523	1	100.0%	2,519	2,492
Administrative fees	38	(21)	17	17	-	100.0%	18	18

Subprogramme 3.3: Media Engagement								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Advertising	-	2	2	2	-	100.0%	26	26
Minor assets	1	-	1	1	-	100.0%	4	4
Catering: Departmental activities	190	4	194	194	-	100.0%	136	136
Communication (G&S)	544	165	709	709	-	100.0%	699	699
Consultants business and advisory services	5	(5)	-	-	-	-	3	3
Legal services	-	23	23	23	-	100.0%	-	-
Contractors	188	(169)	19	19	-	100.0%	36	36
Fleet services (including government motor transport)	96	41	137	137	-	100.0%	192	192
Consumable supplies	25	(14)	11	11	-	100.0%	13	13
Consumable: Stationery, printing and office supplies	146	(65)	81	81	-	100.0%	95	91
Operating leases	164	(62)	102	102	-	100.0%	177	158
Property payments	-	-	-	-	-	-	1	1
Travel and subsistence	1,308	(133)	1,175	1,174	1	99.9%	938	938
Training and development	-	-	-	-	-	-	9	8
Operating payments	78	(25)	53	53	-	100.0%	127	125
Venues and facilities	-	-	-	-	-	-	28	28
Rental and hiring	-	-	-	-	-	-	17	17
Transfers and subsidies	2	55	57	55	2	96.5%	97	97
Departmental agencies and accounts	2	-	2	-	2	-	1	1
Departmental agencies (non-business entities)	2	-	2	-	2	-	1	1

Subprogramme 3.3: Media Engagement								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Households	-	55	55	55	-	100.0%	96	96
Social benefits	-	55	55	55	-	100.0%	96	96
Payments for capital assets	-	-	-	-	-	-	67	67
Machinery and equipment	-	-	-	-	-	-	67	67
Other machinery and equipment	-	-	-	-	-	-	67	67
Payment for financial assets	-	-	-	-	-	-	-	29
TOTAL	13,183	(480)	12,703	12,174	529	95.8%	13,198	13,200

Subprogramme 3.4: Cluster Supervision (Human Development, Social Protector)								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Current payments	8,201	(1,613)	6,588	6,580	8	99.9%	5,458	5,437
Compensation of employees	7,349	(1,389)	5,960	5,960	-	100.0%	4,859	4,859
Salaries and wages	6,456	(1,283)	5,173	5,172	1	100.0%	4,287	4,287
Social contributions	893	(106)	787	788	(1)	100.1%	572	572
Goods and services	852	(224)	628	620	8	98.7%	599	578
Administrative fees	10	(6)	4	4	-	100.0%	4	4
Minor assets	10	(8)	2	2	-	100.0%	4	4
Catering: Departmental activities	95	(55)	40	40	-	100.0%	51	30
Communication (G&S)	198	(28)	170	169	1	99.4%	145	145

Subprogramme 3.4: Cluster Supervision (Human Development, Social Protector)								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Computer services	-	-	-	-	-	-	3	3
Legal services	-	6	6	6	-	100.0%	-	-
Fleet services (including government motor transport)	-	2	2	2	-	100.0%	3	3
Consumable supplies	35	(20)	15	14	1	93.3%	4	4
Consumable: Stationery, printing and office supplies	90	(71)	19	19	-	100.0%	18	18
Operating leases	18	(11)	7	7	-	100.0%	-	-
Travel and subsistence	381	(19)	362	356	6	98.3%	367	367
Operating payments	15	(14)	1	1	-	100.0%	-	-
Payments for capital assets	-	47	47	47	-	100.0%	24	24
Machinery and equipment	-	47	47	47	-	100.0%	24	24
Other machinery and equipment	-	47	47	47	-	100.0%	24	24
Payment for financial assets	-	-	-	-	-	-	-	21
TOTAL	8,201	(1,566)	6,635	6,627	8	99.9%	5,482	5,482

Subprogramme 3.5: Cluster Supervision (Economic and Infrastructure, Justice and International)								
2016/17							2015/16	
Economic classification	Adjusted Appropriation	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
Current payments	7,212	(113)	7,099	7,089	10	99.9%	3,796	3,792
Compensation of employees	6,368	60	6,428	6,428	-	100.0%	3,336	3,336
Salaries and wages	5,716	(14)	5,702	5,703	(1)	100.0%	2,964	2,964

Subprogramme 3.5: Cluster Supervision (Economic and Infrastructure, Justice and International)

Economic classification	2016/17						2015/16	
	Adjusted Appropriation	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
Current payments	7,212	(113)	7,099	7,089	10	99.9%	3,796	3,792
Social contributions	652	74	726	725	1	99.9%	372	372
Goods and services	844	(173)	671	661	10	98.5%	460	456
Administrative fees	14	(10)	4	4	-	100.0%	4	4
Minor assets	-	3	3	3	-	100.0%	3	3
Catering: Departmental activities	110	(66)	44	44	-	100.0%	56	56
Communication (G&S)	161	9	170	170	-	100.0%	102	98
Legal services	-	6	6	6	-	100.0%	-	-
Contractors	-	3	3	3	-	100.0%	2	2
Fleet services (including government motor transport)	5	(1)	4	4	-	100.0%	3	3
Consumable supplies	20	(14)	6	6	-	100.0%	6	6
Consumable: Stationery, printing and office supplies	92	(21)	71	71	-	100.0%	14	14
Operating leases	72	(63)	9	9	-	100.0%	-	-
Travel and subsistence	370	(22)	348	338	10	97.1%	270	270
Operating payments	-	3	3	3	-	100.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	65	65
Households	-	-	-	-	-	-	65	65
Social benefits	-	-	-	-	-	-	65	65
Payments for capital assets	-	27	27	27	-	100.0%	25	25
Machinery and equipment	-	27	27	27	-	100.0%	25	25
Other machinery and equipment	-	27	27	27	-	100.0%	25	25
Payment for financial assets	-	-	-	10	(10)	-	-	4
TOTAL	7,212	(86)	7,126	7,126	-	100.0%	3,886	3,886

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2017

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexures 1A and 1B to the AFS.

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 category can be viewed in note 5 (Payments for financial assets) to the AFS.

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 1: Administration	149,394	147,359	2,035	1.4%

The nett under spending in Programme 1: Administration was mainly under Compensation of Employees (R2.034 million) that was specifically and exclusively appropriated in the Appropriation Act, 2016, which could not be utilised for any other purpose. This under spending was due to vacant posts that were not filled during the 2016/17 financial year. A saving of R22 000 (mainly bursaries of R16 000) realised under Goods and Services.

4.2 Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 2: Content Processing and Dissemination	135,030	134,830	200	0.1%

The nett under spending in Programme 2: Content Processing and Dissemination was mainly under Compensation of Employees (R199 000) that was specifically and exclusively appropriated in the Appropriation Act, 2016, which could not be used for any other purpose. The under spending was due to vacant posts that were not filled during the 2016/17 financial year. A saving of R272 000 (mainly communication of R150 000 and travel and subsistence of R121 000) realised under Goods and Services as a result of cost saving measures.

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 3: Intergovernmental Coordination and Stakeholder Management	100,832	97,941	2,891	2.9%

The nett under spending in Programme 3: Intergovernmental Coordination and Stakeholder Management realised under Compensation of Employees (R2.869 million) that was specifically and exclusively appropriated in the Appropriation Act, 2016, which could not be utilised for any other purpose. The under spending was due to vacant posts that were not filled during the 2016/17 financial year. A saving of R34 000 (mainly travel and subsistence of R32 000) realised under Goods and Services as a result of cost saving measures.

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 expenditure	382,409	376,979	5,430	1.4%
Compensation of employees	221,638	216,536	5,102	2.3%
Goods and services	160,771	160,443	328	0.2%
Transfers and subsidies:	1,219	1,205	14	1.1%
Departmental agencies & accounts	56	45	11	19.6%
Households	1,163	1,160	3	0.3%
Payment for capital assets	1,628	1,627	1	0.1%
Building & other fixed assets	31	31	-	-
Machinery & equipment	1,544	1,543	1	0.1%
Software and other intangible assets	53	53	-	-
Payment for financial assets	-	319	(319)	-

The department spent 98.7% of the final appropriation, with a net under spending of R5.126 million or 1.3% of the total appropriation. The net under spending realised mainly under Compensation of Employees (R5.1 million) in Programme 1: Administration (R2.034 million), Programme 2: Content Processing and Dissemination (R200 000) and Programme 3: Intergovernmental Coordination and Stakeholder Management (R2.869 million) that was specifically and exclusively appropriated in the Appropriation Act, 2016, which could not be used for any other purpose. The underspending was due to vacant posts that were not filled during the 2016/17 financial year. The saving under Goods and Services (R328 000) was mainly due to lesser communication expenditure (R151 000) and travelling and subsistence (R157 000) as a result of cost saving measures. Transfers and Subsidies realised a saving of R14 000, mainly in Programme 3: Intergovernmental Coordination and Stakeholder Management due to more funds appropriated for television licence fees.

STATEMENT OF FINANCIAL PERFORMANCE

for the period ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	385 256	365 476
Departmental revenue	2	3 995	4 203
TOTAL REVENUE		389 251	369 679
EXPENDITURE			
Current expenditure			
Compensation of employees	3	216 536	202 461
Goods and services	4	160 443	160 394
Total current expenditure		376 979	362 855
Transfers and subsidies			
Transfers and subsidies	6	1 205	1 019
Total transfers and subsidies		1 205	1 019
Expenditure for capital assets			
Tangible assets	7	1 574	1 216
Intangible assets		53	-
Total expenditure for capital assets		1 627	1 216
Payment for financial assets	5	319	151
TOTAL EXPENDITURE		380 130	365 241
SURPLUS/(DEFICIT) FOR THE YEAR		9 121	4 438
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		5 126	235
Annual Appropriation		5 126	235
Departmental revenue	13	3 995	4 203
SURPLUS/(DEFICIT) FOR THE YEAR		9 121	4 438

STATEMENT OF FINANCIAL POSITION

at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets			
Unauthorised expenditure	8	4 406	4 406
Cash and cash equivalents	9	27 010	102 366
Prepayments and advances	10	1 627	887
Receivables	11	628	1 648
Non-current assets		657	309
Receivables	11	657	309
TOTAL ASSETS		134 328	109 616
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	12	5 126	235
Departmental revenue to be surrendered to the Revenue Fund	13	14	8
Payables	14	113 839	92 879
Non-Current liabilities			
Payables	15	14 715	15 638
TOTAL LIABILITIES		133 694	108 760
NET ASSETS		634	856
Represented by:		634	856
TOTAL		634	856

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
Recoverable revenue			
Opening balance		856	240
Transfers:		(222)	616
Debts revised		(153)	25
Debts recovered (included in departmental receipts)		(313)	(304)
Debts raised		244	895
Closing balance		634	856
TOTAL		634	856

CASH FLOW STATEMENT

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		389 244	369 679
Annual appropriated funds received	1	385 256	365 476
Departmental revenue received	2.1; 2.3	3 733	3 979
Interest received	2.2	255	224
Net (increase)/decrease in working capital		20 892	(9 137)
Surrendered to Revenue Fund		(4 224)	(5 349)
Current payments		(376 979)	(362 855)
Payments for financial assets		(319)	(151)
Transfers and subsidies paid		(1 205)	(1 019)
Net cash flow available from operating activities	16	27 409	(8 832)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(1 627)	(1 216)
Proceeds from sale of capital assets		7	-
Net cash flows from investing activities	7	(1 620)	(1 216)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(222)	616
Increase/(decrease) in non-current payables		(923)	3 333
Net cash flows from financing activities		(1 145)	3 949
Net increase/(decrease) in cash and cash equivalents		24 644	(6 099)
Cash and cash equivalents at the beginning of the period		102 366	108 465
Cash and cash equivalents at end of period	9	127 010	102 366

ACCOUNTING POLICIES for the year ended 31 March 2017

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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 PFMA, of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA of 1999 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 spot exchange rates prevailing at the date of payment / receipt.

6. Comparative information

6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the

prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2 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. 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.

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.

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 Accruals and payables not recognised

Accruals and payables not recognised are 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 or in the case of transfers and subsidies when they are due and payable. Accruals and payables not recognised are 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.

9. 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 as a current liability. 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.

10. 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. Prepayments and advances are expensed when services have been rendered or goods received. This includes advance payments to employees in respect of subsistence and travel, advance payments to the Department of International Relations and Cooperation (DIRCO) in respect of foreign trips undertaken by departmental officials as well as prepayments in respect of television licenses and satellite television subscription fees.

11. 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. Write-offs are made according to the department's write-off policy.

12. Payables

Loans and payables are recognised in the statement of financial position at cost. Advances received from other departments in respect of media buying campaigns are recognised as payables. Expenditure that incur in respect of media buying campaigns are off-set against advances received from client departments. Balances remain as payables until it is refunded to the client department.

13. Capital assets

13.1 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 reliably, 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) may be 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.

13.2 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 reliably, 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) may be recorded at R1.

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.

14 Provisions and contingents

14.1 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.

14.2 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

14.3 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

14.4 Commitments

Commitments (other than for transfers and subsidies) 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

15.Unauthorised expenditure

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

- approved by Parliament with funding and the related funds are received; or
 - approved by Parliament 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.

16.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.

17. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred 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, transferred to receivables for recovery or not condoned and is not recoverable.

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.

18. 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.

19. 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.

20. Departures from the MCS requirements

Management has reviewed the annual financial statements and discussed it with the external audit committee after which the conclusion was made that:

- the financial statements present fairly the department's primary and secondary information; and
- the department complied with the Modified Cash Standard.

21. Recoverable revenue

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

22. 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 within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

23. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

1. Annual Appropriation

	2016/17		2015/16	
	Final Appropriation	Actual Funds Received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000
Administration	149,394	149,394	144,921	144,921
Content Processing and Dissemination	135,030	135,030	127,088	127,088
Intergovernmental Coordination and Stakeholder Management	100,832	100,832	93,467	93,467
Total	385,256	385,256	365,476	365,476

2. Departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services other than capital assets	2.1	3,391	3,538
Interest, dividends and rent on land	2.2	255	224
Sale of capital assets	2.3	7	-
Transactions in financial assets and liabilities	2.4	342	441
Departmental revenue collected		3,995	4,203

2.1 Sales of goods and services other than capital assets

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services produced by the department	2	3,391	3,538
Sales by market establishment		-	-
Other sales		3,391	3,538
Total		3,391	3,538

2.2 Interest, dividends and rent on land

	Note	2016/17 R'000	2015/16 R'000
Interest		255	224
Total	2	255	224

2.3 Sale of capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets			
Machinery and equipment		7	-
Total	2	7	-

2.4 Transactions in financial assets and liabilities

	Note	2016/17 R'000	2015/16 R'000
Other Receipts including Recoverable Revenue		342	441
Total	2	342	441

3. Compensation of employees

3.1 Salaries and Wages

	2016/17 R'000	2015/16 R'000
	<i>Note</i>	
Basic salary	145,411	136,602
Performance award	3,262	3,020
Compensative/circumstantial	4,783	3,782
Periodic payments	3,562	1,588
Other non-pensionable allowances	23,127	23,031
Total	191,231	178,345

Included in the 2015/16 audited amount of Other non-pensionable allowances of R33.204 million was an amount of R10.173 million that relates to services bonuses that were paid to employees. The expenditure in respect of services bonuses is reclassified under Service Based which increases the 2015/16 audited amount from R149 000 to R10.322 million while Other non-pensionable allowances decrease from R33.204 million to R23.031 million.

3.2 Social Contributions

	2016/17 R'000	2015/16 R'000
Employer contributions		
Pension	18,007	17,049
Medical	7,267	7,036
Bargaining council	31	31
Total	25,305	24,116

Total compensation of employees	216,536	202,461
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Average number of employees	500	500
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4. Goods and services

	2016/17 R'000	2015/16 R'000
	<i>Note</i>	
Administrative fees	537	481
Advertising	2,645	5,075
Minor assets	4.1 282	159
Bursaries (employees)	702	460
Catering	891	680
Communication	8,628	9,987
Computer services	4.2 14,604	15,128
Consultants: Business and advisory services	84	2,348
Laboratory services	5	-
Legal services	796	740
Contractors	3,294	3,893
Agency and support / outsourced services	4,718	3,460
Audit cost – external	4.3 2,467	2,349
Fleet services	1,423	1,998
Consumables	4.4 3,305	3,828
Operating leases	51,688	47,558
Property payments	4.5 9,302	8,800
Rental and hiring	141	109
Travel and subsistence	4.6 17,486	21,137
Venues and facilities	17	545
Training and development	617	827
Other operating expenditure	4.7 36,811	30,832
Total	160,443	160,394

4.1 Minor assets

	2016/17 R'000	2015/16 R'000
	<i>Note</i>	
Tangible assets	282	159
Machinery and equipment	282	159
Total	4 282	159

4.2 Computer services

	Note	2016/17 R'000	2015/16 R'000
SITA computer services		8,557	10,164
External computer service providers		6,047	4,964
Total	4	14,604	15,128

4.3 Audit cost – External

	Note	2016/17 R'000	2015/16 R'000
Regularity audits		2,467	2,349
Total	4	2,467	2,349

4.4 Consumables

	Note	2016/17 R'000	2015/16 R'000
Consumable supplies		523	710
Uniform and clothing		10	163
Household supplies		353	348
Building material and supplies		38	64
Communication accessories		8	3
IT Consumables		50	56
Other consumables		64	76
Stationery, printing and office supplies		2,782	3,118
Total	4	3,305	3,828

4.5 Property payments

	Note	2016/17 R'000	2015/16 R'000
Municipal services		3,933	4,083
Property maintenance and repairs		7	137
Other		5,362	4,580
Total	4	9,302	8,800

4.6 Travel and subsistence

	Note	2016/17 R'000	2015/16 R'000
Local		14,362	17,506
Foreign		3,124	3,631
Total	4	17,486	21,137

4.7 Other operating expenditure

	Note	2016/17 R'000	2015/16 R'000
Professional bodies, membership and subscription fees		67	205
Resettlement costs		261	371
Other		36,483	30,256
Total	4	36,811	30,832

Included in Other is the printing and distribution cost of the monthly *Vukuzenzele* newspaper

5. Payments for financial assets

	Note	2016/17 R'000	2015/16 R'000
Material losses through criminal conduct		26	98
Theft	5.3	26	98
Other material losses written off	5.1	267	43
Debts written off	5.2	26	10
Total		319	151

5.1 Other material losses written off

	Note	2016/17 R'000	2015/16 R'000
Nature of losses			
3G data cost		144	-
Damage to rented vehicle		116	20
Vehicle license fees		4	-
Excess claim – subsidised vehicle		2	-
Clothes bought on foreign trip		1	-
Burnt assets		-	19
Damaged laptops		-	4
Total	5	267	43

5.2 Debts written off

	Note	2016/17 R'000	2015/16 R'000
Other debt written off			
Ex-employees		17	10
Foreign airline		9	-
Total	5	26	10

5.3 Details of theft

	Note	2016/17 R'000	2015/16 R'000
Nature of theft			
Loss of assets		26	98
Total	5	26	98

6. Transfers and subsidies

		2016/17 R'000	2015/16 R'000
Departmental agencies and accounts	Annex 1A	45	56
Households	Annex 1B	1,160	963
Total		1,205	1,019

7. Expenditure for capital assets

		2016/17 R'000	2015/16 R'000
Tangible assets		1,574	1,216
Buildings and other fixed structures		31	81
Machinery and equipment	28.1	1,543	1,135
Intangible assets		53	-
Software	29.1	53	-
Total		1,627	1,216

7.1 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds R'000	Total R'000
Tangible assets	1,574	1,574
Buildings and other fixed structures	31	31
Machinery and equipment	1,543	1,543
intangible assets	53	53
Software	53	53
Total	1,627	1,627

7.2 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Total R'000
Tangible assets	1,216	1,216
Building and other fixed structures	81	81
Machinery and equipment	1,135	1,135
Total	1,216	1,216

2016/17 R'000	2015/16 R'000
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8. Unauthorised Expenditure

8.1 Reconciliation of unauthorised expenditure

Opening balance	4,406	4,406
Unauthorised expenditure – discovered in the current year	-	-
Closing balance	4,406	4,406

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	R'000	R'000
Current	4,406	4,406
Total	4,406	4,406

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

	R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within the vote.	4,406	4,406
Total	4,406	4,406

9. Cash and cash equivalents

	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General Account Disbursements	142,080	111,180
Cash on hand	(15,170)	(8,914)
Total	127,010	102,366

Excluded above are total receipts of R1.632 million in respect of the 2016/17 financial year that will interface in the bank account during at the beginning of the 2017/18 financial year. Receipts relate mainly to two claims to the value of approximately R211 000 in respect of a salary claim and a claim in respect of learnerships, two advances (R1.42 million) in respect of media buying campaigns and R1 000 in respect of the sale of photos.

10. Prepayments and advances

		2016/17 R'000	2015/16 R'000
Travel and subsistence		11	16
Advances paid (Not expensed)	10.1	1,602	871
Prepayments (Not expensed)	10.2	14	-
Total		1,627	887

10.1 Advances paid (Not expensed)

		2016/17 R'000	2015/16 R'000
National departments	Annex5A	1,602	871
Total		1,602	871

The above refers to advances in respect of subsistence and traveling that were paid to the Department of International Relations and Cooperation (DIRCO) in respect of officials who travelled abroad.

10.2 Prepayments (Not expensed)

	2016/17 R'000	2015/16 R'000
Goods and services	14	-
Total	14	-

The above reflects the balance at year-end in respect of an annual payment to a service provider in respect of satellite television signals. The 12-month subscription period end on 30 June 2017. The cost of the subscription is expensed monthly against appropriated funds as services become rendered.

11. Receivables

	Note	2016/17			2015/16		
		Current R'000	Non- Current R'000	Total R'000	Current R'000	Non- Current R'000	Total R'000
Claims recoverable	11.1 Annex3	458	-	458	737	-	737
Recoverable expenditure	11.2	52	-	52	148	-	148
Staff debt	11.3	63	566	629	745	102	847
Other debtors	11.4	55	91	146	18	207	225
Total		628	657	1,285	1,648	309	1,957

11.1 Claims recoverable

	Note	2016/17 R'000	2015/16 R'000
National departments		221	667
Public entities		237	70
Total	11	458	737

11.2 Recoverable expenditure

		2016/17 R'000	2015/16 R'000
Disallowance Damages and Losses under investigation		41	148
3G Data expenditure under investigation		11	-
Total	1	52	148

11.3 Staff debt

	Note	2016/17 R'000	2015/16 R'000
Employees		627	837
Private telephone		2	10
Total	11	629	847

11.4 Other debtors

	Note	2016/17 R'000	2015/16 R'000
Ex-employees		146	216
Foreign private company		-	9
Total	11	146	225

12. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Opening balance		235	1,148
Transfer from statement of financial performance		5,126	235
Unauthorised expenditure for current year	8	-	-
Paid during the year		(235)	(1,148)
Closing balance		5,126	235

13. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund

	2016/17 R'000	2015/16 R'000
Opening balance	8	6
Transfer from Statement of Financial Performance	3,995	4,203
Transfer from Statement of Financial Performance	3,995	4,203
Paid during the year	(3,989)	(4,201)
Closing balance	14	8

14. Payables – current

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Advances received	14.1	113,723	92,537
Other payables	14.2	97	339
Clearing accounts	14.3	19	3
Total		113,839	92,879

14.1 Advances received

	<i>Note</i>	2016/17 R'000	2015/16 R'000
National departments	Annex 5B	41,845	40,224
Provincial departments	Annex 5B	-	643
Public Entities	Annex 5B	71,878	51,670
Total	14	113,723	92,537

14.2 Other payables

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Income Tax		97	144
Department of Communications		-	195
Total	14	97	339

14.3 Clearing accounts

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Government Employees Housing Scheme Refund Control account		19	-
Salary Reversal Control		-	3
Total	14	19	3

15. Payables – non-current

	<i>Note</i>	2016/17 One to two years	Total	2015/16 Total
Advances received	15.1	14,715	14,715	15,638
Total		14,715	14,715	15,638

15.1 Advances received

	Note	2016/17 R'000	2015/16 R'000
National departments	Annex 5B	10,617	13,555
Provincial departments	Annex 5B	571	-
Public Entities	Annex 5B	3,527	2,083
Total		14,715	15,638

16 Net cash flow available from operating activities

	2016/17 R'000	2015/16 R'000
Net surplus/(deficit) as per Statement of Financial Performance	9,121	4,438
Add back non cash/cash movements not deemed operating activities	18,288	(13,270)
(Increase)/decrease in receivables – current	672	(1,403)
(Increase)/decrease in prepayments and advances	(740)	(233)
Increase/(decrease) in payables – current	20,960	(7,501)
Proceeds from sale of capital assets	(7)	-
Expenditure on capital assets	1,627	1,216
Surenders to Revenue Fund	(4,224)	(5,349)
Net cash flow generated by operating activities	27,409	(8,832)

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

	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General account	42,080	111,180
Disbursements	(15,170)	(8,914)
Cash on hand	100	100
Total	127,010	102,366

Excluded above are total receipts of R1.632 million in respect of the 2016/17 financial year that will interface in the bank account at the beginning of the 2017/18 financial year. Receipts relate mainly to two claims to the value of approximately R211 000 in respect of a salary claim and a claim in respect of learnerships, two advances (R1.42 million) in respect of media buying campaigns and R1 000 in respect of the sale of photos.

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

	Note	2016/17 R'000	2015/16 R'000
Liable to			
Intergovernmental payables (unconfirmed balances)	Annex 4	97	144
Claim against the Department	Annex 2	20,000	-
Other	Annex 2	250	-
Total		20,347	144

A claim of R20 million was instituted in the North Gauteng High Court in respect of a copyright matter. The R250 000 is in respect of estimated legal cost in the disciplinary hearing of an employee. R97 000 is owed to SARS in respect of employee tax deductions that are due to the South African Revenue Services (SARS). The payment to SARS will be reflected in April 2017.

19. Commitments

	2016/17 R'000	2015/16 R'000
Current expenditure		
Approved and contracted	66,507	86,588
Approved but not yet contracted	38,945	9,082
	105,452	95,670
Capital expenditure		
Approved and contracted	515	-
	515	-
Total Commitments	105,967	95,670

The value of commitments that are expected to be incurred as expenditure from GCIS voted funds before the end of the 2017/18 financial year amount to R59.974 million and those beyond 1 year to R45.935 million. Commitments in respect of media buying campaigns of R40.066 million at 31 March 2017 are not funded from GCIS voted funds and therefore not included in the amount above. They are expected to be finalised before 31 March 2018.

20. Accruals and payables not recognised

20.1 Accruals

Listed by economic classification	2016/17 R'000			2015/16 R'000
	30 Days	30+ Days	Total	Total
Goods and services	2,811	2,918	5,729	9,786
Capital assets	-	-	-	152
Total	2,811	2,918	5,729	9,938

Listed by Programme level	2016/17 R'000	2015/16 R'000
1 Administration	3,601	2,799
2 Content Processing and Dissemination	704	5,323
3 Intergovernmental Coordination and Stakeholder Management	1,424	1,816
Total	5,729	9,938

2016/17 Accruals in respect of media communication campaigns that are not funded from GCIS voted funds and therefore not included above amount to R12.060 million by 31 March 2017.

21. Employee benefits

	2016/17 R'000	2015/16 R'000
Leave entitlement	8,436	6,398
Service bonus (Thirteenth cheque)	5,575	5,304
Performance awards	3,552	3,342
Capped leave commitments	4,669	4,750
Other	158	214
Total	22,390	20,008

Negative leave credits as at 31 March 2017 amount to R185 453. Included in Other is provision of R158 000 for long-term service rewards to officials who will complete 20-year and 30-year service in 2017/18. In 2015/16 provision for long-term service awards was R214 000 which was paid in 2016/17.

22. Lease commitments

22.1 Operating leases expenditure

2016/17	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	51,177	768	51,945
Later than 1 year and not later than 5 years	8,724	514	9,238
Total lease commitments	59,901	1,282	61,183

A significant amount of office lease commitments is in respect of the head office building (Tshedimoseiso House). Other office accommodation leases include the 9 provincial offices as well as Thusong Service Centres. There were 16 office accommodation leases on a month-to-month basis at 31 March 2017.

2015/16	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	47,796	1,015	48,811
Later than 1 year and not later than 5 years	56,697	558	57,255
Total lease commitments	104,493	1,573	106,066

A significant amount of office lease commitments are in respect of the head office building (Tshedimoseiso House). Other office accommodation leases include the 9 provincial offices as well as Thusong Service Centres. There were 11 office accommodation leases on a month-to-month basis at 31 March 2016.

23. Irregular expenditure

	Note	2016/17 R'000	2015/16 R'000	2016/17 R'000
23.1 Reconciliation of irregular expenditure				
Opening balance		-	-	
Add: Irregular expenditure: current year		115	-	
Less: Prior year amounts condoned		-	-	
Less: Current year amounts condoned		(5)	-	
Irregular expenditure awaiting condonation		110	-	5
Analysis of awaiting condonement per age classification				
Current		110	-	
Total		110	-	5

23.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken / criminal proceedings	2016/17 R'000	2015/16 R'000
Invoice received was higher than the order amount	The responsible official was issued with a verbal warning for breaching the internal controls		5
Service rendered without dual approval as per departmental delegations	The transaction was presented to the Bid Adjudication Committee and is en-route to the Acting Accounting Officer		110
			115

23.3 Details of irregular expenditure condoned (relating to current and prior years)

Incident	Condoned by (Condoning authority)	2016/17 R'000
Invoice received was higher than the order amount	Acting Accounting Officer	5
		5

24. Fruitless and wasteful expenditure

	Note	2016/17 R'000	2015/16 R'000
24.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		-	-
Fruitless and wasteful expenditure: current year		-	-
Less: Amounts resolved		-	-
Fruitless and wasteful expenditure awaiting resolution		-	-
Analysis of awaiting resolution per economic classification			
Current		-	-
Total		-	-

25. Related party transactions

	Note	2016/17 R'000	2015/16 R'000
Year end balances arising from advances received			
Payables to related parties		-	-
Total		<u>-</u>	<u>-</u>

Related parties to the GCIS are the DoC, Brand South Africa (BSA), the Media Development and Diversity Agency (MDDA) the SABC, the Independent Communications Authority of South Africa, (ICASA), and the Film and Publications Board (FPB).

In accordance with a MoU that was signed by both ADGs of the GCIS and DoC, officials from the GCIS rendered Corporate Service functions to the DoC in accordance with the MoU. Those functions include:

Activity	Period	
	From	To
• Petty Cash, including daily reconciliation and safekeeping of cash	1 April 2016	31 March 2017 (ongoing in 2017/18)
• Switchboard	1 April 2016	31 March 2017 (ongoing in 2017/18)
• Demand Management activities, including compiling a procurement plan	1 April 2016	31 March 2017
• Procurement activities by issuing orders to suppliers and paying invoices	1 April 2016	31 March 2017
• Asset management to maintain the departmental asset register, including the verification of assets. In addition GCIS has allowed DoC to use its assets to the value of R1.619 million.	1 April 2016	31 March 2017 (ongoing in 2017/18)

• Logistics management, including office accommodation, security, cleaning	1 April 2016	31 March 2017 (ongoing in 2017/18)
• Human Resource Management, including appointments, transfers and resignations	1 April 2016	31 March 2017 (ongoing in 2017/18)
• Information Management and Technology resources	1 April 2016	31 March 2017 (ongoing in 2017/18)
• Internal Audit	1 April 2016	31 March 2017 (ongoing in 2017/18)

In certain aspects, the arrangements in accordance with the MoU will continue on a month-to-month basis in the 2017/18 financial year until such time that the DoC can function independently from the GCIS.

Payments that were made in the transversal systems of GCIS were claimed from the DoC. A balance of R667 185.23 at 31 March 2016 was received by GCIS in April 2016. The total value of claims submitted to the DoC during the 2016/17 financial year amount to R1.339 million.

A total of 429 non-monetary services relating to radio production, photography and video services were rendered from 1 April 2016 until 31 March 2017 of which 354 were for the DoC, 62 for the SABC, 3 for Brand South Africa and nine for ICASA.

26. Key management personnel

	No. of Individuals	2016/17 R'000	2015/16 R'000
Officials:			
Level 15 to 16	6	6,420	8,552
Level 14	10	9,457	11,471
Total		15,877	20,023

27. Provisions

Statistics South Africa	7,762	7,762
Total	7,762	7,762

The provision of R7.762 million relates to a legal matter that involve the 2011 Census Campaign that was concluded by the High Court in March 2016.

27.1 Reconciliation of movement in provisions – 2016/17

	Statistics SA R'000	Total provisions R'00
Opening balance	7,762	7,762
Increase in provision	-	-
Settlement of provision	-	-
Closing balance	7,762	7,762

28. Moveble Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	70,498	1,472	3,925	68,045
Transport assets	266	-	6	260
Computer equipment	27,269	1,362	2,292	26,339
Furniture and office equipment	16,447	-	320	16,127
Other machinery and equipment	26,516	110	1,307	25,319
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	70,498	1,472	3,925	68,045

Included above are tangible assets to the value of R1.619 million that are used by the Department of Communications. Assets to the value of R9 682 were approved to be disposed by the Disposal Committee and have not yet been removed from the asset register as the crushing or donation process have not yet been finalised at the end of the 2016/17 financial year. The assets are still under the control of the Department.

Movable tangible capital assets under investigation

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation

	Number	Value R'000
Machinery and equipment	18	237

The value above reflect machinery and equipment under investigation at the end of the 2016/17 financial year. It is expected that the investigation will be finalised in the 2017/18 financial year.

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	1,543	(71)	1,472
Computer equipment	1,433	(71)	1,362
Other machinery and equipment	110	-	110
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	1,543	(71)	1,472

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	7	3,918	3,925	7
Transport assets	-	6	6	-
Computer equipment	-	2,292	2,292	-
Furniture and office equipment	7	313	320	7
Other machinery and equipment	-	1,307	1,307	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	7	3,918	3,925	7

28.3 Movement for 2015/16

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	78,953	1,206	9,661	70,498
Transport assets	3,789	-	3,523	266
Computer equipment	31,263	1,093	5,087	27,269
Furniture and office equipment	17,117	5	675	16,447
Other machinery and equipment	26,784	108	376	26,516
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	78,953	1,206	9,661	70,498

28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	-	12,383	12,383
Additions	-	282	282
Disposals	-	763	763
TOTAL MINOR ASSETS	-	11,902	11,902

Included in the above closing balance are library books to the value of around R608 000 that were not recorded on the asset register on the logistical system but recorded on a separate register.

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	-	144	144
Number of minor assets at cost	-	5,793	5,793
TOTAL MINOR ASSETS	-	5,937	5,937

Minor capital assets under investigation

There were no minor assets under investigation as at the end of the 2016/17 financial year.

Minor Assets

MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	-	13,027	13,027
Additions	-	159	159
Disposals	-	803	803
TOTAL MINOR ASSETS	-	12,383	12,383

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	-	134	134
Number of minor assets at cost	-	6,115	6,115
TOTAL MINOR ASSETS	-	6,249	6,249

29 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Additions	Closing Balance
	R'000	R'000	R'000
SOFTWARE	151	53	204
TOTAL INTANGIBLE CAPITAL ASSETS	151	53	204

29.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000
Software	53	-	53
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	53	-	53

29.2 Movement for 2015/16

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Prior period error	Disposals	Closing balance
	R'000		R'000	R'000
SOFTWARE	261	-	110	151
TOTAL INTANGIBLE CAPITAL ASSETS	261	-	110	151

The audited 2015/16 opening balance have been restated as a result of the prior period error in note 29.2.1 that affects the closing balance of 2014/15

29.2.1 Prior period error

Nature of prior period error

Relating to 2014/15

(affecting the 2015/16 opening balance)

Printer incorrectly disposed as software

Total

Note

**2015/16
R'000**

8

29.2

8

8

30 Prior period errors

Note

30.1 Correction of prior period error

Intangible capital assets

**2015/16
R'000**

Printer incorrectly disposed as software

29.2.1

8

Net effect

8

ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted Appropriation Act	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
South African Broadcasting Corporation	56	-	-	56	45	80%	57
	56	-	-	56	45	80%	57

ANNEXURE 1B
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	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
Transfers							
Leave gratuity due to retirement of officials	-	-	794	794	792	100%	529
Leave gratuity due to death of officials	-	-	19	19	19	100%	52
Leave discounting	-	-	350	350	349	100%	382
Total	-	-	1,163	1,163	1,160	100%	963

**ANNEXURE 1C
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Received in kind			
2016/17			
Motsepe Foundation	Complimentary ticket	2	-
Motsepe Foundation	Champagne - Moet - 750ml	1	-
Paarlcoldset	Samsung tablet	5	-
Paarlcoldset	1m x 1m branded cake	4	-
Soar Institute	Advanced Insights Profile (online link)	3	-
Shereno Printers	iPad	8	-
Primedia	Tickets for jazz performance	1	-
Mimecast	Sponsorship for the venue, décor and catering for the PSM Forum that took place in East London	65	-
State Information Technology Agency (SITA)	Sponsorship for SITA Chairman's Golf Day	2	-
SITA	Sponsorship for SITA Govtech Conference	12	-
Chinese Embassy	Zite Blade cellphone	4	-
Chinese Embassy	Sponsorship for flight to China	26	-
Chinese Embassy	Sponsorship for accommodation in Beijing, China	9	-
Embassy of the Russian Federation	Two bottles of Beluga vodka in a leather case	2	-
2015/16			
Platinum Life	Magnetic Attraction Cologne	-	1
Nomadic Verwe	Complimentary Ticket	-	9
Power FM	Beverages	-	14
SITA	Gov Tech conference (Fee, accommodation, pens, power banks)	-	18

Sasria	Venue, catering and décor for the PSM Forum	-	29
SABC	Nedbank golf challenge (two complimentary tickets and accommodation)	-	3
Thomson Reuters	Breakfast Product Briefing	-	1
Motsepe Foundation	Complimentary ticket for fashion week	-	2
New Age	18 - Year - old Glenfidich whiskey	-	2
Ads 24	Pringle Clearwater mall voucher	-	1
Soar Institute	Advanced Insights Profile (online link)	-	3
Chinese Embassy	Zite Blade cellphone	-	4
Chinese Embassy	Zite Blade cellphone	-	4
TOTAL		144	87

ANNEXURE 1D

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

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2016/17	2015/16
	R'000	R'000

Made in kind

2016/17

Computer Equipment (5 CPUs, 45 Monitors, 2 laptops, 4 scanners, 5 printers, 5 fax machines)	-	-
Audio Visual Equipment (1 hybrid phone, 1 Yamaha Digital Effect, 1 Communication System, 2 Signal Distributors, 1 Sony Digital Camera; 1 Tape Recorder, 2 Monitor Tannoy, 2 Montarbo loudspeakers, 3 mixers, 1 decoder, 2 Compressors; Limiter, 1 Keyboard.	-	-

The following were the recipients of the above items:

Funukukhanya Primary School, Fawcett Matheba Secondary School, Ngxola Primary School, Motlhamare Primary School, Ngwato-A-Mphela, Cosmo FM, Masakhane Primary School, Ndlelehle Youth Centre, Mafukuzela Primary School.

2015/16

Computer equipment (40 CPUs, 45 Monitors, 6 Laptops, 7 Printers, 8 Fill servers, 1 Modem, 1 Docking Station)	-	-
Office equipment (4 Fax Machines, 1 Clock, 1 Power Supply, 1 Fridge, 2 Loudspeakers, 1 Sound System Roland, 1 Digital Multi Effect System, 1 Digital Editing Control Sound, 1Tape Deck, 1 HP Scanner; 1 Heater, 2 Cameras)	-	-
Audio-Visual equipment (1 Switch, 1 Video Machine, 1 Television monitor, 6 Radios, 3 CD players, 4 audio-visual mixers, 1 cd writer, 4 tape recorders, 3 headphones, 1 Audio Signal Distributor, 1 Handheld microphone, 5 cameras, 1 Television)	-	-
Office Furniture (15 Filing Cabinets, 2 office tables, 2 Bokcases, 1 Dining table, 5 straight Chairs, 1 Rack distributor, 1 Shelf Unit, 1 Rotary chair, 6 Straight chairs, 1 Coat rack, 1 Desk, 1 Exhibition stand; 5 Chairs, 1 Magazine table, 1 Stationery cupboard, 2 Office workstations, 1 Shelf Unit).	-	-

The following were the recipients of the above items:

Patogeng Primary School, Marema Combined Primary School, Rekgutlile Primary School, B.F Morake Primary School, Sthandiwe Primary School, Ilitha special school, Nwa-Mhinga Primary school, Mamelodi Radio Station, Ntolwane Primary School, St Patricks Primary School, Masakhane Senior Secondary School, Morokweng Thusong Service Centre, Flora Park Comprehensive, Masemola Community Radio Station, Hertzogville Thusong Service Centre.

ANNEXURE 2
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

Nature of liability	Opening balance 1 April 2016	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced/ during the year	Liabilities recoverable	Closing balance 31 March 2017
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claim against the department	-	20,000	-	-	20,000
Subtotal	-	20,000	-	-	20,000
Other					
Employee disciplinary hearing	-	250	-	-	250
Subtotal	-	250	-	-	250
TOTAL	-	20,250	-	-	20,250

**ANNEXURE 3
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year-end 2016/17	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
NATIONAL/PROVINCIAL DEPARTMENTS								
Department of Communications	-	667	99	-	99	667		
Department of Home Affairs	-	-	7	-	7	-		
The Presidency	-	-	115	-	115	-	3 April 2017	115
Subtotal	-	667	221	-	221	667		115
OTHER GOVERNMENT ENTITIES								
Public Service Sector Education and Training Authority	-	-	237	70	237	70	3 April 2017	96
Subtotal	-	-	237	70	237	70		96
TOTAL	-	667	458	70	458	737		211

**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000

DEPARTMENTS

Current

Department of Communications	-	195	-	-	-	195		-
Subtotal	-	195	-	-	-	195		-

Other Government Entity

Current

South African Revenue Service	-	-	97	144	97	144		-
Subtotal	-	-	97	144	97	144		-
TOTAL	-	195	97	144	97	339		-

**ANNEXURE 5A
INTER-ENTITY ADVANCES PAID**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000

NATIONAL DEPARTMENT

International Relations and Cooperation

TOTAL

	-	-	1,602	871	1,602	871
TOTAL	-	-	1,602	871	1,602	871

**ANNEXURE 5B
INTER-ENTITY ADVANCES RECEIVED**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000

NATIONAL DEPARTMENTS

Current

Agriculture, Forestry and Fisheries	-	-	373	-	373	-
Arts and Culture	-	-	2,317	383	2,317	383
Basic Education	-	-	-	80	-	80
Communications	2,879	3,008	-	-	2,879	3,008
Cooperative Governance and Traditional Affairs	-	551	5,085	-	5,085	551
Correctional Services	-	-	-	2,395	-	2,395
Defence	-	-	68	-	68	-
Economic Development	-	-	-	394	-	394
Energy	-	-	213	2,327	213	2,327
Environmental Affairs	-	1,610	1,652	-	1,652	1,610
Health	-	-	-	857	-	857
Higher Education and Training	-	-	5,109	2,515	5,109	2,515

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
Home Affairs	-	-	642	759	642	759
Human Settlements	-	1,619	228	-	228	1,619
Justice and Constitutional Development	-	-	2,205	3,586	2,205	3,586
Labour	-	-	2,219	1,364	2,219	1,364
Military Veterans	-	-	1,092	344	1,092	344
Mineral Resources	-	-	2,236	31	2,236	31
National Treasury	-	-	993	15	993	15
Performance Monitoring and Evaluation	-	2	1,754	-	1,754	2
Public Enterprise	-	-	-	4,992	-	4,992
Public Service and Administration	-	-	-	534	-	534
Public Works	-	-	715	268	715	268
Rural Development and Land Reform	-	-	2,144	937	2,144	937
Science and Technology	-	-	684	-	684	-
South African Police Service	-	-	456	2,994	456	2,994
Social Development	-	2,349	628	-	628	2,349
Trade and Industry	-	-	7,719	3,689	7,719	3,689
Transport	-	-	18	2,621	18	2,621
Water and Sanitation	-	-	416	-	416	-
Subtotal	2,879	9,139	38,966	31,085	41,845	40,224

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000

NATIONAL DEPARTMENTS

Non-Current

Cooperative Governance and Traditional Affairs	-	-	124	-	124	-
Energy	-	-	1,455	-	1,455	-
Environmental Affairs	-	395	-	-	-	395
Health	-	-	-	952	-	952
Higher Education and Training	-	-	-	238	-	238
Human Settlements	-	-	537	-	537	-
Justice and Constitutional Development	-	-	1,772	-	1,772	-
Labour	-	-	-	751	-	751
Military Veterans	-	-	210	2,076	210	2,076
Public Service and Administration	-	-	-	388	-	388
Rural Development and Land Reform	-	-	4,471	5,852	4,471	5,852
South African Police Service	-	-	1,665	2,291	1,665	2,291
Social Development	-	-	41	-	41	-
Transport	-	-	342	612	342	612
Subtotal	-	395	10,617	13,160	10,617	13,555

PROVINCIAL DEPARTMENTS

Current

North West: Finance	-	-	-	103	-	103
North West: Office of the Premier	-	-	-	540	-	540
Subtotal	-	-	-	643	-	643

Non-Current

North West: Finance	-	-	97	-	97	-
North West: Office of the Premier	-	-	475	-	475	-
Subtotal	-	-	572	-	572	-

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000

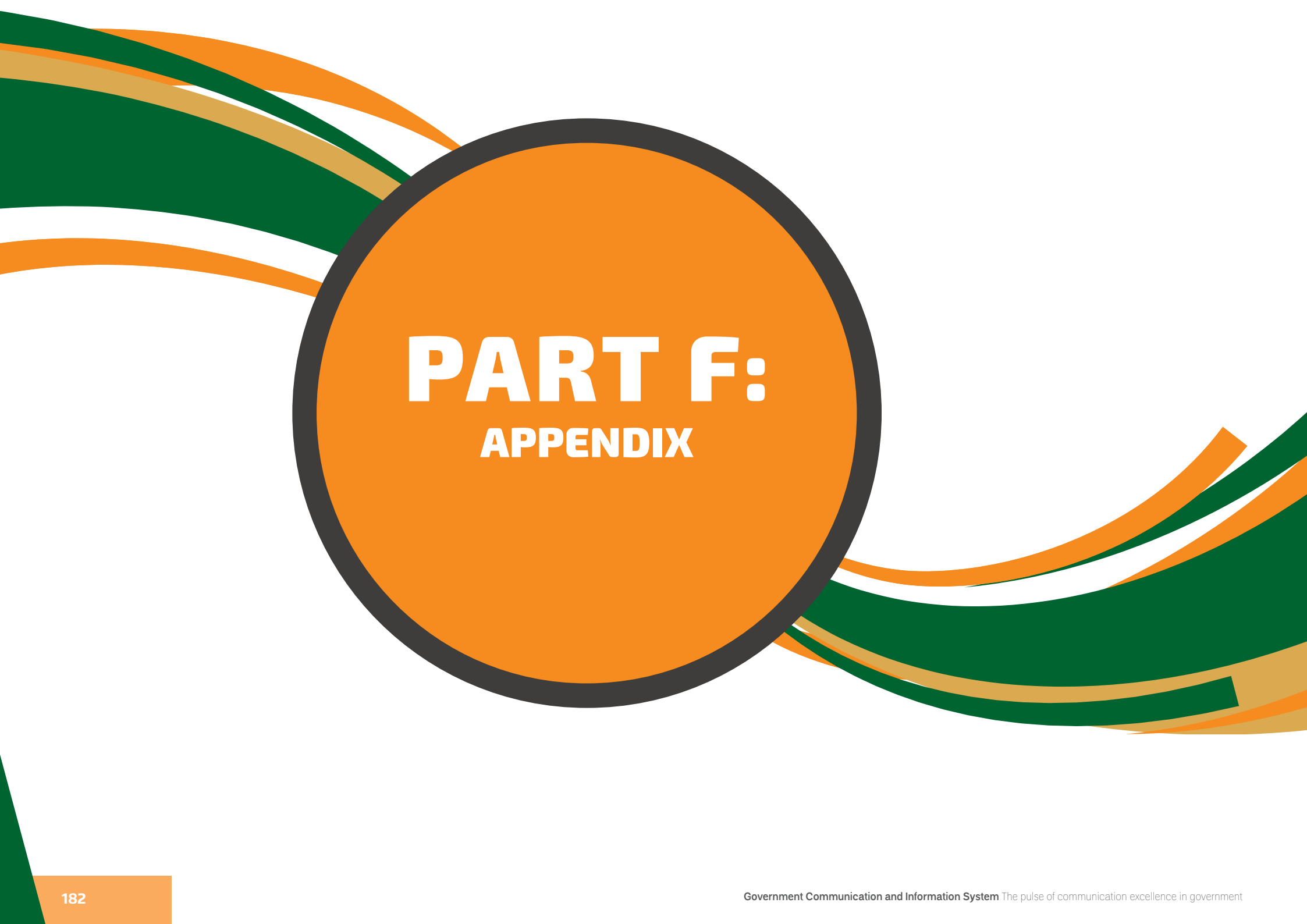
PUBLIC ENTITIES

Current

Auditor-General	-	-	-	119	-	119
Civilian Secretariat for Police	-	-	-	1,266	-	1,266
Commission for Conciliation, Mediation and Arbitration	-	-	-	318	-	318
Compensation Fund	-	-	20,853	20,481	20,853	20,481
Competition Commission	-	-	-	948	-	948
Denel	-	-	-	48	-	48
Gauteng Growth and Development Agency	-	9,938	3,500	-	3,500	9,938
Government Pension Administration Agency	-	-	10,461	-	10,461	-
Health Professions Council of South Africa	-	-	293	-	293	-
Independent Communications Authority of South Africa	-	-	1,506	-	1,506	-
Marine Living Resources Fund	-	-	10	113	10	113
National Consumer Commission	-	-	-	-	-	-
National Prosecuting Authority	-	809	-	-	-	809
National Regulator for Compulsory Specifications	1,903	-	-	-	1,903	-
National Student Financial Aid Scheme	-	-	129	-	129	-
National Youth Development Agency	-	-	51	10	51	10
Office of Health Standards Compliance	-	-	2,868	-	2,868	-
Road Accident Fund	-	-	12,401	6,651	12,401	6,651

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
Road Traffic Infringement Agency	-	-	628	620	628	620
Road Traffic Management Corporation	-	-	-	1,818	-	1,818
SEDA	-	-	490	-	490	-
South African Local Government Association	-	-	2,271	4,964	2,271	4,964
State Information Technology Agency	-	-	-	435	-	435
Unemployment Insurance Fund	-	-	14,514	3,132	14,514	3,132
Subtotal	1,903	10,747	69,975	40,923	71,878	51,670

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
Non-Current						
Civilian Secretariat for Police	-	-	483	-	483	-
Compensation Fund	-	-	-	271	-	271
Education, Training and Development Practices Sector Education and Training Authorities (PSETA)	-	-	-	224	-	224
Gauteng Growth and Development Agency	-	-	613	-	613	-
National Prosecuting Authority	-	342	-	-	-	342
National Regulator for Compulsory Specifications	95	95	-	-	95	95
National School of Government	-	-	588	588	588	588
Road Accident Fund	-	-	454	324	454	324
Road Traffic Management Corporation	696	-	-	130	696	130
State Information Technology Agency	-	-	255	105	255	105
Unemployment Insurance Fund	-	-	342	4	342	4
Subtotal	791	437	2,735	1,646	3,526	2,083
TOTAL	5,573	20,718	122,865	87,457	128,438	108,175
Current	4,782	19,886	108,941	72,651	113,723	92,537
Non-current	791	832	13,924	14,806	14,715	15,638



PART F:

APPENDIX

CONTACT DETAILS

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Ms Liezel Cerf

Director: Parliamentary Services

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