

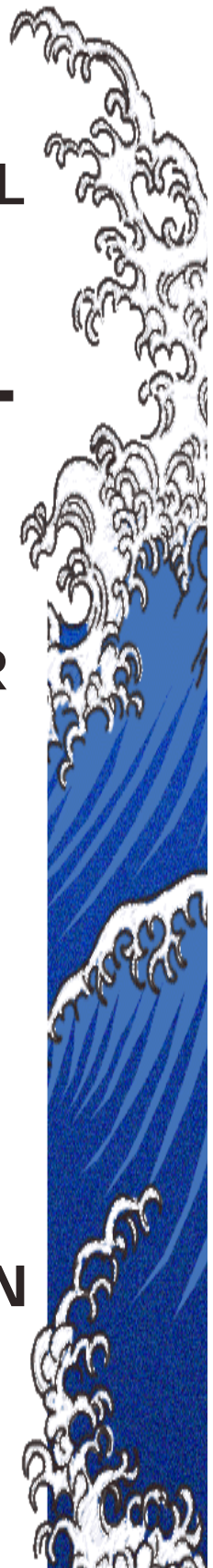
VOTE 1:
**PREMIER, DIRECTOR-GENERAL
AND CORPORATE SERVICES**

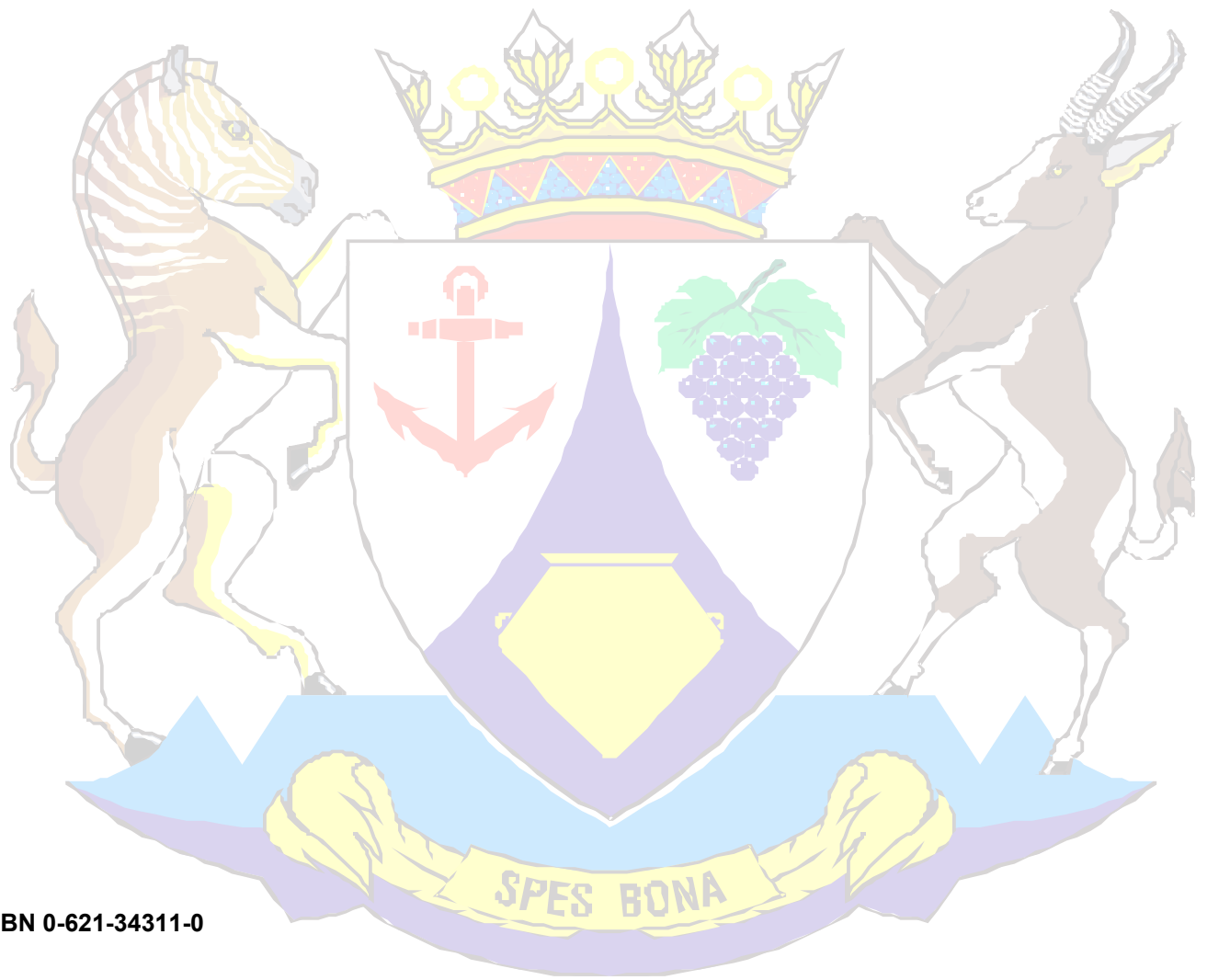
ANNUAL REPORT

2002/2003 FINANCIAL YEAR



**PROVINCIAL ADMINISTRATION
WESTERN CAPE**





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PART ONE

GENERAL INFORMATION

INTRODUCTION

In this department's annual report for 2001/02 reference was made to the statutory mandate of the Department Provincial Administration: Western Cape which is to provide strategic direction and management support to the Western Cape Provincial Government and provincial departments on matters laid down in the Public Service Act, 1994 (as amended). This was also part of the departmental strategic plan for the 2002/03 financial year.

Furthermore this Department is also responsible for assisting the Premier and Cabinet with the rendering of secretarial, administrative, advisory and communication support services. Against this background it is understandable that the change in Premiership and the appointment of a new Director-General during the second quarter of the 2002/03 financial year had a far-reaching impact on ensuring the above.

The department also underwent major restructuring and is still in the process of restructuring. A result of the restructuring was the transfer of the Poverty Relief function to the Department of Social Services and Poverty Alleviation and LANOK (Pty) Ltd to the Department of Agriculture with effect from 1 May 2002 and 1 August 2002 respectively and the splitting of the former Directorate: Financial Management and Administration into two directorates, namely Directorate: Financial Management and Directorate: Personnel Management and Administration.

During the year the department also had to cope with various other challenges as well, such as the widely publicised Desai Commission of Inquiry into the management practices of the erstwhile Premier and the Director-General and new policy directions from the new Provincial Government. The Desai Commission completed its hearings and subsequently furnished the Premier with their report on 5 December 2002. The findings and recommendations contained in the report were evaluated by the department and are in the process of being finalised. The current impasse with regards to the IT contract situation is now almost finalised. The Cabinet approved the new establishment and the recommendations as to how to implement this is being finalised. The Office of the Auditor-General has been kept up to date with all of the abovementioned.

Resolution 7/2002 had an impact on the capacity of the department during the financial year under review. This followed close on the various moratoriums that had been imposed and affected the filling of vacant funded posts, which in turn led to under-expenditure in personnel expenditure.

The department was further hampered in the execution of its duties when the service provider of IT end-user equipment was placed under provisional liquidation. After agreements were reached with the liquidators that had been appointed, the suppliers to the service provider proceeded with the supplying of the necessary equipment. This led to a further under-expenditure on capital equipment and led to this department requesting that the unspent funds be rolled-over to the 2003/04 financial year.

In order to achieve its objective of being established as the centre of the provincial government, the department is progressively realigning itself to focus on its core responsibilities, thus resulting in certain activities being discontinued or in the process of being discontinued. One of the most significant activities would, *inter alia*, be (in the 2003/04 financial year) the transfer of the function and subsequent funds of R101m for the procurement of IT end-user equipment and related asset management to the different provincial departments in order to ensure compliance with the intended accrual accounting principle.



INFORMATION ON THE MINISTRY AND DEPARTMENT

The Ministry of this Department for the 2002/2003 financial year consisted of:

Mr P Marais (PREMIER OF THE WESTERN CAPE PROVINCE) – responsible for the Vote from 1 April 2002 till 22 May 2002.

In the interim Mr P Meyer was appointed as the Acting Premier until June 2002 when the entire Provincial Cabinet was restructured and a new Premier of the Western Cape, **Mr M Van Schalkwyk** assumed the executive responsibilities of this Department for the remainder of the 2002/2003 financial year.

CORE BUSINESS

The core business of the Department is to render a successful administrative support function to the Premier, Cabinet and the Director-General and also a centralised needs-orientated professional support service to all provincial departments in the Western Cape (a client base of approximately 70 000 people) and other relevant stake-holders in order to enhance effective governance.

The Premier and the Department are physically located at the Head Office complex in the Cape Town Central Business District. It has one geographically decentralised component, namely the Cape Administrative Academy, Kromme Rhee Campus, in the district of Stellenbosch.

The Premier and the Department are in constant contact with their colleagues/clients in other provincial departments throughout the Province and liaise regularly with national departments.

BILLS SUBMITTED

No bills originating from the functional responsibilities of the individual programmes and sub-programmes for the Department were submitted to the Provincial Legislature during the financial year in question. Legal Services however played a major part in the bills submitted by other provincial departments (see statistics regarding the output of the Programme Legal Services).

EXECUTIVE AUTHORITY'S VISITS ABROAD

Premier Van Schalkwyk visited France (Burgundy) for the period 12 September 2002 till 14 September 2002 for the conclusion of a Co-operation agreement between this Province and Burgundy. The Premier also visited Amsterdam, Paris and Naples for the period 23 till 30 November 2002 to attend the official annual meeting of the Assembly of European Regions in Naples, Italy and addressed the Netherlands Chamber of Commerce in Amsterdam re investment opportunities in the Western Cape. He also addressed the French Chamber of Commerce re investment opportunities in the Western Cape and visited the EDF (French Electricity Company) who are involved in the current Koeberg operations in South Africa.

VISION STATEMENT

Co-operative, Co-ordinated, SMART (i.e. Specific, Measurable, Attainable, Realistic and Time-bound) governance in the Province of the Western Cape.

MISSION STATEMENT

To provide strategic direction and management support to the Western Cape Provincial Administration and to co-ordinate inter- and intra governmental relations and co-operation.

PUBLIC ENTITIES

This Department is currently only accountable for one public entity, being the Provincial Development Council (PDC), which was established in terms of the Provincial Development Council Law, 1996 (Law 5 of 1996) and is regarded as a Schedule 3C Provincial Public Entity in terms of the PFMA. The financial



statements of the PDC do not form part of the Department's financial statements, due to a separate report being tabled by the said Council.

The core business of the PDC is to co-ordinate, facilitate and initiate consensus among all relevant parties on all issues, including policy directives, relating to integrated development frameworks. The role and function and organisational fit of the Provincial Development Council, are being investigated.

Transfer payments to LANOK were done in terms of a performance agreement. The shares in LANOK (Pty) Ltd were vested in the name of the National Minister of Housing and were transferred to the Premier of this Province during this year. The Executive and Administrative Responsibility for LANOK was subsequently transferred to the Provincial Minister responsible for Agriculture and the Department of Agriculture respectively in August 2002. A further transfer payment was also made to the Northern Cape Province as consideration for its interest in LANOK.

LEGISLATIVE MANDATE

The key legislation that governed the existence of the Department at the time is summarised below:

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

Being the Supreme Law in our Country, the Department measures its actions against the provisions and prescripts contained therein.

The Constitution of the Western Cape, 1997 (Act 1 of 1998)

Being the Supreme Law in our Province, the Department measures its actions against the provisions and prescripts contained therein.

Public Service Act, 1994 (as amended)

To provide for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

Labour Relations Act, 1995 (Act No 66 of 1995)

To regulate and guide the Department in recognising and fulfilling its role in effecting labour harmony and the democratisation of the workplace.

Employment Equity Act, 1998 (Act No 55 of 1998)

To regulate the process and procedures of the Department in achieving a diverse and competent workforce broadly representative of the demographics of the Western Cape and eliminating any unfair discrimination in employment towards implementing employment equity.

Skills Development Act, 1998 (Act No 97 of 1998)

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learner-ships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-financing scheme and a National Skills Fund; to provide for and regulate employment services and to provide for matters connected therewith.

Basic Conditions of Employment Act, 1997 (Act No 75 of 1997)

To give regulatory prescripts, in addition to the Public Service Act 1994 and the Public Service Regulations 2001, regarding the conditions of employment of staff in the Department.

Skills Development Levies Act, 1999 (Act 9 of 1999)

To provide for the imposition of skills development levy.



South African Qualification Act, 1995 (Act 58 of 1995)

To provide for the development and implementation of a National Qualifications Framework and for this purpose to establish the South African Qualifications Authority and to provide for matters connected therewith.

Occupational Health and Safety Act, 1993 (Act No 85 of 1993)

To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.

Public Finance Management Act (PFMA), 1999 (Act No 1 of 1999)

To regulate financial management in the Department to ensure that all revenue, expenditure, assets and liabilities of the Department are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Department and to provide for matters connected therewith. To fulfill all prescribed responsibilities with respect to public entities.

The Tobacco Products Control Amendment Act, 1999 (Act No 12 of 1999)

To regulate the use of tobacco products within the workplace.

Public Service Amendment Act, 1999 (Act 5 of 1999)

To regulate the handling of the appointment and other career incidents of heads of departments and to provide for incidental matters.

Public Service Commission Act, 1997 (Act 46 of 1997)

To provide for the regulation of the Public Service Commission and for matters connected therewith.

Western Cape Provincial Tender Board Law, 1996 (Law 4 of 1996)

To regulate the Department's role vis-a-vis the Western Cape Provincial Tender Board in the procurement of goods or services.

White Paper on Public Sector Transformation, 1997

White Paper on Human Resources Management in the Public Sector, 1997

White Paper on Public Service Delivery (Batho Pele), 1997

White Paper on Affirmative Action in the Public Service, 1998

White Paper on Public Service Training and Education, 1998

Collective Agreements

Universal Declaration of Human Rights

International covenants, conventions, standard rules and programmes of action related to disability, youth, gender and poverty

National gender, disability and youth legislation and policy documents



PART TWO

PROGRAMME PERFORMANCE

VOTE NUMBER 1: PREMIER, DIRECTOR-GENERAL AND CORPORATE SERVICES

Voted Funds

Appropriated by Vote	R400 821 000
Responsible Minister	Premier P Marais (Premier of the Western Cape Province – until May 2002) Premier MCJ Van Schalkwyk (Premier of the Western Cape Province- since June 2002)
Administering Department	Department: Provincial Administration Western Cape
Accounting Officer	Dr GA Lawrence - Director-General

Key objectives, programmes and achievements

The department pursues the following core objectives:

A. Optimal support for optimal efficiency through:

- Effective support services to the Premier and Cabinet.
- Promoting sound inter- and intra governmental relations as well as strategic planning and information services.
- Observe the Bill of Rights as it affects our functions and services.
- Mainstreaming of Disability, Youth, and Gender issues.
- Monitoring and co-ordinating transversal functions such as HIV/Aids, Poverty, Crime and Job Creation.
- Enhancement of business processes and decision-making through the use of information technology.
- Improving the quality of internal control systems through forensic and information technology auditing as well as risk analysis.
- Establish departmental human resource management, provisioning, procurement and contract administration and financial management.

B. An excellent functioning Provincial Administration renowned for good corporate governance through:

- Sound human resource management practices and policies.
- A centralised comprehensive organisation development service, general support and corporate communication.
- Empowered personnel through training and skills development to achieve equity at all levels reflecting the Province's demographic pattern.

C. A centralised, comprehensive, effective and proficient legal service to provincial departments.

In relation to the above, the Department has achieved the following:

- A. This department was challenged with new policy directions due to a change in Government, Premiership and the appointment of a new Director-General (accounting officer) in the second quarter of the 2002/03 financial year. Consequently the management capacity in the Office of the Premier and Office of the Director-General was strengthened and the establishment of Intergovernmental relations and provincial planning was re-aligned to provide policy and strategic management support to the executive and administrative structures.



The Desai Commission of Enquiry concluded its investigation and submitted its report on 5 December 2002.

The Poverty alleviation function and the oversight function over LANOK (Pty) Ltd was transferred to the Department of Social services and poverty alleviation and Department of Agriculture respectively.

The Human rights sub-programme provided support to various organisations in order to promote youth matters, disability and gender issues and to raise awareness thereof.

Separate financial management and personnel management and administrative support offices were established and functions were centralised to ensure effective and efficient management of its resources.

- B.** Various internal audits and forensic audits were performed as well as the rendering of assistance to the Desai Commission of Enquiry.
- C.** The further roll-out of the Hospital information system (HIS) to specific pilot sites at the regional hospitals were proceeded with.
A number of high priority application systems were implemented, e.g. the E-works Web enabled systems for Works, the Education Khanya Project, the expansion of the Exams systems, the Street children system, the Cape connexion (internet café's) and the WCPA web page, which subsequently promoted management processes.
The network infrastructure was enhanced to cater for the increased demands (800 new users) while IT services was expanded to cope with the increased workload and complexity.
Concerted efforts were made to stabilise the Information technology employment contract situation, including consultation with the national Minister for Public Service and Administration.
- D.** Successful establishment of a human resource management forum represented by all provincial departments.
Conclusion of several collective agreements, management of labour related matters and the compilation and presentation of labour relations training courses.
Various training programmes were presented and facilitated, comprising of 450 courses and seminars to more than 7000 officials, 440 computer training courses to 4700 officials, two Provincial executive programmes (PEP) were completed, two orientation programmes for 52 Senior management services (SMS) members were presented, personal empowerment programme was presented to 44 officials, three leadership development programmes to 60 officials were conducted and isiXhosa training courses were presented to 100 officials.
An international benchmarking intervention for senior officials was facilitated in conjunction with the Centre for Management and policy studies in the United Kingdom.
Successfully rendered support services: gymnasium management services, 32 floor marshalls trained, 50 security assessments conducted, 6 507 access permits issued, the Provincial sports day was organised and 2 Provincial Gazettes were published weekly.
Rendered communication services through increased marketing activities by participation in cultural, agricultural and sport events, issuing of newsletters, rendering of media liaison services, production of brochures, leaflets, posters and rendering of translation services.
In order to enhance overall service delivery levels in the Province, organisation development projects were completed, good progress was made with the statutory mandate regarding job evaluation, a service delivery unit was established and the provincial guidelines with regard to service delivery improvement is nearing finalisation.
- E.** Formal legal opinions were prepared, assistance with national, provincial and subordinate legislation were given, legal support re contracts, litigation matters and cabinet submissions were given and misconduct inquiries and special investigations were conducted in order to ensure sound management decisions and regularised governance and administrative actions.

Strategic overview and key policy developments:

After discussions at the Chief Financial Officer's (CFO) Forum where the ideal CFO establishment was tabled and after an investigation by Organisational Development this was approved and the Directorate Financial Management and Administration was split into two Directorates, during December 2002, namely the Directorate: Financial Management and the Directorate: Personnel Management and Administration. Both Directorates immediately began with the process of filling the vacant posts.



The replacement of the Premier and the Provincial Cabinet during May 2002 resulted in a further restructuring of the Office of the Premier. With reference to the former management capacity within the Office of the Premier was strengthened and certain line functions were transferred.

Summary of programmes

The activities of the Department are organised in the following five programmes:

- Programme 1: Administration
- Programme 2: Internal Audit
- Programme 3: Information Technology
- Programme 4: Corporate Services
- Programme 5: Legal Services

PROGRAMME 1: ADMINISTRATION

AIM:

To conduct the overall management of the Department and to render administrative support services.

This programme consisted of the following sub-programmes:

Office of the Premier

- policy formulation by the Premier
- rendering advisory, secretarial, administrative, office and personal support services to the Premier
- rendering governmental and communication services to Cabinet

Human Rights programmes

- policy formulation by the Premier in respect of Gender, Disability and Youth matters
- rendering secretarial, administrative and office support services

Poverty Relief

- policy formulation by the Premier in respect of Poverty relief and transfer payments to LANOK

Office of the Director-General

- policy formulation by the Director-General
- supporting the Director-General in respect of intragovernmental relations
- building corporate identity among all staff members
- rendering advisory, secretarial, administrative and office support services

Intergovernmental relations and Provincial Planning

- supporting the Premier and Director-General in respect of intergovernmental relations, developing management information systems and planning co-ordination frameworks

Administrative support services

- rendering financial as well as human resource management and general administrative and related support services

Sectoral education and training authority (SETA)

- contribution in terms of the Skills Development Act, 1999 (No. 9 of 1999), towards administrative and exceptional costs of the SETA.

Outputs and service delivery trends

Sub-programmes	Outputs	Output measures/service indicators	performance delivery	Actual performance against target	
				Quantity	
				Target	Actual
Office of the Premier	Secretarial, administrative and office support services to the Premier	Delivering services to the standards set by the Premier and to his satisfaction.		100%	75%
		Number of Cabinet meetings.	23		26
	Public relations, research and communication services to the Premier and the Provincial Government.	Formulated communication strategy.	1		1
		Integrated communication, marketing and advertising plan.	1		1
		Number of meetings with media.	180		217
		Number of speeches, press statements and articles.	104		208



		Number of events successfully managed.	125	179
Human Rights Programmes	Research and policy development.	Approved provincial policy regarding the specific areas of gender, disability and youth.	Approved provincial policy regarding the specific areas of gender, disability and youth.	Integrated Provincial Disability Strategy has been approved by Cabinet. Draft provincial policies regarding gender and youth are being consulted and will be submitted to the Clusters for consideration.
	Monitoring, evaluation and reporting.	Monitoring, evaluation and reporting system in place.	Monitoring, evaluation and reporting system in place.	First phase proposal received from Human Science Research Council. Development of further phases to be submitted to Top Management for consideration.
	Co-ordinated structures and mechanisms.	Effective liaison and networking structures in place.	Effective liaison and networking structures in place.	Inter-departmental committees for gender, disability and youth have been established and are functioning. Structures for liaison with civil society is being developed.
	Advocacy and awareness raising.	Collective awareness raising and public education campaigns on commemorative days for all core areas.	Collective awareness raising and public education campaigns on commemorative days for all core areas.	Celebration and education campaigns on commemorative days have been completed successfully.
	Capacity building and training.	Mainstreaming training programme approved.	Mainstreaming training programme approved.	Service provider appointed and development of mainstreaming training package on target.
	Transfer payments to stakeholders in civil society.	Approved framework and criteria policy.	Approved framework and criteria policy.	Funding framework developed for approval.
Promoting sound Intergovernmental Relations	<p>Visits abroad by Western Cape Premier, Provincial Ministers, other politicians and officials</p> <p>Promoting International Relations and Co-operation</p> <p>Establishment of an Interest Office in Europe</p> <p>Liaison with members of</p>	<p>Protocol and logistical arrangements pertaining to these visits. Giving expert strategic advice on actual program.</p> <p>Protocol and logistical arrangements around international delegations; Giving expert strategic advice on actual program.</p> <p>Drafting of agreements</p> <p>Project cancelled by Cabinet</p> <p>Meeting Heads of Mission on a regular</p>		<p>121 visits</p> <p>54 delegations received</p> <p>2 international agreements concluded. One of these agreements (Florida) produced a project with R2m funding from an international donor.</p> <p>Annual function with Provincial Cabinet</p> <p>Courtesy visits with</p>



	the Diplomatic and Consular Corps stationed in Cape Town Liaison with municipalities in the Western Cape re matters of mutual concern	basis Guidance re Cabinet's Strategic Framework for Policy Formulation and the PSP		Premier and Ministers 28 visits
Office of the Director General	SMS cleaning sessions Provincial Top Management meetings Departmental Top Management meetings News letters	Number of cleaning sessions Number of meetings Number of meetings Number of letters	4 22 0 52	0 17 (2 work sessions) 11 10
Co-ordinated Provincial Planning Process	Production of a new updated version of a Provincial Strategic Plan (PSP)	An all inclusive PSP	An all inclusive PSP	PSP submitted to Top Management and Cabinet for approval
	Meetings of Provincial Strategic Planning Forum	Not Inaugurated due to PSP approval still pending	Not Inaugurated due to PSP approval still pending	N/A
	Development Index for measuring PSP	Not developed due to PSP approval still pending	Not developed due to PSP approval still pending	N/A
	Framework for scenario planning	Ditto	Ditto	N/A
	Performance Agreement with the Provincial Development Council (PDC)	Partaking in the activities of the PDC	Partaking in the activities of the PDC	Attending 6 Exco and 3 Council meetings. Also 7 work related discussions with the Executive Director of the PDC.
	Liaison with the Department of Foreign Affairs and representatives of foreign countries and regions without offices in Cape Town	Regular visits to Pretoria and Johannesburg	Regular visits to Pretoria and Johannesburg	Good co-operation that supports sound international relations
	Establishing Joint Strategic Partnership Agreements with other Provinces	Drafting of Agreements	Drafting of Agreements	2 Separate declarations of intent entered into with the Eastern Cape and Northern Cape
Administration of an annual Provincial Honours System	Establish and Implement an Annual Programme To award Provincial Honours	Annual Awards Ceremony-arrangements	Annual Awards Ceremony-arrangements	Awards to be made during April 2003.
Administrative Support Services	Interdepartmental human resource management policies		Centralised and fully operational management of Human Resources within department	Directorate now established, currently fully staffed and fully operational and centralised..
	Policies for GG-transport, cell-phones, telephones and registry system		Centralised and fully operational management of general administrative services	Fully staffed and operational. Telephone and cell phone policies now completed while the other policies are in process of being compiled.
	Provisioning on Logis system centralised and fully operational		Fully operational LOGIS provisioning within department	Fully operational
	Established and fully operational contract administration function		Effective management of contracts relating to all major IT projects and Public Entities	Posts job evaluated and advertised. In process of being filled.



	Centralised functions and established policies for budget control and management Established Fraud Prevention Committee Established internal control component Established Department Accountant function		Compliance with PFMA and Provincial Treasury timeframes and unqualified audit report. Compile micro risk assessment and fraud prevention plan. Departmental internal control policies and systems.	Received unqualified audit report. Still in process. Internal control unit established. Departmental Accountant function established.
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Transfer payments

Name of Institution	Amount Transferred
Youth Futures Data	R 20 000
Western Cape Violence Against Women	R 13 800
Western Cape Network on Disability	R 15 000
Centre for Rural Legal Studies	R 18 843
South African Youth Council	R 50 000
Western Cape Network on Disability	R 52 850
Provincial Development Council	R3 092 000
Northern Cape Province	R1 721 000
LANOK PTY LTD	R1 875 000
Agencies for Poverty Relief	R 188 000
	R7 046 493

Conditional grants

None

Capital investment, maintenance and asset management plan

This Department does not as yet operate an accrual account. As such, our assets are not quantified in our financial statements.

PROGRAMME 2: INTERNAL AUDIT

AIM:

To render a centralised internal audit service in terms of section 38 (a)(ii) of the Public Finance Management Act, 1999 (Act 1 of 1999) to all Provincial Departments.

This programme consists of the following sub-programmes:

Information Technology audit

The execution of information technology audits on existing computer systems and the rendering of advice resulting from the findings.

Internal audit

The execution of internal audits relating to the adequacy and effectiveness of internal control systems, and the rendering of advice resulting from the findings.

Forensic audit

The execution of forensic audits to combat irregularities reported to Internal Audit.



Outputs and service delivery trends

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Quantity Target	Actual
Information Technology Audit	To appoint an IT audit manager	Manager appointed	Increase in systems management information Real time, on-line management information for audit purposes	IT Audit manager appointment request – not approved.
	Develop a strategic IT audit plan	Three year rolling strategic plan for IT audits	COBIT based three year rolling IT audit plan	Three year IT audit strategic plan developed.
Internal Audit	To identify strategic objectives of user departments	Approved strategic plans for each of the nine departments	Approved strategic plan	Approved departmental strategic plans captured electronically on departmental risk model frameworks.
	To quantify risks of not achieving the above-mentioned objectives	Risk model quantifying risks of not achieving objectives	Accepted risk model	Provincial IT and two departmental inherent risk assessments finalised. Balance in progress and delayed due to departmental restructuring.
	To document management controls in existence that currently negates, reduce or eliminate the risk	Systems flowcharts of all systems in use in departments	Adequacy audit reports	12 Adequacy audit projects finalised and reports issued
	To foster an environment where all staff assume responsibility and accountability for managing risks	Audit committee charter includes mechanism to drive responsibility and accountability	Approved audit committee charter	
	To quantify customer expectations and to reduce / eliminate those gaps	Audit Committee charter	Performance measurement by the Audit Committee Client buying services from internal audit	Audit Committee not operational during 2002/03 financial year.
		Service level agreement with Accounting Officers		
		Customer survey of expectations in terms of consulting needs		
		Annual audit plan		
		Internal audit charter reviewed annually		
	To implement the Committee of Sponsoring Organisations (COSO) Treadway Commission concepts including self assessment	Benchmark exercise with COSO report	Department implementing control risk self-assessment	Secondary objective - not attained due lack of capacity.
Trained staff writes control self-assessment				
To increase appreciation of good and effective management practises, as well as awareness of Internal Audit throughout the Province	Training courses	Reduction in the number of non-compliance reports	Secondary objective not attained due lack of capacity.	
	Departmental policies on responsibility and accountability			



	Province	Internal Audit web-site with training tools and standardised flowcharts		
	To develop and maintain an audit risk model for each of the nine departments of PAWC	An inherent risk model for nine departments	Approved risk model	Inherent departmental risk model frameworks electronically captured for 13 departments
		A control risk framework for all processes within nine departments		
	To develop a three year rolling audit plan for each department	A strategic plan for each department	Audit plan accepted by management and Audit Committee	No formal approved audit plan due audit committee not been operational during 2002/03 financial year. Audit focus mainly on transfer payment process in terms of legislative requirements as stipulated in Treasury Regulation 3.2.8
	To prepare an annual audit plan for each department	An annual audit plan detailing internal audit projects for the year		
	To estimate the hours necessary to complete proposed auditable units, calculating needed capacity and reconciling it to the current needs of user departments	Standard costing/organisation and work study report	Qualification in service level agreements	Organisational Work study in progress. Delayed due to function transfer to Provincial Treasury.
	To ascertain the extent of compliance with established directives, policies, procedures, laws and regulations	Internal Audit reports to enable Accounting Officers to ensure the adequate and effective systems of internal controls	Number of findings accepted by management	Total of 220 Audit Projects completed for the 2002/03 financial year. Internal audit's efforts were focussed mainly on the departments of Social Services and Poverty Alleviation, Education and Health, being the three high-risk departments, based on a financial risk assessment indicating that 80% of the provincial budget for the 2002/03 financial year were allocated to the aforementioned departments.
			Number of corrective actions taken by management	
	Reduction in the number of fraud cases			
	To draw attention to any failure to take remedial action	Monthly feedback reports to Accounting Officers regarding audits performed within their departments	Minuted meetings	Montly meetings held with accounting officers, although not minuted.
		Report to the Audit Committee	Acceptance of reports back to the audit committee	Audit Committee not operational during 2002/03 financial year.
		Report of the Audit Committee to the Premier		
	To train auditors in the skills of system analysis	Skills analysis	Number of findings accepted by management	
		Staff training		



	To carry out any ad hoc appraisals, inspections, investigations, examinations or reviews requested by the Audit Committee or by senior management	Ad hoc reports	Number of corrective actions taken by management Reduction in the number of fraud cases Reduction in the number of qualified Auditor-General reports	All staff subjected to in-service training and courses presented by Institute of Internal Auditors (IIA) according to staff training plan. 8 Ad hoc audit projects finalised.
	To benchmark Internal Audit internally and with other government departments periodically and with best practice (IIA standards) by obtaining a quality assurance review from a member of the Institute of Internal Auditing	GAIN analysis	Compliance with the IIA standards High ratings by audit clients	All staff registered members of IIA. Benchmarking is a continuous process. Progress achieved according to planned implementation. Full external quality assurance required by Jan 2007 according to IIA standards.
Customer surveys for each project				
Audit Committee performance measurement				
		Quality assurance		
Forensic Audit	To investigate and combat irregularities reported to the Directorate Forensic Audit by means of conducting forensic audits	Forensic audit reports	Forensic Audit reports	Improved audit and investigative techniques as well as efficient project management enabled 48 quality audit reports to be issued Disciplinary process was expedited in that 27 hearings were finalised Recoveries of R1,3M effected which represents 57% of the expended budget
	To co-ordinate the activities of the SAPS and the Forensic audit team	Increased process of speedy investigations and prosecution	Minuted meetings with dated action plans and allocated responsibilities	12 Meetings of the Western Cape Anti-corruption Forum held
	To successfully operate the fraud hotline	Timeous investigation and prosecution	Register of incoming calls	Register compiled and implemented that integrates with the fraud database
			Reconciliation between register and investigations Completed by March 2003	
	To compile a code of ethics for Forensic Auditors	Approved code of ethics signed by all forensic auditors	Approved code of ethics signed by all forensic auditors	Compiled and implemented
	To develop and maintain a database linking fraudsters, their businesses, account numbers and other interests	Successful combating of economic crime	Develop database	Development now in stage II where data is being loaded into the created framework
			More speedy prosecutions	
	To convene a meeting with all relevant role players regarding the establishment of a Commercial Crime Court	Commercial crime court	Time saving between investigation and recovery	Western Cape Anti-corruption Forum established. Its purpose is to roll out anti-corruption strategy as determined by the



	To select a core group to liaise with the office of the Director: Public Prosecutions		<p>as determined by the National Anti-corruption Forum which is represented by National, Provincial and Local Government as well as civil society</p> <p>The focus of the forum is to strengthen audit /investigations, prosecutions and preventions</p> <p>Forms a link to other existing forums including Business Against Crime and therefore renders input and receives information on progress made with the establishment of the Commercial Crime Court</p>
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Transfer payments

None

Conditional grants

None

Capital investment, maintenance and asset management plan

None

PROGRAMME 3: INFORMATION TECHNOLOGY

Aim:

To provide a comprehensive computer service as well as management information systems

This programme consists of the following sub-programmes:

Administration

Overall management of the component.

Other departments

Planning, developing and maintaining of information systems and ICT solutions for all departments excluding Education, Health and Social Services.

Network control

Management of network services, service desk and processors and the supply, maintenance and support of computer equipment and network infrastructure.

Health and Social Services

Planning, developing and maintaining of information systems for Health and Social Services.

Education

Planning, developing and maintaining of information systems and ICT solutions for Education. Finalisation of the Schools Telecoms Project and continued implementation of the Khanya Project.



KEY ACHIEVEMENTS:

- Rollout of Information Technology for administrative and school governance purposes at 400 schools as part of the Schools Telecoms Project.
- Successfully establishing 3 additional Internet Café's for staff, namely George, Lentegeur and Paarl.
- Further implementing and upgrading of Internet and Intranet Web pages for all Departments.
- Enhancements were made to the Government Garage System (FLEETMAN) namely Phase 1 of Debtor Management, Calculation of Tariffs and Electronic Fuel Management.
- Average delivery of email messages per hour increased to 50 000 and reduction of delivery time in an email to less than 2 minutes.
- Internet usage increased by at least 300%.
- Implemented a desktop management tool. (Netwizard)
- Upgrading of networks and increased workstations by 1461.
- Rollout of Information Technology Labs for educational purposes at approximately 150 schools as part of the Khanya Project.
- Major enhancement to the Exams Administration Systems for GR12 (Grade12), ABET L4 (Adult Basic Education Training) and GETC (General Education and Training Certificate) levels.
- Implementation of the WCED (Western Cape Education Department) Training Administration System.
- Successfully concluded capturing business requirements for the pilot phase of the HIS (Hospital Information Systems) regional rollout.
- Implementation of Materials Management at all three Academic hospitals.
- Successfully converted DHIS (District Health Information System) onto the PGWC (Provincial Government Western Cape) Intranet for all management to access
- Completed full GIS (Geographical Information Systems) survey of all 650 health sites in the Western Cape.
- Integration of legacy systems with cost centre expenditure reporting at three academic hospitals
- Implementation of a Child Youth Care Application to track street children and other juveniles.
- Implementation of an Electronic Document Management System at Social Registries in the Department of Social Services.

Outputs and service delivery trends

Sub-programmes	Outputs	Output measures/service indicators	performance delivery	Actual performance against target	
				Quantity Target	Actual
Administration	To manage the financial and human resources of the Chief Directorate effectively and efficiently			Effective budget management. Development of all planning documents on time. Strategy-focussed organisational structure. Optimal staff establishment. Job descriptions for all personnel.	Performance contracts. Weekly management meetings.
Other departments	To develop and implement efficient application systems according to the Master Systems Plans	Management information and efficient applications systems.		The efficiency of development and implementation of systems.	Project reports, time sheets and structured management meetings.
	To expand on the information and content published on the internet for the broader public and on the Intranet for access by 68 000 public service staff.	Content and information supplied via the Internet and Intranet.		Volume of content. Cost saving on paper, postage and courier services.	Project reports, number of hits on Internet and Intranet, and structured management meetings.



Network control	<p>To install and commission hardware and software, fault resolution and management of operating systems.</p> <p>To provide a pro-active IT support service from a central location for all IT infrastructure connected to the network.</p>	<p>A stable up to date network infrastructure and desktop equipment, and more accessibility to computer services.</p> <p>A pro-active IT support service to all Provincial Departments.</p>	<p>Uptime and speed of fault resolution.</p> <p>Decrease in the number of visits to users for repairs (currently 3 300 calls per month). Resolve faults in shorter time (current resolve time is 48 hours). Resolve potential failure before it occurs.</p>	<p>Project reports, service desk statistics, time sheets and structured management meetings.</p> <p>Project reports, service desk statistics, time sheets and structured management meetings.</p>
Health and Social Services	<p>To provide support, guidance, control and direction to the Hospital Information System (HIS) project.</p> <p>Implement network infrastructure at regional hospitals</p> <p>To develop and implement efficient application systems according to the Master Systems Plans for Health & Social Services</p> <p>To provide support for all calls logged for Health & Social Services</p>	<p>Implemented identified modules.</p> <p>Connected hospitals</p> <p>Management information and efficient application systems</p> <p>Pro-active support to the Departments of Health & Social Services</p>	<p>Project Plan and Milestones. Access to 1 800 users at 38 regional hospitals to the Hospital Information System.</p> <p>Availability of sufficient capacity</p> <p>The efficiency of development and implementation of systems.</p> <p>Ensure that calls are dealt with within agreed service levels (currently 3 000 calls per month).</p>	<p>Project reports, time sheets and structured management meetings.</p> <p>Project reports, time sheets and structured management meetings</p> <p>Project reports, time sheets and structured management meetings</p> <p>Project reports, service desk statistics, time sheets and structured management meetings</p>
Education	<p>To develop and implement efficient application systems according to the Master System Plan.</p> <p>To implement and extend programmes and provide services aimed at enhancing education delivery through computer technologies.</p> <p>To implement and extend programmes and provide services aimed at improving Schools Administration and Governance delivery through computer technologies.</p> <p>To implement and extend</p>	<p>Management information and efficient application systems.</p> <p>Provision of Information Technology services to public schools.</p> <p>Provision of Information Technology services to public schools.</p> <p>Increased provision of Information</p>	<p>The efficiency of development and implementation of systems.</p> <p>Khanya project targeting specific areas of education and disadvantaged communities in 1600 schools with 1 million pupils must be covered.</p> <p>Schools Telecoms Project targeting School Administration and Governance in 1600 Schools.</p> <p>Maintenance an</p>	<p>Project reports, time sheets and structured management meetings.</p> <p>Project reports, time sheets and structured management meetings. 150 schools completed and overall target now at 350.</p> <p>Project reports, time sheets and structured management meetings. 400 schools completed and overall target now at 1200 schools</p> <p>Project reports, time</p>



	programmes and provide services aimed at enhancing Exams Administration through computer technologies.	Technology services to Exams Administration.	enhancement of core exams systems and infrastructure for GR12, ABET L4 and GETC. Enhanced publication of Exams results on the Internet.	sheets and structured management meetings. Exams results published on the Internet.
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Transfer payments

None

Conditional grants

None

Capital investment, maintenance and asset management plan

None

PROGRAMME 4: CORPORATE SERVICES**Aim:**

To render a needs-orientated professional support service to provincial departments and other relevant stake holders in order to enhance effective governance.

This programme consists of the following sub-programmes/responsibilities:

Administration

Overall management of the component

Provincial Training

Optimal investing in human resources through training and development

Human Resource Management**Personnel Management**

Rendering of strategic, co-ordinated personnel management services in respect of human resource policy matters

Labour Relations

Promotion of sound labour relations in the work place

Operational Support**Communication Services**

Rendering of an internal and external communication service (including language services)

Organisational Development

Improvement of efficiency through the application of organisation and work study techniques

Support Services

Rendering general and risk management support services

KEY ACHIEVEMENTS**CHIEF DIRECTORATE PROVINCIAL TRAINING**

- Building alterations at the decentralised training centre in George were completed and the building handed over to the Chief Directorate. It is expected that the official opening will take place in April 2004.



- Computer literacy was promoted as part of the province's drive to prepare staff members for the knowledge economy.
- The preparation of staff for future management positions was continued by the presentation of two leadership courses for officials under the level of Assistant-Director. This is a personal empowerment course and will prepare staff for inclusion in the Provincial Executive Programme (PEP), which is an annual programme of the Cape Administrative Academy.
- Training was offered on a decentralised basis in the rural areas of the Western Cape, with a training week being presented once per semester in Vredendal and George.
- Courses of the Academy are continuously upgraded and aligned to SAQA standards.
- A continuous consultation service is rendered to all departments of the Provincial Administration and the establishment of DTC's was facilitated in all departments.
- Provincial Training also strives to promote international co-operation and exchange of expertise regarding Human Resource Development fields. Over the past year the Academy facilitated an "International Benchmarking and Best Practice Development Program" at Intan in Malaysia, attended by 19 senior members of the province. The delegation under the leadership of Ms. V Petersen (Head of Department: Social Services and Poverty Alleviation), spent a week in Kuala Lumpur meeting and interacting with senior managers and academics in Malaysia.
- The Academy has also been responsible for the facilitation of an internship programme to accommodate students from the various academic institutions in the Western Cape. The Internship Programme is designed to expose students to the real working environment in relation to the field of study they are involved in. During the year under review 59 students have been successfully placed. The Cape Administrative Academy received a merit award in respect of the placement of students from Peninsula Technicon.
- A training course for 40 municipal managers of the Western Cape was successfully facilitated.
- Expert advice were given to the Gauteng, Freestate and Kwazulu Natal Provinces in respect of the establishment of similar training academies in these provinces.

CHIEF DIRECTORATE HUMAN RESOURCE MANAGEMENT

- Development and implementation of transversal policy frameworks and guidelines in co-operation with provincial departments within the Administration and admitted trade unions regarding human resource management.
- Existing transversal human resource systems have been managed and optimised to improve productivity and the efficiency, effectiveness and the integrity of systems by means of re-engineering to promote a productive workforce through efficient HR systems.
- The Staff Performance Management System (SPMS) was further operationalised in the Province and declared as best practice for the public service.
- The Performance Management and Development System for the Senior Management Service issued by the Department: Public Service and Administration was customised and provincialised for the Senior Management Service of the Western Cape Provincial Administration.
- Support to the Premier with the management of the career incidents of Heads of Department. The selection, recruitment and appointment of six Heads of Department in the Western Cape Provincial Administration were managed and executed.
- Various functional training courses have been developed internally and presented to SMS-members, HR-managers, personnel functionaries and line managers.
- Training interventions and workshops, presented by external providers, have been co-ordinated and successful tender processes placed to ensure the enhancement of skills in line with best practice in the private sector.
- Development of a booklet to promote professional conduct in the workplace ("*Basic Guidelines for Professional Conduct in the Workplace*").
- Labour relations policy frameworks in respect of the Disciplinary Code and Grievance Procedures were finalised. An agreement on the releasing of full time shop stewards was concluded.



- Monthly meetings with identified labour relations liaison officers and functionaries of all departments within the Provincial Administration were held at Stikland Hospital and Oudtshoorn.
- Ten general meetings of the Provincial Bargaining Council were co-ordinated and administered (refer to Annexure A for a summary of the Annual Report of the Provincial Bargaining Council: Western Cape: 2002 – 2003).
- The Interdepartmental Task Team (IDTT) was established on 22 August 2002 in terms of Resolution 7 of 2002. All provincial departments are represented on the IDTT. Labour parties include DENOSA, HOSPERSA, PAWUSA, NEHAWU, PSA, NUPSAW, SAOU, SADTU and NAPTOSA. The IDTT had a total of 8 meetings and one Provincial Evaluation workshop conducted by the PSCBC Technical Committee.
- Progress reports that cover progress made with the implementation of the Resolution in all 13 Departmental Task Teams were submitted to the PSCBC and DPSA on a monthly basis. To this end a transversal Provincial Implementation Guide was developed and consulted as well as an electronic database for excess staff and vacancies. These initiatives were acknowledged by DPSA as best practice in the Public Service.

CHIEF DIRECTORATE OPERATIONAL SUPPORT

- Provincial participation in community events and festivals, in order to communicate the Provincial services, was arranged.
- Corporate advertisements were placed in Western Cape newspapers and high profile publications to promote communication with the public.
- Apart from the quarterly personnel newsletter there was also an ongoing involvement in the Director General's electronic newsletter as well as other internal newsletters as requested by client departments.
- There was an ongoing demand from client departments for translation services.
- There was an increased demand for photographic services. Photographs were taken at 205 official functions and media events.
- Development of a new departmentalisation model for WCPA which entailed:
 - Restructuring of 3 Provincial Departments.
 - Creation of 6 Departments in the place thereof.
- Development and provision of generic models for execution of personnel and finance function within provincial departments (structure with functions, posts and post levels included).
- Development and provision of generic organisational model for provincial departments for implementation and execution of prescripts and strategies regarding Employment Equity, HIV/Aids, Disability, Gender and other issues that should be dealt with as special programmes.
- Development of a change management model for Provincial Treasury based on National Treasury's vision for Provinces (Blueprint for other Provinces).
- Development of an administrative cluster system for Provincial Planning, which interlinks with Cabinet Committees and Provincial Top Management Committee for improved governance co-ordination.
- Training and implementing Info-Mapping to improve organization development report writing.
- Capacity building to delegates of 3 (three) Provinces with regard to job evaluation and methods, functions, skills required and operations of the Organisation Development function as applied in the WCPA.
- Rendering advice to client departments in respect of security assessments.
- Training of floormarshalls.
- Issuing of access permits to Head Office personnel.



- Publishing of the Provincial Gazettes.
- Monitoring of conference facilities for officials at the head office complex.
- Managing the rendering of a catering service for officials at the head office complex.
- Appointment of contract personnel to manage the gymnasium.
- Organising the Provincial Sports day on the 1 November 2002. Approximately 4 306 officials participated in the 14 different sporting events that were hosted on the day, with almost 4 000 spectators attending the event.

Outputs and service delivery trends

The programme renders corporate support services of which the most of the actual outputs are not generated on own accord, but rather of request of clients/needs, or in terms of prescribed legislative frameworks, policies and procedures. Outputs differ in terms of complexity and magnitude, e.g. policy frameworks. As each output has to be judged in terms of its own merit, external and internal benchmarks cannot readily be utilised to evaluate actual performance. In most instances actual performance is measured against compliance with practical requirements of client departments and, where possible, own operational planning and norms.

Outputs and service delivery trends

Sub-programmes	Outputs	Actual performance against target	
		Quantity	
		Target	Actual
Cape Administrative Academy	Internal courses presented:	400 planned	452
	Number of officials trained		8547
	External courses facilitated:	400 planned	449
	Number of officials trained		3928
Personnel Management	Training courses presented: Various HRM topics.	100 planned	208 executed (3124 employees)
	Transversal Policy guidelines.	10 planned	10 executed
	HRM Forum meetings.	8 planned	6 executed (work shops as replacement)
	HRM Forum work sessions.	0 planned	2 executed
	Filling of SMS posts.	1 planned	6 executed
	Transversal projects co-ordinated (national DPSCA / PSC).	0 planned	10 executed
Labour Relations	<u>Training courses/workshops:</u>		Total of 106 presented (2028 employees)
	Negotiations & Conflict handling		6 presented (93 employees)
	Introduction to Labour Law		10 presented (61 employees)
	Practical LR for Supervisors		21 presented (309 employees)
	Absenteeism		24 presented (278 employees)
	Labour Law Amendment Information Sessions	Presented on request in line with departmental workplace skills needs	8 presented (286 employees)
	Entrapment		5 presented (91 employees)
	Disciplinary (5 day)		3 presented (73 employees)
	Disciplinary (2 day)		4 presented (42 employees)
	Probationary Appointments		3 presented (39 employees)



	<p>Functionaries Meetings</p> <p>LR and PM Liaison Forum</p> <p>Sexual Harassment Workshops</p> <p>Meetings with labour relations officers representing Departments.</p> <p>Meetings with provincial labour relation officers representing various Institutions</p> <p>Meetings of Provincial Bargaining Council coordinated and managed</p> <p>Conciliation meetings on individual disputes facilitated</p> <p>Assisted Departments with arbitration hearings</p> <p>Developing transverse labour relations policies</p> <p>Managed strikes/protest action/ collective grievances</p> <p>Rendered advice to provincial departments on labour relations matters</p> <p>Assisted provincial departments with individual grievances</p> <p>Facilitated relationship building exercises</p> <p>Attended meetings of national collective bargaining structures</p>	<p>10 presented (120 employees)</p> <p>10 presented (531 employees)</p> <p>2 presented (105 employees)</p> <p>10 planned</p> <p>12 planned</p> <p>10 planned</p> <p>On demand</p> <p>On demand</p> <p>On demand</p> <p>On demand</p> <p>On demand</p> <p>On demand</p> <p>On demand</p> <p>On demand</p> <p>On demand</p> <p>On demand</p> <p>On demand</p> <p>On demand</p> <p>On demand</p> <p>On invitation</p>	<p>10 meetings</p> <p>12 meetings</p> <p>10 meetings (including AGM and 1 special meeting)</p> <p>14 cases</p> <p>7 cases</p> <p>3 policies implemented</p> <p>As and when it occurred</p> <p>Daily basis</p> <p>Monthly basis</p> <p>1 executed</p> <p>Monthly basis</p>
<p>Combined Personnel Management and Labour Relations with Resolution 7/2002 (Restructuring of the Public Service)</p>	<p>Meetings of Provincial IDTT co-ordinated and managed.</p> <p>Developing transverse IDTT policies.</p> <p>Rendered advice to provincial departments on IDTT matters.</p> <p>Assisted provincial departments with individual cases.</p> <p>Attended meetings of national IDTT structures and reports submitted.</p>	<p>0 planned</p> <p>0 planned</p> <p>0 planned</p> <p>On demand</p> <p>On demand</p>	<p>8 meetings and 1 work shop conducted by the PSCBC Technical Committee</p> <p>6 developed</p> <p>As and when it occurred</p> <p>Daily basis</p> <p>Monthly basis</p>
<p>Communication Services</p>	<p>Media Publications/productions</p>	<p>On demand</p>	<p>14 publications were completed</p> <p>128 articles were written</p> <p>116 photographs were used in the personnel newsletter</p> <p>43 graphics were designed</p> <p>14 posters were produced</p> <p>Photographs taken at 205 media events</p>
	<p>Internet/Intranet Web Editing</p>	<p>On demand</p>	<p>4 210 news articles were placed</p> <p>541 e-mails were answered</p> <p>242 information updates were executed</p> <p>411 images were scanned for use on the websites</p>
	<p>Language Services</p>	<p>On demand</p>	<p>4 420 pages were edited</p> <p>6 036 pages were translated</p> <p>1 212 enquiries were answered</p> <p>843 additional terms added to language term databases</p>
	<p>Media Liaison</p>	<p>On demand</p>	<p>35 press releases were written</p> <p>5 media packs were prepared for</p>



			press conferences 1 press conference was arranged 29 Radio interviews were arranged 12 advertisements were conceptualised and placed 14 media production items were co-ordinated 4 communication strategies were developed 13 speeches 10 DG newsletters 3 functions organised for Office of DG
	Marketing campaigns	On demand	5 festivals / community projects / outreach programmes
	Advertising campaigns	On demand	20 advertisements / supplements placed in newspapers
Organisation Development	Organisation development Investigation	128 planned	142 completed
	Job Evaluations	On demand	808 evaluated
			763 moderated
	Training in Job Evaluation	On demand	45 as Panel member
			27 as Analysts
	Training in Job Descriptions	On demand	1875 Officials
	Facilitation (workshops / strategic sessions)	On demand	25
Support Services	Risk Assessments	40	93
	Monitoring of Private Security Services	80	120
	Continuous Monitoring (13 Head Office complexes)	Daily	Ongoing
	Drafting of Tenders	6	6
	Rendering of Advice in respect of Specifications for Tenders for Private Security Services	On request	95
	Evacuation Drills	7	13
	Training: Fire-fighting	180	180
	Training: Security Management Courses	2	2
	Training: Occupational Health and Safety management	2	2
	Searching	Random	Weekly
	Liaison Committee Meeting: Occupational Health and Safety	11	11
	Revision of contingency plans (Head Office complexes)	13	13
	Provincial Government Gazette	On request	147
	Gymnasium members	200	280
	Provincial Sports day	4 000 attendees	8 000 attendees, with 4 306 participants.

Transfer payments

Name of Institution	Amount Transferred
Tertiary Institutions - Bursaries	R 974 000

Conditional grants

None

Capital investment, maintenance and asset management plan

None



PROGRAMME 5: LEGAL SERVICES

AIM:

To provide sound legal advice to client departments in a professional and efficient manner.

Programme policy developments

Concerted efforts were made to limit the Provincial Administration's exposure to litigation, to render proactive support to provincial departments in their legislative programmes and to sensitise Provincial Ministers, Heads of Department and other senior members of management on the requirements of fair and lawful administrative decision-making.

Outputs and service delivery trends

Sub-programmes	Outputs	Output measures/service indicators	performance delivery	Actual performance against target	
				Quantity	
				Target	Actual
Legal Services	Rendering a quality legal advisory service.	Providing formal (written) legal opinions.		390 opinions.	498 opinions.
		Legal scrutiny of Cabinet Submissions.		115 submissions.	90 submissions.
	Negotiate, draft and edit legally sound and sustainable contracts.	Drafting/editing of contracts.		200 contracts.	194 contracts.
	Ensure compliance with Constitutional directives in the monitoring of, and commenting on, national legislation.	Providing of commentary on legislation.		30 pieces of legislation.	33 pieces of legislation.
	Provide for the drafting of provincial and subordinate legislation in all areas of provincial competence.	Drafting/amending/editing of provincial and subordinate legislation.		50 pieces of legislation.	38 pieces of legislation.
	Ensure successful management of litigation matters.	Management and monitoring of litigation matters.		155 litigation matters.	199 litigation matters.
		Intensify the recruitment of suitably skilled personnel. Upgrading existing skills.		25 employees.	25 employees.

Transfer payments

None

Conditional grants

None

Capital investment, maintenance and asset management plan

None

PART THREE

REPORT OF THE WESTERN CAPE PROVINCIAL GOVERNMENT SHARED AUDIT COMMITTEE ON THE PREMIER, DIRECTOR-GENERAL AND CORPORATE SERVICES (VOTE 1) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2003

1. Introduction

The Audit Committee is pleased to present its report for the above-mentioned financial year.

2. Audit Committee Members and Attendance

2.1 On 4 May 2000, the Head of the Provincial Treasury, in terms of section 17(2) and 77(c) of the Public Finance Management Act, 1999 (Act 1 of 1999) established a centralised Audit Committee for the Western Cape Provincial Government. The Audit Committee Charter required that the Audit Committee meet not less than four times per calendar year to address internal audit issues. However, since September 2001 this Audit Committee has not been operational due to an inability to appoint qualified members.

2.2 Subsequently, the Western Cape Provincial Cabinet (Cabinet Resolution No. 75/2003 dated 30 April 2003) appointed 5 audit committee members as mentioned below on 23 June 2003 for the period 1 April 2003 to 31 March 2005 on the shared Audit Committee.

Members

Mr JA Jarvis (Chairperson)

Ms L Hendry

Mr J January

Mr VW Sikobi

Mr R Warley

2.3 The newly appointed shared Audit Committee officially met for the first time on 4 and 5 August 2003 to consider the Auditor-General Reports and the Annual Financial Statements for the financial year ended 31 March 2003 and its Terms of Reference related thereto.

3. Audit Committee Responsibility

3.1 The Audit Committee reports that as it has not had the opportunity to formally consider its Charter, inclusive of Terms of Reference, and that the *Guidelines for audit committee members* and the *Specimen audit committee report* as contained in the *National Treasury Guide for the preparation of annual reports for national and provincial departments for the year ended 31 March 2003*, pages 31 to 35, has been adopted as its Terms of Reference for the purposes of this report.

3.2 The Audit Committee also reports that it has complied with its responsibilities arising from section 38(1)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999) and Treasury Regulation 3.1.13.

4. Effectiveness of Internal Control

4.1 The Audit Committee noted that the system of internal control relating to information technology equipment was not effective as compliance with certain prescribed policies and procedures were lacking. Cognisance was also taken of the various corrective measures to be completed by 31 March 2004, as included in the audit report.

4.2 The Accounting Officer indicated that the following steps have been taken:

- Information technology inventory lists were issued to all Departments for confirmation and verification by the Accounting Officers.
- The decentralisation of information technology asset management and procurement.
- Departmental re-structuring.

The Audit Committee supports the completion of the above.

4.3 Although the Department has implemented a system of risk management, it is not yet fully functional. The internal control systems are therefore not based on an assessment of key risks and such internal control systems can therefore not be regarded as effective.

4.4 The Audit Committee noted that no internal audit was performed at this Department during the year under review and recommends that corrective measures be instituted through the audit plan as a matter of urgency.

5. Evaluation of Financial Statements

5.1 The Audit Committee has reviewed the Auditor-General's report and discussed the audited annual financial statements included in the annual report with the Accounting Officer and the Auditor-General.

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



(JA JARVIS)
CHAIRPERSON OF THE WESTERN CAPE PROVINCIAL GOVERNMENT SHARED AUDIT COMMITTEE

DATE: 6 August 2003

PART FOUR

WESTERN CAPE PROVINCE

PREMIER, DIRECTOR-GENERAL AND CORPORATE SERVICES

VOTE 1

MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2003

Report by the Accounting Officer to the Executive Authority and the Western Cape Parliament.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The service delivery environment within which this department operates requires it to be established as the centre of government which has to ensure that all line function provincial departments comply with a variety of statutory, regulatory and development policies, which in return have to be facilitated, co-ordinated, integrated, monitored, evaluated, adjusted and mentored.

Against this background it is understandable that the change in Premiership and the appointment of a new Director-General during the second quarter of the 2002/03 financial year had a far-reaching impact on ensuring the above.

During the year, this department had to cope with various other challenges as well, such as (a) the widely publicised Desai Commission of Inquiry into the management practices of the erstwhile Premier and the Director-General; (b) new policy directions from the new Provincial Government, and (c) restructuring within the Province and the department.

Progressive steps were also embarked on to manage the current impasse related to the IT contract situation and to ensure an effective and operational IT establishment which would provide a complete Information Technology (IT), Information Communication Technology (ICT) and Knowledge economy and e-Government (KEEG) service to the Provincial Government as a whole and to ensure that IT is used as a business-enabler in achieving strategic goals and objectives.

The impact of the above is reflected in the expenditure of the Department which comprises an initial appropriated budget for the 2002/2003 financial year of R 367, 925m and which was increased during the adjustment budget process to R 400, 821m. The actual expenditure of the Department however was R 335, 762m, which means an under-expenditure of R 65, 059m of which R 14, 411m was requested from the Provincial Treasury to be rolled over and an amount of R 40, 418m was declared as a compulsory saving for allocation in the Budget of 2003/04.

The under spending relates to, inter alia:

- The Hospital Information System (HIS) contract, which runs over a period of five years and payment is linked to deliverables. R 37, 498m
- The procurement of information technology end-user equipment from a supplier, which was liquidated after the orders, was placed but before delivery was made and alternative arrangements had to be negotiated to ensure delivery. R 13, 504m
- Administrative processes related to the implementation of Resolution 7/2002 – Restructuring and Transformation in the Public Service, which resulted in the Department not being able to timeously fill its approximately 178 vacant posts. R 11, 281m

2. SERVICES RENDERED BY THE DEPARTMENT

In compliance with its statutory mandate, this Department pursued its objective of establishing itself as the centre of government by providing strategic direction that includes policy, and management support to the Western Cape Provincial Government and the other provincial line function departments in an integrated, collaborative and co-ordinated manner. Pursuant to the latter, the Department has restructured itself during 2002/03 to focus on its core functions, being:

- Support to the Provincial Cabinet;
- Human Rights issues;
- Policy and strategic management;
- Information Technology;
- Internal Audit and Forensic Auditing;
- Human Resource Management and Development;
- Labour Relations Services;
- Communication Services;
- Organisational Development Services; and
- Legal Services.

3. CAPACITY CONSTRAINTS

The recent political changes and the related restructuring of the Provincial Government from 9 to 13 departments has placed an additional burden on this department in meeting its service requirements.

This department is currently in its fourth year of restructuring and decisive steps will be taken to achieve stability during the 2003/04 financial years after the implementation of Resolution 7/2002 – Transformation and Restructuring in the Public Service. However, being a dynamic organisation striving to be the centre of government, which progressively succeeds in achieving the greater vision of the Provincial Government, it is however accepted that regular revision of the effectiveness of its structures may necessitate restructuring.

As the central point of the Western Cape Provincial Government, this department also needs to re-align itself constantly to facilitate and monitor compliance with national initiatives such as NEPAD, the Moral Regeneration initiative, HIV/Aids initiative and other transformation issues.

4. PUBLIC ENTITIES

See Annexure 1A to the financial statements.

The Provincial Development Council (PDC) is the only Public Entity under the control of this Department. The Department has made a total amount of R3 092 000 available to the PDC as a transfer payment. The PDC is listed as Schedule 3 C Public Entity in terms of the Public Finance Management Act, 1999 and adheres to the prescripts of Part 6 and section 38 (1)(j) of the said Act. The financial statements of the PDC do not form part of the Department's financial statements, due to a separate annual report being tabled for the said Council.

The PDC promotes appropriate participation of organised civic society in provincial planning in terms of the Provincial Development Council Act, 1996 (Act 5 of 1996) and is accountable to the Premier and Provincial Cabinet.

5. OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

See Annexure 1B to the financial statements.

Transfer payments to LANOK were done in terms of a performance agreement. The shares in LANOK (Pty) Ltd were vested in the name of the National Minister of Housing and were transferred to the Premier of this Province during this year. The Executive and Administrative Responsibility for LANOK was subsequently transferred to the Provincial Minister responsible for Agriculture and the Department of Agriculture respectively in August 2002. A further transfer payment was also made to the Northern Cape Province as consideration for its interest in LANOK.

All transfer payments are made taking due cognisance of the provisions of section 38(1)(j) of the PFMA and the prescripts of the National Treasury Regulations.

6. CORPORATE GOVERNANCE ARRANGEMENTS

In terms of the prescripts of the Public Finance Management Act, 1999 (Act 1 of 1999), an accounting officer must facilitate a risk assessment and compile a fraud prevention plan. A certificate of compliance with the aforementioned prescripts was submitted to the Provincial Treasury.

During the year the department also established an Internal Control unit and made the necessary appointment. All existing finance delegations and instructions were revised and re-issued. Several internal and forensic audit investigations were conducted and subsequent risks identified were addressed by issuing additional finance instructions. High-risk areas, such as procurement practices

in the Office of the Director-General and operational procedures in the Office of the Premier were identified and special finance instructions were issued, where necessary, to minimise the risks identified.

This Department adopted the Handbook for Public Servants based on the Public Service Code of Conduct and issued by the Public Service Commission during 2002. In order to promote good corporate governance, the Chief Directorate: Human Resource Management of this department further issued the complementary booklet pertaining to the Provincial Basic Guidelines for Professional Conduct in the Work Place on 28 May 2003.

7. DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

In order to achieve its objective of being established as the centre of the provincial government, the department is progressively realigning itself to focus on its core responsibilities, thus resulting in certain activities being discontinued or in the process of being discontinued.

Some of the most significant activities would, *inter alia*, be:

- a) The transfer of the function and subsequent funds of R 101m for the purchasing of IT end-user equipment and related asset management to the different provincial departments in order to ensure compliance with the intended accrual accounting principle.
- b) The transfer of the shared Internal Audit function to the Provincial Treasury on 1 July 2003 and the related transfer of funds as well as the decentralisation of the internal audit function to the Departments of Health, Social Services and Poverty Alleviation and Education.
- c) The transfer of the functions related to the payment of bursaries by the Cape Administrative Academy to the relevant line function departments, which will also necessitate the transfer of funds.
- d) The possible transfer of the functions related to risk management to the relevant line function departments and the subsequent transfer of funds.

8. NEW / PROPOSED ACTIVITIES

With reference to the latter paragraph, whilst progressively realigning itself to focus on its core responsibilities, certain new or alternative activities will also be embarked upon during the 2003/04 financial year.

Some of the most significant new activities would, *inter alia*, be:

- a) The restructuring of the Office of the Premier and the Branch Provincial Coordination and Information Technology and the subsequent amendments to the current budget structure.
- b) The approval and implementation of a new IT/ICT/KEEG organisational establishment.
- c) The finalisation of the investigation into the establishment and organisational fit of Forensic Audit.

- d) The investigation into the role and function and organisational fit of the Provincial Development Council, which may also affect the current arrangements related to the transfer payments being made to it.
- e) The finalisation and operationalisation of the investigation into the future procurement and management of corporate image items.
- f) The transfer from the Financial Management System (FMS) to the Basic Accounting System (BAS) during the year, in line with the National Treasury Directives.

9. EVENTS AFTER THE ACCOUNTING DATE

Certain events could impact on the 2002/03 financial years, but could unfortunately not be disclosed in the financial statements, as they are still the subject of an investigation or in process. These are:

- a) The report, from the Desai Commission of Inquiry for which an inter departmental management team has been appointed to consider and implement the conclusions and recommendations made and which is in the final phases of completing its mandate;
- b) The IT employment contracts which is opinioned to be *ultra vires*, and for which several actions are currently in progress, i.e the management of the human resource matters related to the appointment and salary determination of the IT employees in consultation with the National Minister for the Department of Public Service and Administration (DPSA); the organisational investigation into the amalgamation and new strategic direction of IT/ICT/KEEG; the continuous consultation with the State Information Technology Agency (SITA) and DPSA related to the consequences pertaining to the amendment of the SITA Act; and the management of any possible subsequent irregular expenditure; and
- c) The compilation of a provincial IT asset register. With the transfer of the IT function to this Department from the erstwhile Department of Finance and after the finalisation of a performance audit, it was found that the existing system of managing the IT assets (LOGIS) was not sufficient in ensuring a credible IT asset register. A combined task team consisting of representatives from the Provincial Treasury, Internal Audit, IT and Auditor-General (advisory capacity) was appointed and mandated to implement a three phased approach in order to ensure the compilation of a provincial IT asset register before 30 March 2004.

10. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

During this year, several processes were embarked upon to ensure sound financial management practices, more effective and efficient financial management and also minimising the risk of irregularities and possible fraud in the Department. Some of the most significant processes were:

- a) The revision of the Departmental Finance Delegations in December 2002;
- b) The issuing of several Departmental Finance Instructions, especially for the Office of the Premier;
- c) The transfer of the Departmental Accountancy function since 1 April 2002 from the Department of Finance to this Department and centralisation of accountancy functions;
- d) The full roll out and implementation of LOGIS in the department;

- e) The establishment of a centralised procurement unit and the appointment of the members and full operationalisation of the Departmental Tender Committee (DTC);
- f) The establishment of an internal control unit;
- g) The amendment to the budget structure of the department to make it more transparent; and
- h) The compilation of the departmental strategic plan which clearly stipulates its strategic goals, objectives and priorities.


11. OTHER

This department could not submit the statement of changes in net assets/equity as it is more attuned to accrual accounting and the department is not geared to complete it. One of the reasons for this is that the Financial Management System (FMS) is a Cash Accounting system whereby all purchases are brought to account when the payment is made.

The comparative figures for inclusion in the balance sheet and cash flow statements are not available due to five (5) departments previously sharing a single Financial Management System under department code 70 during the 2001/02 financial year.

APPROVAL

The attached financial statements set out on pages 40 to 67 have been approved by the Accounting Officer.



DR G A LAWRENCE
ACCOUNTING OFFICER
DATE: 30 MAY 2003

WESTERN CAPE PROVINCE

PREMIER, DIRECTOR-GENERAL AND CORPORATE SERVICES

VOTE 1

REPORT OF THE AUDITOR-GENERAL

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AUDITOR - GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE WESTERN CAPE ON THE FINANCIAL STATEMENTS OF THE PREMIER, DIRECTOR-GENERAL AND CORPORATE SERVICES (VOTE 1) FOR THE YEAR ENDED 31 MARCH 2003

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 40 to 67, for the year ended 31 March 2003, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

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

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the department at 31 March 2003 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the relevant act.

4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

4.1 Matters affecting the financial statements

4.1.1 Asset management: R129,7 million

[page 66, annexure 3 to the financial statements]

(a) Verification of assets

(i) During the audit of assets certain control weaknesses that relate to information technology (IT) assets were identified. These weaknesses mainly relate to:

- opening balances of IT equipment that could not be verified;
- the fixed asset register which had not been updated for IT assets, except with the current year's purchases;
- a comprehensive stock-take of IT assets which had not been performed during the year under review; and
- user departments disposing of redundant IT assets on a continuous basis, without reporting it to this department.

In response to a management letter in this regard the accounting officer confirmed the shortcomings identified by audit and indicated that these matters are being addressed as part of the process of decentralising the procurement and asset management of IT equipment to the respective departments of the Western Cape Province with effect from 1 April 2003.

(ii) Furthermore, the physical existence of IT assets amounting to R2,7 million, from a test sample of R8,5 million, could not be verified at the user departments for which this department purchased the assets, as a result of, *inter alia*, inadequate identification and referencing to source documentation.

In response the accounting officer indicated that payments are only made if a certified invoice is received and that it is then accepted that the assets were received by the user department and that policy document "IT end-user policy, guidelines and procedures", as well as the financial instructions with regard to the safeguarding of assets are being adhered to by the user department. He also indicated that, with the decentralisation of IT assets with effect from 1 April 2003, inventory lists were sent to the various departments for certification.

(b) Subsequent events

(i) Decentralisation of procurement and asset management of IT equipment

On 26 March 2003 the provincial cabinet approved the decentralisation of procurement and asset management of IT end-user equipment to the respective departments of the Western Cape Province. The necessary funds, allocated to these functions, were subsequently transferred to the various departments with effect from 1 April 2003. In terms of section 42(3) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) – (PFMA), the resulting inventory lists had to be drawn up, verified and signed off between the accounting officer of this department and the respective receiving accounting officers of the other departments of the Western Cape Province.

On 28 May 2003 the provincial cabinet further resolved that the following IT functions would be vested within this department and within the other departments of the Western Cape Province, respectively:

Provincial Administration Western Cape (Vote 1):

- maintenance of central norms and standards;

- the overall management and co-ordination of the move towards the State Information Technology Agency (SITA);
- all networks, servers and cross-cutting issues such as licences;
- underlying priority principles for allocating IT funds;
- input into IT supply chain management parameters;
- all technical and professional support responsibilities; and
- the development of transversal provincial systems.

Other departments (Votes 2 to 14):

- full responsibility for desktops and associated hardware;
- management responsibility for major IT applications (software, consultants, end-user equipment) with departments;
- any additional IT requirements; and
- full and sole responsibility/accountability for all their IT assets as referred to above, including management, safeguarding and technology updates.

(ii) Notification of non-compliance with responsibility

On 23 April 2003 the accounting officer issued a notification to the head of Provincial Treasury to inform him that, in terms of section 40(5) of the PFMA, the department cannot comply with the prescribed timeframe stipulated in section 42(3) of the PFMA, i.e. the filing of the signed inventory with the provincial treasury and the Auditor-General within 14 days of the transfer of assets to another department.

As mentioned on page 30, paragraph 9(c) of the management report, a task team has been appointed and mandated to implement a three phased approach in order to ensure the compilation of a provincial IT asset register before 30 March 2004.

4.1.2 Expenditure – Classification between current and capital expenditure: R235,4 million

[page 52, income statement – total expenditure less personnel expenditure and transfer payments]

During the audit it was found that capital expenditure was overstated and current expenditure understated by R3,9 million. These misstatements have subsequently been corrected by the department. However, only a sample representing 48.5% of the total population of expenditure was tested. As it was a recurring error that resulted in the misstatement, the possibility exists that similar errors could be found in the remainder of the population that was not subjected to audit. The extent of that possible misallocation between current and capital expenditure in the remainder of the population is unknown, but does not affect the department's net surplus for the year.

In response the accounting officer also indicated that the budget for IT had been revisited with effect from the 2003-04 financial year and amounts have been re-allocated to make provision for the different items and the division between current and capital expenditure.

4.2 Matters not affecting the financial statements

4.2.1 Internal audit: R6,6 million

[page 46, appropriation statement – programme 2]

During the year under review, internal audit did not perform any audits at this department.

In response to a query in this regard the accounting officer indicated that, although the component was fully funded, the internal audit directorate could not perform audits at this department due to a lack of capacity. Vacant posts were advertised during March 2002, but due to restructuring, a moratorium was imposed by cabinet on the filling of vacant posts. As a result, internal audit's efforts were focussed mainly on the departments of Social Services and Poverty Alleviation, Education and Health, being the three high-risk departments. This decision was based on a financial risk assessment which indicated that 80% of the provincial budget for the 2002-03 financial year was allocated to the aforementioned departments. All

available personnel resources were therefore allocated to the internal audits of those departments to provide maximum coverage.

It was further indicated that, with effect from 1 August 2003, the internal audit component would be transferred to the Provincial Treasury and that steps were underway to ensure that a functional internal audit service will be rendered during the course of the 2003-04 financial year.

4.2.2 Audit committee

On 4 May 2000, the provincial Minister of Finance, in accordance with the powers assigned to him in terms of sections 17(2) and 77(c) of the PFMA established a centralised audit committee for the Western Cape Province for a period of two years. The audit committee charter required that the audit committee meet not less than four times per calendar year to address internal audit issues. However, with effect from September 2001, the audit committee has not been operational due to an inability to appoint qualified members.

At a cabinet meeting held on 30 April 2003, a shared audit committee consisting of five members, was appointed for the period from 1 April 2003 to 31 March 2005. The shared audit committee would also perform all its assigned functions in terms of the national treasury regulations for all departments retrospectively from 1 April 2002 to 31 March 2003. Thereafter the departments of Social Services and Poverty Alleviation, Education and Health would each have to appoint their own audit committee as previously resolved by cabinet. The shared audit committee's functions would continue for the remainder of the departments of the Western Cape Province.

4.2.3 Matters arising from the previous audit report

(a) Desai Commission of Inquiry *[page 48, paragraph 4.2.3(a) of the previous audit report]*

As previously reported, on 28 March 2002, the former Premier of the Western Cape, in accordance with the powers assigned to him in terms of section 127(2)(e) of the Constitution of the Republic of South Africa, 1996 read with section 37(2)(e) of the Constitution of the Western Cape, 1997 (Act No. 1 of 1998) and section 1(1)(a) of the Western Cape Provincial Commissions Act, 1998 (Act No. 10 of 1998), appointed a commission of inquiry into public administration practices and procedures in the office of the Premier and the office of the Director-General in the province of the Western Cape from 1994 to date.

The terms of reference of the commission is to conduct an inquiry into:

- (i) the adherence to acceptable procedures and practices followed by the office of the Premier and the office of the Director-General from 1994 to date, including those in relation to the management and care of recorded information, regardless of the form or medium in which such information was recorded;
- (ii) the use of surveillance methods within the department;
- (iii) any malpractices and/or irregularities on the part of any person or organisation in relation to the issues mentioned in (i) and (ii); and
- (iv) any other matter relevant or connected to the issues referred to in (i) and (ii) above.

As mentioned on page 30, paragraph 9(a) of the management report, the possible impact of the findings of the Desai Commission could not be disclosed in the financial statements as an interdepartmental management team which had been appointed to consider and implement the conclusions and recommendations made in the report of the commission is in the final phases of completing its mandate.

Remedial measures have, however, been implemented since the 2001-02 financial year with regard to the various matters raised in the report of the Desai Commission, such as procurement and provisioning practices, capturing of financial responsibilities in managers' performance agreements, review of departmental policies on recruitment and selection, control measures to monitor contract workers, filing systems, etc.

Expenditure amounting to approximately R1,4 million has been incurred by the department on the activities of the Desai commission since its appointment.

(b) Alleged irregular procurement practices in the office of the former Director-General
[page 49, paragraph 4.2.3(b) of the previous audit report]

As previously reported, the accounting officer requested forensic audit investigations to be performed independently from that of the Desai Commission with regard to alleged irregular procurement practices in the office of the former Director-General. It was also reported that various processes were running concurrently in the management of the findings and recommendations of the forensic audit unit, i.e.:

- (i) an investigation into the viability and type of disciplinary actions against officials and other possible legal resources;
- (ii) the assessment of current procedures and processes to ensure effective, efficient and economical utilisation of resources; and
- (iii) the establishment of procedures and processes in the prevention of a re-occurrence of certain alleged irregularities.

As mentioned on page 28, paragraph 6 of the management report, high-risk areas such as procurement practices in the office of the Director-General and operational procedures in the office of the Premier were identified and special finance instructions were issued, where necessary, to minimise the risks identified. All processes have, however, not yet been concluded and consequently the possible impact of these events on the 2002-03 financial year could not be disclosed in the financial statements.

(c) Contracts of IT personnel
[page 50, paragraph 4.2.3(c) of the previous audit report]

As previously reported, on 19 August 1998 provincial cabinet resolved that IT personnel could be appointed on a contract basis or in a permanent capacity, depending on the provinces needs and the supply of such personnel. The appointment of IT personnel on a contract basis allowed for the payment of market related salaries.

A specific internal process was followed with regard to the adjustment of IT personnel's salaries with effect from 1 April 2001. However, since the cabinet resolution, certain deficiencies in the process resulted in a work group being appointed on 11 September 2001 to look into this matter. The work group, *inter alia*, reviewed a legal opinion which stated that the appointment of IT personnel on contract, that provides for market related remuneration, may be *ultra vires*.

The head of corporate services was instructed to investigate the IT issues and to make suggestions to normalise the position of IT personnel. In order to do this, the accounting officer recommended on 3 December 2001, *inter alia*, that:

- (i) no market related salary adjustments be granted to IT personnel with effect from 1 April 2001 and thereafter;
- (ii) the overpayment of remuneration be written off by provincial treasury, based on the recommendation of the accounting officer in terms of applicable provisions; and
- (iii) an urgent investigation into the structure and posts of the IT component, which includes job evaluations, be completed by the end of December 2001.

As mentioned on pages 26 and 30, paragraphs 1 and 9(b) respectively of the management report, the possible impact of this issue could not be disclosed in the financial statements because it is still in process.

In a letter dated 18 December 2002 the national Minister of Public Service and Administration approved/advised that these matters be addressed as follows:

- (i) the current contracts (with the current remuneration stipulated in those contract) with the affected IT staff be retained for a period of one year;
- (ii) no salary adjustments be granted to IT staff as of 1 April 2001, which includes market related adjustments as well as any other adjustment linked to the percentage adjustment for other public servants on 1 April 2001 and 2002 (as requested by the accounting officer);
- (iii) that all IT staff in the interim be suitably accommodated against appropriate posts that are to be created on the establishments of the affected provincial departments;
- (iv) that the department must commence with the process to transfer its IT functions to the State Information Technology Agency (SITA) as provided for in SITA legislation, within a period of one year from 18 December 2002, with the assistance of the national Department of Public Service and Administration;
- (v) that the affected employees be transferred to SITA in terms of the provisions contained in SITA legislation on the date of transfer of the IT functions to SITA, and if the affected employees do not accept the offers by SITA, that their employment contracts with the Western Cape Province be terminated as of the date of transfer; and
- (vi) if the process contemplated in (iv) above is not completed within the specified period, the accounting officer approach the mentioned minister with a request to extend the period of further employment of the affected IT staff referred to in (i) above and provide that minister with reasons why the process had not been concluded.

The accounting officer indicated that progressive steps have since been taken to manage the circumstances relating to the contracts of IT personnel to ensure an effective and operational IT establishment. The advice of the national minister is also in the process of being implemented, as recommended in a legal opinion in that regard obtained on 5 March 2003.

(d) Hospital Information System (HIS)
[page 51, paragraph 4.2.4 of the previous audit report]

Up to 31 March 2003 R123,6 million, excluding the salaries of staff from the department of Health and IT who are seconded to the project, out of a total budget of R231,5 million for the HIS had been expended. As indicated on page 27, paragraph 1 of the management report, an under-spending of R37,5 million occurred on the HIS contract during the 2002-03 financial year.

Subsequent to the unsatisfactory issues raised during the 2001-02 financial year with regard to the HIS, the accounting officer has reported significant progress on various modules of HIS. The accounting officer also reported that it became apparent that the work effort by the vendor company and the province had been greatly underestimated and that certain deadlines were not achievable, resulting in both parties signing an addendum to the main contract which agreed that neither party would be held liable for the delay.

However, the accounting officer indicated that subsequent to the above-mentioned, deadlines were set in the project plan, but were not always achieved and that the cause of that could be equally attributed to the vendor and the province, as well as possibly to unrealistic timelines.

With the decentralisation of procurement and asset management of IT equipment with effect from 1 April 2003, as discussed on page 34, paragraph 4.1.1(b)(i) of this report, the ownership responsibility with regard to the HIS has been transferred to Vote 6 – Department of Health.

4.2.4 Follow-up computer audit of the general controls in the IT environment at the Western Cape Provincial Administration
[page 52, paragraph 4.2.5(b) of the previous audit report]

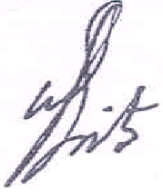
The above-mentioned audit was completed during May 2003 and the findings were brought to the attention of the IT manager. At the time of compiling this report, no formal comments on these findings have yet been received.

The findings, arising from the audit, indicated that eight of the fourteen weaknesses identified during the previous audit, had been adequately addressed.

Furthermore, the follow-up audit indicated that although certain controls were in place, there were still several control weaknesses in the general control environment. As a result it was concluded that no reliance could be placed on this control environment for audit purposes.

5. APPRECIATION

The assistance rendered by the staff of the department during the audit is sincerely appreciated.

A handwritten signature in black ink, appearing to read 'WJ Brits', is positioned above the typed name.

WJ BRITS
for Auditor-General

Bellville,
30 July 2003



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

For the year ended 31 MARCH 2003

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

1. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of Provincial Expenditure. Unexpended voted funds are surrendered to the Provincial Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred to the Provincial Revenue Fund.

3. Donor aid

Donor Aid is recognised in the income statement in accordance with the cash basis of accounting.

4. Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

5. Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

- the overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act,
 - the State Tender Board Act, or any regulations made in terms of this act, or
 - any provincial legislation providing for procurement procedures in that provincial government.
- Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined.



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
For the year ended 31 MARCH 2003

6. Debts written off

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts.

7. Capital expenditure

Expenditure for physical items on hand 31 March 2003 to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement. Physical assets (fixed assets and movable assets) acquired are expensed i.e. written off in the income statement when the payment is made.

8. Investments

Marketable securities are carried at market value. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date.

Non-current investments excluding marketable securities are shown at cost and adjustments are made only where in the opinion of the directors, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified. Increases in the carrying amount of marketable securities classified as non-current assets are credited to revaluation and other reserves in shareholders' equity. Decreases that offset previous increases of the same marketable security are charged to the income statement. Increase/decrease in the carrying amount of marketable securities classified as current assets are credited/charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement. On disposal of a marketable security classified as a non-current asset, amounts in revaluation and other reserves relating to that marketable security, are transferred to retained earnings.

9. Investments in controlled entities

Investments in controlled entities are those entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- To appoint or remove the entity's chief executive officer;
- To cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- To control all, or the majority of, the voting rights at a general meeting of that entity.

Investments in controlled entities are shown at cost.

10. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

11. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to either the Provincial Revenue Fund or another party.



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

For the year ended 31 MARCH 2003

12. Provisions

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

13. Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

14. Accruals

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year end, OR an invoice has been received but remains unpaid at year end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed

15. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement.

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

Medical benefits

The department provides medical benefits for its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Post retirement medical benefits for retired civil servants are expensed when the payment is made to the fund.



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

For the year ended 31 MARCH 2003

16. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investments and/or loans capitalised, or deposits paid on behalf of employees of a foreign mission, for the first time in the previous financial year. On disposal, repayment or recovery, such amounts are transferable to the Revenue Fund.

17. Recoverable revenue

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years, which have now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the Revenue fund as and when the repayment is received.

18. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.



APPROPRIATION STATEMENT
for the year ended 31 MARCH 2003

Programme	2002/03						2001/02	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1. Administration	49,035	-	49,035	41,249	7,786	84.12	66,905	44,620
Current	48,205	49	48,254	40,890	7,364	84.74	65,151	43,650
Capital	830	(49)	781	359	422	45.97	1,754	970
2. Internal Audit	8,160	-	8,160	6,565	1,595	80.45	6,410	4,838
Current	8,002	(4)	7,998	6,498	1,500	81.25	5,956	4,432
Capital	158	4	162	67	95	41.36	454	406
3. Information Technology	284,734	-	284,734	234,175	50,559	82.24	228,042	185,621
Current	101,735	3,862	105,597	105,518	79	99.93	94,703	94,110
Capital	182,999	(3,862)	179,137	128,657	50,480	71.82	133,339	91,511
4. Corporate Services	51,025	-	51,025	47,178	3,847	92.46	48,701	46,398
Current	50,655	(63)	50,592	46,795	3,797	92.49	47,759	45,995
Capital	370	63	433	383	50	88.45	942	403
5. Legal Services	7,867	-	7,867	6,595	1,272	83.83	7,226	5,886
Current	7,342	-	7,342	6,318	1,024	86.05	7,026	5,824
Capital	525	-	525	277	248	52.76	200	62
Total	400,821	-	400,821	335,762	65,059	83.77	357,284	287,363

APPROPRIATION STATEMENT
for the year ended 31 MARCH 2003

Direct charge against the Provincial Revenue Fund	2002/03						2001/02	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure As % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1. Provinces Equitable Share	400,821	-	400,821	335,762	65,059	83.77	357,284	287,363
Total	400,821	-	400,821	335,762	65,059	83.77	357,284	287,363

Economic classification	2002/03						2001/02	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure As % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	215,939	3,844	219,783	206,019	13,764	93.74	220,595	194,011
Personnel	103,577	(5,207)	98,370	92,296	6,074	93.83	94,259	85,380
Transfer payments	8,347	-	8,347	8,021	326	96.09	21,507	12,222
Other	104,015	9,051	113,066	105,702	7,364	93.49	104,829	96,409
Capital	184,882	(3,844)	181,038	129,743	51,295	71.67	136,689	93,352
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	184,882	(3,844)	181,038	129,743	51,295	71.67	136,689	93,352
Total	400,821	-	400,821	335,762	65,059	83.77	357,284	287,363

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure As % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	103,577	(5,207)	98,370	92,296	6,074	93.83	94,259	85,380
Administrative	11,118	257	11,375	9,745	1,630	85.67	10,039	8,899
Inventories	4,667	369	5,036	4,311	725	85.60	4,236	3,045
Equipment	185,838	(3,826)	182,012	130,333	51,679	71.61	137,151	93,856
Land and buildings	50	1	51	41	10	80.39	275	-
Professional and special services	87,137	8,274	95,411	90,962	4,449	95.34	89,766	83,855
Transfer payments	8,347	-	8,347	8,021	326	96.09	21,507	12,222
Miscellaneous	87	126	213	47	166	22.07	-	55
Special functions	-	6	6	6	-	100.00	51	51
Total	400,821	-	400,821	335,762	65,059	83.77	357,284	287,363



DETAIL PER PROGRAMME 1: ADMINISTRATION
for the year ended 31 MARCH 2003

Programme per subprogramme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
1.1 Office of the Premier	13,050	-	13,050	11,631	1,419	89.13	7,224	6,418
Current	12,810	-	12,810	11,582	1,228	90.41	6,882	6,086
Capital	240	-	240	49	191	20.42	342	332
1.2 Office of the Provincial Minister	-	-	-	-	-	-	2,000	1,001
Current	-	-	-	-	-	-	1,482	895
Capital	-	-	-	-	-	-	518	106
1.3 Strategic Communication	-	-	-	-	-	-	9,765	6,436
Current	-	-	-	-	-	-	9,765	6,436
Capital	-	-	-	-	-	-	-	-
1.4 Human Rights Programmes	6,109	-	6,109	4,888	1,221	80.01	25,719	12,764
Current	5,965	49	6,014	4,864	1,150	80.88	25,531	12,577
Capital	144	(49)	95	24	71	25.26	188	187
1.5 Poverty Relief	3,843	-	3,843	3,843	-	100.00	-	-
Current	3,843	-	3,843	3,843	-	100.00	-	-
Capital	-	-	-	-	-	-	-	-
1.6 Office of the Director-General	5,860	-	5,860	4,100	1,760	69.97	7,068	7,039
Current	5,653	-	5,653	3,975	1,678	70.32	6,953	6,936
Capital	207	-	207	125	82	60.39	115	103
1.7 Management Information	-	-	-	-	-	-	859	444
Current	-	-	-	-	-	-	809	394
Capital	-	-	-	-	-	-	50	50
1.8 Intergovernmental relations and Provincial Planning	9,712	-	9,712	6,922	2,790	71.27	8,213	6,882
Current	9,612	-	9,612	6,900	2,712	71.79	8,150	6,820
Capital	100	-	100	22	78	22.00	63	62
1.9 Interest Office in Europe	-	-	-	-	-	-	1,400	-
Current	-	-	-	-	-	-	1,052	-
Capital	-	-	-	-	-	-	348	-
1.10 Special Task team Voters	-	-	-	-	-	-	179	81
Current	-	-	-	-	-	-	179	81
Capital	-	-	-	-	-	-	-	-
1.11 Desai Commission	1,500	-	1,500	1,269	231	84.60	-	-
Current	1,500	-	1,500	1,269	231	84.60	-	-
Capital	-	-	-	-	-	-	-	-
1.12 Administrative Support Services	8,864	-	8,864	8,596	268	96.98	4,478	3,555
Current	8,725	-	8,725	8,457	268	96.93	4,348	3,425
Capital	139	-	139	139	-	100.00	130	130
1.13 SETA	97	-	97	-	97	-	-	-
Current	97	-	97	-	97	-	-	-
Capital	-	-	-	-	-	-	-	-
Total	49,035	-	49,035	41,249	7,786	84.12	66,905	44,620

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure As % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current	48,205	49	48,254	40,890	7,364	84.74	65,151	43,650
Personnel	22,809	283	23,092	19,959	3,133	86.43	21,076	18,459
Transfer payments	7,223	-	7,223	7,047	176	97.56	20,383	11,098
Other	18,173	(234)	17,939	13,884	4,055	77.40	23,692	14,093
Capital	830	(49)	781	359	422	45.97	1,754	970
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	830	(49)	781	359	422	45.97	1,754	970
Total	49,035	-	49,035	41,249	7,786	84.12	66,905	44,620

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure As % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	22,809	283	23,092	19,959	3,133	86.43	21,076	18,459
Administrative	5,713	(841)	4,872	3,789	1,083	77.77	4,672	3,710
Inventories	1,340	(17)	1,323	892	431	67.42	1,084	974
Equipment	1,272	74	1,346	647	699	48.07	2,128	1,137
Land and buildings	50	-	50	41	9	82.00	275	-
Professional and special services	10,582	441	11,023	8,823	2,200	80.04	17,272	9,207
Transfer payments	7,223	-	7,223	7,047	176	97.56	20,383	11,098
Miscellaneous	46	56	102	47	55	46.08	-	20
Special functions	-	4	4	4	-	-	15	15
Total	49,035	-	49,035	41,249	7,786	84.12	66,905	44,620



**DETAIL PER PROGRAMME 2: INTERNAL AUDIT
for the year ended 31 MARCH 2003**

Programme per subprogramme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
2.1 Information Technology Audit	1,856	-	1,856	1,031	825	55.55	1,454	8
Current	1,843	-	1,843	1,031	812	55.94	1,449	8
Capital	13	-	13	-	13	-	5	-
2.2 Internal Audit	3,985	(11)	3,974	3,235	739	81.40	2,855	2,804
Current	3,905	(15)	3,890	3,220	670	82.78	2,478	2,468
Capital	80	4	84	15	69	17.86	377	336
2.3 Forensic Audit	2,319	11	2,330	2,299	31	98.67	2,101	2,026
Current	2,254	11	2,265	2,247	18	99.21	2,029	1,956
Capital	65	-	65	52	13	80.00	72	70
Total	8,160	-	8,160	6,565	1,595	80.45	6,410	4,838

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure As % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current	8,002	(4)	7,998	6,498	1,500	81.25	5,956	4,432
Personnel	4,207	14	4,221	4,011	210	95.02	2,987	2,895
Transfer payments	-	-	-	-	-	-	-	-
Other	3,795	(18)	3,777	2,487	1,290	65.85	2,969	1,537
Capital	158	4	162	67	95	41.36	454	406
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	158	4	162	67	95	41.36	454	406
Total	8,160	-	8,160	6,565	1,595	80.45	6,410	4,838

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure As % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	4,207	14	4,221	4,011	210	95.02	2,987	2,895
Administrative	859	(73)	786	695	91	88.42	535	523
Inventories	783	285	1,068	1,056	12	98.88	685	64
Equipment	378	(148)	230	91	139	39.57	425	435
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	1,927	(78)	1,849	712	1,137	38.51	1,777	920
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	6	-	6	-	6	-	-	-
Special functions	-	-	-	-	-	-	1	1
Total	8,160	-	8,160	6,565	1,595	80.45	6,410	4,838



**DETAIL PER PROGRAMME 3: INFORMATION TECHNOLOGY
for the year ended 31 MARCH 2003**

Programme per subprogramme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
3.1 Administration	3,918	953	4,871	4,837	34	99.30	3,420	3,417
Current	3,818	953	4,771	4,746	25	99.48	3,252	3,253
Capital	100	-	100	91	9	91.00	168	164
3.2 Other Departments	36,489	(1,697)	34,792	28,449	6,343	81.77	43,269	34,404
Current	10,824	(135)	10,689	10,700	(11)	100.10	8,866	8,862
Capital	25,665	(1,562)	24,103	17,749	6,354	73.64	34,403	25,542
3.3 Network Control	101,841	2,964	104,805	104,548	257	99.75	77,643	75,457
Current	70,599	2,964	73,563	73,546	17	99.98	67,163	67,161
Capital	31,242	-	31,242	31,002	240	99.23	10,480	8,296
3.4 Health	91,382	(1,034)	90,348	52,850	37,498	58.50	68,324	39,297
Current	5,390	1,252	6,642	6,593	49	99.26	5,036	4,501
Capital	85,992	(2,286)	83,706	46,257	37,449	55.26	63,288	34,796
3.5 Education	51,104	(1,186)	49,918	43,491	6,427	87.12	35,386	33,046
Current	11,104	(1,172)	9,932	9,933	(1)	100.01	10,386	10,333
Capital	40,000	(14)	39,986	33,558	6,428	83.92	25,000	22,713
Total	284,734	-	284,734	234,175	50,559	82.24	228,042	185,621

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure As % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current	101,735	3,862	105,597	105,518	79	99.93	94,703	94,110
Personnel	33,947	(5,095)	28,852	28,758	94	99.67	31,265	27,743
Transfer payments	-	-	-	-	-	-	-	-
Other	67,788	8,957	76,745	76,760	(15)	100.02	63,438	66,367
Capital	182,999	(3,862)	179,137	128,657	50,480	71.82	133,339	91,511
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	182,999	(3,862)	179,137	128,657	50,480	71.82	133,339	91,511
Total	284,734	-	284,734	234,175	50,559	82.24	228,042	185,621

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure As % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	33,947	(5,095)	28,852	28,758	94	99.67	31,265	27,743
Administrative	1,500	852	2,352	2,414	(62)	102.64	1,392	1,498
Inventories	546	(148)	398	395	3	99.25	238	261
Equipment	183,035	(3,862)	179,173	128,689	50,484	71.82	133,236	91,545
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	65,706	8,253	73,959	73,919	40	99.95	61,911	64,574
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total	284,734	-	284,734	234,175	50,559	82.24	228,042	185,621



DETAIL PER PROGRAMME 4: CORPORATE SERVICES
for the year ended 31 MARCH 2003

Programme per subprogramme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
4.1 Administration	2,849	-	2,849	2,415	434	84.77	3,409	3,357
Current	2,839	-	2,839	2,412	427	84.96	3,399	3,357
Capital	10	-	10	3	7	30.00	10	-
4.2 Human Resource Management	8,004	-	8,004	6,935	1,069	86.64	7,286	6,470
Current	7,940	(7)	7,933	6,898	1,035	86.95	7,219	6,406
Capital	64	7	71	37	34	52.11	67	64
4.3 Operational Support	27,639	-	27,639	26,391	1,248	95.48	25,764	25,087
Current	27,499	(56)	27,443	26,200	1,243	95.47	25,203	25,051
Capital	140	56	196	191	5	97.45	561	36
4.4 Provincial Training	12,533	-	12,533	11,437	1,096	91.26	12,242	11,484
Current	12,377	-	12,377	11,285	1,092	91.18	11,938	11,181
Capital	156	-	156	152	4	97.44	304	303
Total	51,025	-	51,025	47,178	3,847	92.46	48,701	46,398

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure As % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current	50,655	(63)	50,592	46,795	3,797	92.49	47,759	45,995
Personnel	36,381	(409)	35,972	33,931	2,041	94.33	33,341	31,520
Transfer payments	1,124	-	1,124	974	150	86.65	1,124	1,124
Other	13,150	346	13,496	11,890	1,606	88.10	13,294	13,351
Capital	370	63	433	383	50	88.45	942	403
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	370	63	433	383	50	88.45	942	403
Total	51,025	-	51,025	47,178	3,847	92.46	48,701	46,398

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure As % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	36,381	(409)	35,972	33,931	2,041	94.33	33,341	31,520
Administrative	2,660	349	3,009	2,633	376	87.50	3,040	2,780
Inventories	1,798	219	2,017	1,747	270	86.61	2,029	1,553
Equipment	587	110	697	611	86	87.66	1,121	624
Land and buildings	-	1	1	-	1	-	-	-
Professional and special services	8,454	(342)	8,112	7,280	832	89.74	8,011	8,727
Transfer payments	1,124	-	1,124	974	150	86.65	1,124	1,124
Miscellaneous	21	70	91	-	91	-	-	35
Special functions	-	2	2	2	-	100.00	35	35
Total	51,025	-	51,025	47,178	3,847	92.46	48,701	46,398



DETAIL PER PROGRAMME 5: LEGAL SERVICES
for the year ended 31 MARCH 2003

Programme per subprogramme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
5.1 Legal Services	7,867	-	7,867	6,595	1,272	83.83	7,226	5,886
Current	7,342	-	7,342	6,318	1,024	86.05	7,026	5,824
Capital	525	-	525	277	248	52.76	200	62
Total	7,867	-	7,867	6,595	1,272	83.83	7,226	5,886

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure As % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current	7,342	-	7,342	6,318	1,024	86.05	7,026	5,824
Personnel	6,233	-	6,233	5,637	596	90.44	5,590	4,763
Transfer payments	-	-	-	-	-	-	-	-
Other	1,109	-	1,109	681	428	61.41	1,436	1,061
Capital	525	-	525	277	248	52.76	200	62
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	525	-	525	277	248	52.76	200	62
Total	7,867	-	7,867	6,595	1,272	83.83	7,226	5,886

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure As % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	6,233	-	6,233	5,637	596	90.44	5,590	4,763
Administrative	386	(30)	356	214	142	60.11	400	388
Inventories	200	30	230	221	9	96.09	200	193
Equipment	566	-	566	295	271	52.12	241	115
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	468	-	468	228	240	48.72	795	427
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	14	-	14	-	14	-	-	-
Special functions	-	-	-	-	-	-	-	-
Total	7,867	-	7,867	6,595	1,272	83.83	7,226	5,886



NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 MARCH 2003

1. Detail of the current and capital transfers as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 8 (Transfer payments) to the annual financial statements.

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

Detail of these transactions can be viewed in note 1 (Charge to Provincial Revenue Fund) to the annual financial statements.

3. Detail of special functions (theft and losses)

Detail of these transactions per programme can be viewed in note 10.2 (Details of special functions) to the annual financial statements.

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

4.1 Per programme:

Programme 1: Administration

Saving is due to the administrative processes related to the implementation of Resolution 7/2002 – Restructuring and Transformation in the Public Service, which resulted in the programme not being able to timeously fill the vacant posts and a change in Premiers which led to less than expected expenditure on functions, as well as a low frequency of attending meetings on national level.

Programme 2: Internal Audit

Saving is due to the administrative processes related to the implementation of Resolution 7/2002 – Restructuring and Transformation in the Public Service, which resulted in the programme not being able to timeously fill the vacant posts; the Risk Management project that was not completed and the time consuming processes to get projects started.

Programme 3: Information Technology

Saving is due to the phase-in implementation of the Hospital Information System Project (HIS) to hospitals; Alternative arrangements having to be made to ensure delivery of information technology end-user equipment from a supplier, which was liquidated after the orders were placed and not delivered by 31 March 2003.

Programme 4: Corporate Services

Saving is due to the administrative processes related to the implementation of Resolution 7/2002 – Restructuring and Transformation in the Public Service, which resulted in the programme not being able to timeously fill the vacant posts; late bursary registration and in some cases no registration of bursaries at all, tenders being less than the amount budgeted for and orders which could not be processed due to the closure of the Logis system for financial year end.

Programme 5: Legal Services

Saving is due to the administrative processes related to the implementation of Resolution 7/2002 – Restructuring and Transformation in the Public Service, which resulted in the programme not being able to timeously fill the vacant posts; furniture not being purchased as vacant posts were not filled and state attorney costs being less than what was provided for.



4.2 Per standard item:

Personnel:

Saving is due to the administrative processes related to the implementation of Resolution 7/2002 – Restructuring and Transformation in the Public Service, which resulted in the department not being able to timeously fill the vacant posts.

Administrative:

Saving is due to the administrative processes related to the implementation of Resolution 7/2002 – Restructuring and Transformation in the Public Service, which resulted in the programme not being able to timeously fill the vacant posts and less administrative related expenditure.

Inventories:

Saving is due to orders which could not be delivered due to the closure of the Logis system for financial year end and the time consuming tender process resulted in certain projects not being executed.

Equipment:

Saving is due to the phase-in implementation of the Hospital Information System Project (HIS) to hospitals; alternative arrangements having to be made to ensure delivery of information technology end-user equipment from a supplier, which was liquidated after the orders were placed and not delivered by 31 March 2003.

Land and Buildings:

Savings is due to less than expected expenditure on “Provincial Sports Day”.

Professional and Special Services:

Saving is due to the cost of implementation of the following 3 Tenders being less than what was budgeted for: Security Services; Catering services (Lunch club) and Maintenance of “Camera and Card Access System”; the Risk Management Project that was not completed and the time consuming tender processes to get projects started; the Department of Transport and Public Works not claiming the money for day to day maintenance at Kromme Rhee and state attorney costs being less than what was budgeted for.

Transfer payments:

Saving is due to less bursaries being requested than expected and late registration by applicants.

5 Reconciliation of appropriation statement to income statement:

	2002/03	2001/02
	R'000	R'000
Total expenditure per Appropriation Statement	335,762	287,363
Actual Expenditure per Income Statement	<u>335,762</u>	<u>287,363</u>



INCOME STATEMENT (Statement of Financial Performance)
for the year ended 31 MARCH 2003

	Note	2002/03 R'000	2001/02 R'000
REVENUE			
Voted funds			
Charge to Provincial Revenue Fund	1	400,821	357,284
Non voted funds			
Other revenue to be surrendered to the revenue fund	2	451	71
TOTAL REVENUE		401,272	357,355
EXPENDITURE			
Current			
Personnel	3	92,296	85,380
Administrative		9,745	8,899
Inventories	4	4,311	3,045
Machinery and Equipment	5	590	500
Land and buildings	6	41	-
Professional and special services	7	90,963	83,855
Transfer payments	8	8,021	12,222
Miscellaneous	9	47	55
Special functions: authorised losses	10	6	51
TOTAL CURRENT EXPENDITURE		206,020	194,007
Capital			
Machinery and Equipment	5	129,742	93,356
TOTAL CAPITAL EXPENDITURE		129,742	93,356
TOTAL EXPENDITURE		335,762	287,363
NET SURPLUS		65,510	69,992
NET SURPLUS FOR THE YEAR	11	65,510	69,992



BALANCE SHEET (Statement of Financial Position)
 for the year ended 31 MARCH 2003

	Note	2002/03 R'000	2001/02 R'000	Φ
ASSETS				
Current assets				
Cash and cash equivalents	12	77,343	-	
Receivables	13	74,389	-	
		2,954	-	
Non-current assets				
Other financial assets	14	160	-	
		160	-	
TOTAL ASSETS		77,503	-	
LIABILITIES				
Current liabilities				
Voted funds to be surrendered	15	77,503	-	
Revenue funds to be surrendered	16	65,059	-	
Payables	17	92	-	
		12,352	-	
Non-current liabilities				
		-	-	
TOTAL LIABILITIES		77,503	-	
NET ASSET/LIABILITIES		-	-	

Φ Five (5) departments shared a single Financial Management System (FMS) department code 70 therefore no comparative figures for the 2001/02 financial year are included.



CASH FLOW STATEMENT
 for the year ended 31 MARCH 2003

	Note	2002/03 R'000	2001/02 R'000	Φ
CASH FLOWS FROM OPERATING ACTIVITIES				
Net cash flow generated by operating activities	18	195,648	-	
Cash generated (utilised) to (increase)/decrease working capital	19	9,238	-	
Voted funds and Revenue funds surrendered	20	(755)	-	
Net cash flow available from operating activities		204,131	-	
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditure	5.1	(129,742)	-	
Net cash flows from operating and investing activities		74,389	-	
Net increase/(decrease) in cash and cash equivalents		74,389	-	
Cash and cash equivalents at beginning of period		-	-	
Cash and cash equivalents at end of period		74,389	-	

Φ Five (5) departments shared a single Financial Management System (FMS) department code 70 therefore no comparative figures for the 2001/02 financial year are included.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2003

1. Charge to Provincial Revenue Fund

1.1. Included in the above are funds specifically and exclusively appropriated for Provincial Departments (Equitable Share):

Programmes	Total Appropriation 2002/03	Actual	Variance Over/(under)	Total Appropriation 2001/02
Administration	49,035	49,035	-	66,905
Internal Audit	8,160	8,160	-	6,410
Information technology	284,734	284,734	-	228,042
Corporate services	51,025	51,025	-	48,701
Legal services	7,867	7,867	-	7,226
TOTAL	400,821	400,821	-	357,284

Included in the totals for "Total Appropriation" and "Actual" is the own revenue budget amounting to R396,000

	2002/03 R'000	2001/02 R'000
2. Other revenue to be surrendered to the revenue fund		
Description		
		Note
Cheques written back/stale cheques	20	-
Publications: Provincial Gazette	389	313
Membership: Spes Bona Gym	35	48
Accommodation: Staff	24	94
Accommodation: Private	31	-
Recoveries of housing rent	38	40
Administration fees	36	66
Other	274	184
Total own revenue collected	847	745
Less: own revenue budget	(396)	(674)
Non voted funds	451	71
		16
3. Personnel		
3.1 Current expenditure		
Appropriation to Executive and Legislature	766	692
Basic salary costs	69,247	63,819
Pension contributions	6,048	5,387
Medical aid contributions	3,015	2,836
Other salary related costs	13,220	12,646
Total Personnel Costs	92,296	85,380
Average number of employees	547	499
4. Inventories		
4.1 Current expenditure		
Inventories purchased during the year		
Computer requisites	1,690	282
Stationary/printing/binding	942	1,086
Publications	874	683
Photocopy paper	266	49
Other	539	945
Total cost of inventories	4,311	3,045
4.2 Inventories on hand at year end (Based on purchase price)		
Consumable (stationary)	212	-
The value of inventory on hand disclosed is for main depot		



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 MARCH 2003

		2002/03 R'000	2001/02 R'000
5. Equipment			
	Note		
Current (Rentals, maintenance and sundry net of cash discounts)		590	500
Capital	5.1	129,742	93,356
Total current and capital expenditure		<u>130,332</u>	<u>93,856</u>
5.1 Capital machinery and equipment analysed as follows:			
Computer equipment		128,953	91,827
Furniture and office equipment		534	1,330
Other machinery and equipment		255	121
Transport		-	78
		<u>129,742</u>	<u>93,356</u>
6. Land and buildings			
Rental		41	-
Total current expenditure		<u>41</u>	<u>-</u>
7. Professional and special services			
7.1 Current expenditure			
Auditors' remuneration		1,763	1,564
Contractors		8,457	6,565
Consultants and advisory services		9,899	9,718
Computer services		13,531	17,640
Computer time		47,158	39,442
Human resource development		2,351	2,986
Promotion material		1,655	879
Functional training		1,452	954
Security services		1,186	1,455
Private attorney fees		1,155	12
Catering		1,041	1,259
Other		1,315	1,381
Total Professional and special services		<u>90,963</u>	<u>83,855</u>
8. Transfer payments			
	Note		
Transfer to Public Entities	Annexure 1A	3,092	2,638
Transfer to Other Entities	Annexure 1B	4,929	9,584
		<u>8,021</u>	<u>12,222</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 MARCH 2003

	Note	2002/03 R'000	2001/02 R'000
9. Miscellaneous			
9.1 Current Expenditure			
Remissions, refunds and payments made as an act of grace	9.2	-	35
Gifts, donations and sponsorships made	9.3	47	20
Total miscellaneous expenditure		47	55
9.2 Remissions, refunds and payments made as an act of grace			
Nature of remissions, refunds and payments			
Injury on duty		-	35
9.3 Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)			
Nature of gifts, donations and sponsorships			
SACTWU (Fashion brunch)		45	-
Cape Town Highlanders (Opening of Parliament)		1	-
Other		1	-
Donations to the Ark for Food security		-	6
Corporate Image Items		-	14
		47	20
9.4 Gifts, donations and sponsorships made in kind (items expensed in Previous periods – Total value not included above)			
Nature of gifts, donations and sponsorships			
Various individuals and institutions (Corporate Image items)		14	37
SMS visit to Malaysia		1	-
		15	37
10. Special functions: Authorised losses			
	Note		
Debts written off	10.1	6	51
10.1 Debts written off			
Nature of debts written off			
Departmental debt		-	8
Motor vehicle accident		4	21
Other		2	22
		6	51
10.2 Details of special functions (theft and losses)			
Per programme			
Programme 1: Administration		4	15
Programme 2: Internal Audit		-	1
Programme 4: Corporate services		2	35
		6	51



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 MARCH 2003

	2002/03 R'000	2001/02 R'000
11. Analysis of surplus		
Voted funds to be surrendered to the Provincial Revenue Fund	65,059	-
Non voted funds	451	-
Other revenue to be surrendered to the Revenue Fund	451	-
Total	65,510	-
12. Cash and cash equivalents		
Cash on hand	8	-
Paymaster General Account (Exchequer account)	383	-
Orders payable	(582)	-
Short term investments	74,580	-
	74,389	-
13. Receivables - current		
	Note	
Amounts owing by other departments	1,997	-
Staff debtors	13.2 535	-
Other debtors	13.3 127	-
Advances	13.4 295	-
	2,954	-
13.1 Age analysis – receivables current		
The FMS currently cannot systematically provide the required Information for calculating the outstanding period of all debtors and an age analysis of outstanding debtors can therefore not be provided.		
13.2 Staff debtors		
Damage to GG vehicles	109	-
Income Tax and Site debt	8	-
Departmental debt	418	-
	535	-
13.3 Other debtors		
Sundry debtors	87	-
Miscellaneous debt	40	-
	127	-
13.4 Advances		
Nature of advances		
Subsistence & Transport advances	295	-
	295	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 MARCH 2003

	2002/03 R'000	2001/02 R'000
14. Other financial assets		
Description		
Suspense accounts	125	-
Balance accounts	35	-
	160	-
15. Voted funds to be surrendered		
Opening balance	-	-
Transfer from income statement	65,059	-
Voted funds not requested / not received	-	-
Paid during the year	-	-
Closing balance	-	-
	65,059	-
16. Voted funds to be surrendered		
	Note	
Opening balance	-	-
Total revenue collected	2 847	-
Paid during the year	(755)	-
Closing balance	92	-
17. Payables - current		
Description	Note	
Other payables	17.1 488	-
Balance accounts	11,864	-
	12,352	-
17.1 Other payables		
Suspense accounts	17.1 209	-
Short-term investment	279	-
	488	-
18. Net cash flow generated by operating activities		
Net surplus as per Income Statement	65,510	-
Adjusted for items separately disclosed	130,138	-
Capital expenditure	129,742	-
Own revenue budget	396	-
Net cash flow generated by operating activities	195,648	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 MARCH 2003

	2002/03 R'000	2001/02 R'000
19. Cash generated (utilised) to (increase)/decrease working capital		
(Increase) / decrease in receivables – current	(2,954)	-
(Increase) / decrease in other current assets	(160)	-
Increase / (decrease) in payables	12,352	-
	<u>9,238</u>	<u>-</u>
20. Voted funds and Revenue funds surrendered		
Voted funds surrendered	-	-
Revenue funds surrendered	(755)	-
	<u>(755)</u>	<u>-</u>



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2003

These amounts are not recognised in the financial statements, and are disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

21. Contingent liabilities

Liable to	Nature	Note	2002/03 R'000	2001/02 R'000
Housing loan guarantees	Employees	Annexure 2	1,276	1,130
			1,276	1,130

22. Commitments

Current expenditure

Approved and contracted/ordered	11	-
Approved but not yet contracted	-	-
	11	-

Capital expenditure

Approved and contracted/ordered	13,504	-
Approved but not yet contracted	-	-
	13,504	-
Total Commitments	13,515	-

23. Accruals

Creditors paid in April 2003	9,832	-
------------------------------	-------	---

24. Employee benefits

Leave entitlement – Capped leave	7,706*	9,760
Leave entitlement – Previous cycle	133*	-
Leave entitlement – Current cycle	743*	-
Thirteenth cheque	1,285*	969
	9,867	10,729

* Information as required in the guide not readily available. Information as supplied by Persal system.



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 MARCH 2003

25. Leases

			Total 2002/03 R'000	Total 2001/02 R'000
25.1 Operating leases	Property	Equipment		
Name of financial institution				
Not later than 1 year				
Later than 1 year and not later than 3 years				
Later than 3 years				
Photocopy machine rentals	-	262	-	-
	-	262	-	-
Future finance charges	-	-	-	-
Present value of lease liabilities	-	262	-	-

26. Key management personnel

26.1 Remuneration

	2002/03 R'000
Premier (1)	412
Director-General (Head of Department) (1)	282
Superintendent-General (1)	308
Branch Heads (Deputy Director-General) (3)	906
Chief Financial Officer (1)	227
	<u>2,135</u>

26.2 Other remuneration and compensation provided to key management and close members of the family of key management personnel

	2002/03 R'000
Premier (1)	197
Director-General (Head of Department) (1)	267
Superintendent-General (1)	261
Branch Heads (Deputy Director-General) (3)	632
Chief Financial Officer (1)	174
	<u>1,531</u>

The aggregate remuneration for the financial year was R3,666m.

27. Gifts, donations and sponsorships

Nature of gift, donation or sponsorships

	2002/03 R'000	2001/02 R'000
Sunburn cream from Health Products for Africa Ltd	30	-
Klipdrift	2	-
KWV Wine	3	-
	<u>35</u>	-



ANNEXURES TO THE FINANCIAL STATEMENTS
 for the year ended 31 MARCH 2003

ANNEXURE 1A

STATEMENT OF TRANSFERS TO PUBLIC ENTITIES AND INSTITUTIONS BY PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2003

	GRANT ALLOCATION				EXPENDITURE				
	Appropriations Act R'000	Adjustments Estimate R'000	Roll Overs R'000	Total Available (1) R'000	Actual Transfer R'000	Amount not Transferred R'000	% of Available Transferred	Capital R'000	Current R'000
Provincial Development Council	1,692	1,400	-	3,092	3,092	-	100.00%	-	3,092
	1,692	1,400	-	3,092	3,092	-	93.80%	-	3,092



ANNEXURES TO THE FINANCIAL STATEMENTS
for the year ended 31 MARCH 2003

ANNEXURE 1B

STATEMENT OF OTHER TRANSFERS BY PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2003

	GRANT ALLOCATION				EXPENDITURE				
	Appropriations Act R'000	Adjustments Estimate R'000	Roll Overs R'000	Total Available (1) R'000	Actual Transfer R'000	Amount not Transferred R'000	% of Available Transferred	Capital R'000	Current R'000
Lanok (Pty) Ltd	4,500	(2,625)	-	1,875	1,875	-	100.00%	-	1,875
Tertiary Institutions (Bursaries)	1,124	-	-	1,124	974	150	86.65%	-	974
Northern Cape Province	-	1,721	-	1,721	1,721	-	100.00%	-	1,721
Youth Futures Data	20	-	-	20	20	-	100.00%	-	20
W/C Violence against Women	14	-	-	14	14	-	100.00%	-	14
W/C Network on Disability	15	-	-	15	15	-	100.00%	-	15
Centre for Rural Legal Studies	19	-	-	19	19	-	100.00%	-	19
South African Youth Council	50	-	-	50	50	-	100.00%	-	50
W/C Network on Disability	53	-	-	53	53	-	100.00%	-	53
Agencies that promote human rights	79	-	-	79	-	79	0.00%	-	-
Agencies for Poverty Relief	10,550	(19,594)	9,232	188	188	-	100.00%	-	188
Sectoral Education Training Authority (SETA)	97	-	-	97	-	97	0.00%	-	-
	16,521	(20,498)	9,232	5,255	4,929	326	93.80%	-	4,929

- (1) Underspending due to less bursaries being requested than budgeted for as well as the late or non-registration by applicants.
(2) Underspending due to less applications for assistance from NGO's and other interested parties.
(3) Underspending due to the department being informed by the responsible SETA that it did not need to pay the levy due.



ANNEXURES TO THE FINANCIAL STATEMENTS
for the year ended 31 MARCH 2003

ANNEXURE 2

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2003 - DOMESTIC

Guaranteed institution	Guarantee in respect of	Original Guaranteed capital amount	Opening balance as at 01/04/2002	Guarantees issued during the year	Guarantees Released during the year	Guaranteed Interest outstanding as at 31/03/2003	Closing Balance 31/03/2003	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing Loans	*	109	-	-	*	109	-
Standard Bank		*	158	-	-	*	158	-
Saambou Bank		*	104	30	-	*	134	-
Firststrand Bank		*	379	19	-	*	398	-
Absa		*	144	47	-	*	191	-
Permanent Bank		*	36	-	-	*	36	-
Cape of Good Hope Bank		*	36	-	-	*	36	-
Nedbank		*	67	-	-	*	67	-
BOE Bank (Boland division)		*	88	50	-	*	138	-
BOE Bank (NBS division)		*	9	-	-	*	9	-
FBS Fidelity Bank		*				*		
Total		-	1,130	146	-	-	1,276	-

* Information not available on the Pearsal salary system



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 MARCH 2003

ANNEXURE 3

PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance R'000	Additions * R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	-	129,742	-	-	-	129,742
Computer equipment	-	128,953	-	-	-	128,953
Furniture and office equipment	-	534	-	-	-	534
Other machinery and equipment	-	255	-	-	-	255
	-	129,742	-	-	-	129,742

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2001/02	Opening Balance R'000	Additions * R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	-	93,356	-	-	-	93,356
Computer equipment	-	91,827	-	-	-	91,827
Furniture and office equipment	-	1,330	-	-	-	1,330
Other machinery and equipment	-	199	-	-	-	199
	-	93,356	-	-	-	93,356

* Amounts represent purchases from Financial Management System (FMS) only.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 MARCH 2003

ANNEXURE 4

INTANGIBLE ASSET MOVEMENT SCHEDULE (Not including inventories)

INTANGIBLE ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance	Additions *	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	-	3,075	-	-	-	3,075
Computer software (Renewal of licences)	-	10,526	-	-	-	10,256
	-	13,601	-	-	-	13,601

INTANGIBLE ASSETS ACQUIRED DURING FINANCIAL YEAR 2001/02	Opening Balance	Additions *	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	-	1,133	-	-	-	1,133
Computer software (Renewal of licences)	-	8,948	-	-	-	8,948
	-	10,081	-	-	-	10,081

* Amounts represent purchases from Financial Management System (FMS) only.



PART FIVE

HUMAN RESOURCE MANAGEMENT

GENERAL COMMENTS: INFORMATION EXTRACTED FROM SYSTEMS

It should be noted that the Department's human resource management and salary administration information is recorded and processed on the nationally transversal PERSAL computerised system. The information stored on this system pertains mainly to salary payments and related processes. Expenditure processed within the PERSAL system is programmatically transferred to the nationally transversal Financial Management System (FMS). However, some transactions in respect of personnel expenditure are processed directly through the FMS, without transferring the information to the PERSAL system. In practice, therefore, a discrepancy may be found between the PERSAL system and the FMS as far as information on personnel expenditure is concerned. Figures reflected in Part Five are based on PERSAL information.

IMPORTANT NOTICE:

THE INFORMATION TECHNOLOGY PERSONNEL ARE APPOINTED ON CONTRACT WITH MARKET RELATED SALARIES WHICH DO NOT CORRESPOND WITH THE PUBLIC SERVICE SALARY LEVELS. THE LATTER IS BEING CONSULTED WITH THE NATIONAL DEPARTMENT OF PUBLIC SERVICE (DPSA). FOR COMPLETION PURPOSES, HOWEVER, THE SAID SALARIES WERE LINKED TO THE PUBLIC SERVICE SALARY LEVELS. WHERE SUCH LINKAGES OCCUR, IT WILL BE INDICATED WITH AN *.

PLANNING AND SERVICE DELIVERY

Refer to Part One and Two where information on core mandates, objectives and service delivery is provided.

ORGANISATION

See the attached tables and organogram.

1 – Service Delivery

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

Table 1.1 - Main service for service delivery improvement and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Secretarial, administrative and office support services to the Premier.	Premier of the Western Cape.	Public. National and Provincial. Ministries and Departments.	Deliver services to the standards set by the Premier and to his satisfaction. 23 Cabinet meetings.	An adequate 75% 26 Cabinet meetings.
Public relations, research and communication services to the Premier and the Provincial Government.	Premier of the Western Cape.	Public. National and Provincial. Ministries and Departments. Local authorities. Media. Events companies.	Formulated communication strategy. Integrated, communication, marketing and advertising plan 180 Media Meetings 104 Speeches, press statements and articles 125 successfully managed events	Formulated communication strategy. Integrated, communication, marketing and advertising plan. 217 Media meetings. 208 Speeches, press statements and articles. 179 successfully managed events.
Sound financial administration and management	Chief Financial Officer	Provincial Treasury	Compliance with prescripts	Adequate



Effective communication	Provincial Departments Public	Local Government	Quality information	Adequate disseminated
Capacitated staff to perform assigned tasks	Provincial Departments	Public	Training in terms of WSP	Six courses completed Tender awarded to develop a Mainstream training package.
Smooth and effective functioning of the Director-General's Office.	Director-General of the Provincial Administration: Western Cape.	Public Provincial Departments.	Adherence benchmarked service standards.	Adequate.
Sound financial administration and management.	Director-General.	Provincial Departments Public.	Adherence benchmarked service standards.	Adequate.
Deliver quality and timeous administrative supporting functions.	Director-General Provincial Departments.	Premier Public Provincial Departments.	Adherence benchmarked service standards.	Adequate.
Capacitated personnel equipped to perform assigned functions.	Director-General Provincial Departments.	Premier Public Provincial Departments.	Training.	Adequate.
To investigate and combat irregularities reported to the Directorate: Forensic Audit by means of conducting Forensic Audits	Director- General, Accounting Officers, Audit Committee,	Civil Society; Government Employees; Provincial Premier Ministers;	Provide quality forensic audit reports	Improved audit and investigative techniques as well as efficient project management enabled 48 quality reports to be issued.
Effective Communication	Director-General, Accounting Officers, Audit Committee	The Public; Government Employees; Provincial Ministers	Monthly meetings	Disciplinary process was expedited in that 27 hearings were finalised during April 2002 to March 2003 Awareness Campaign and educating through communicating (conducted 34 presentations)
Effect Recoveries regarding monetary prejudice to the State	Director-General, Accounting Officers Audit Committee	Civil Society; Government Employees; Provincial Ministers	Monthly meetings and follow-up enquiries	Recoveries of R 1.3 million were effected, which represents 57% of the expended budget of the Directorate
Ensuring a stable, up to date network infrastructure and desktop equipment, and more accessibility to computer services.	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration.	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration.	A stable, up to date network infrastructure. Timely infrastructure upgrades.	Hardly any downtime was caused by the Local Area Network, as downtime was primarily caused by 3 rd party service providers on the wide area network. The network infrastructure was upgraded at 73 sites and 19 additional sites installed.



<p>To install and commission hardware and software, fault resolution and management of operating systems.</p>	<p>The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration.</p>	<p>The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration.</p>	<p>Professionally installed hardware and software. Timely fault resolution.</p>	<p>New versions of network software installed were Netwizard, Groupwise and Border Manager. 42 427 Calls logged at the Service Desk were resolved within and acceptable time limit, servicing ±13 000 users.</p>
<p>To provide a pro-active IT support service from a central location for all IT infrastructure connected to the network.</p>	<p>The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration.</p>	<p>The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration.</p>	<p>Various software was installed remotely to pro-actively support and protect the network e.g. anti virus software.</p>	<p>Various virus attacks were prevented and successfully blocked. PAWC performed considerably better compared to other organizations.</p>
<p>To develop and implement efficient application systems according to the Master Systems Plans</p>	<p>The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration.</p>	<p>The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration.</p>	<p>Implementation of application systems to provide management information and ensure effective decision making.</p>	<p>Various systems were implemented and enhanced e.g. Khanya, Schools Telecoms, Fleetman, Special Number Plates, E-works, HIS.</p>
<p>To implement and extend programmes and provide services aimed at enhancing and improving Education delivery and Schools Administration through computer technologies.</p>	<p>1600 public schools with 1 million pupils.</p>	<p>1600 public schools with 1 million pupils.</p>	<p>Electronic connection to all schools including email. Computer facilities for use By the schools and pupils.</p>	<p>400 schools supplied with electronic connection and 150 schools supplied with computer facilities. Exams results published on the Internet.</p>
<p>To expand on the information and content published on the Internet for the broader public and on the Intranet for access by 69 000 public service staff.</p>	<p>The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration.</p>	<p>The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration.</p>	<p>Meaningful content and information supplied via the Internet and Intranet.</p>	<p>All Departments have a web page containing their relevant information, on the Internet and the Intranet.</p>
<p>Personnel Management (policy analysis, advice, ad-hoc projects, strategies, co-ordination and functional training)</p>	<p>Western Cape Provincial Administration WCPBC PSC DPSA</p>	<p>All employees</p>	<p>Pre-determined standards</p>	<p>Weekly and monthly reporting. Performance did meet and in some instances exceed reasonable expectations.</p>
<p>Labour Relations (policy analysis, ad-hoc projects,</p>	<p>Western Cape Provincial Administration</p>	<p>All employees</p>	<p>Pre-determined standards</p>	<p>Weekly and monthly reporting. Performance did</p>



strategies, co-ordination, management of WCPBC, collective bargaining and functional training)	WCPBC PSC DPSA			meet and in some instances exceed reasonable expectations.
Organisation development interventions.	Provincial Cabinet Provincial departments	Provincial Cabinet Provincial Departments	As per annual program and ad-hoc requests	167 interventions completed
Job evaluations	Provincial departments	Provincial departments	On demand	808 job evaluations completed
Job evaluation/job description training	Provincial departments Provincial Officials	Provincial departments Provincial Officials	On demand	1947 officials trained
Risk management services	Provincial departments	Provincial departments	24 hour accessible service	Adequate
Provincial Government Gazette	Provincial Parliament Provincial Cabinet Provincial departments Local governments Public	Provincial Parliament Provincial Cabinet Provincial departments Local governments Public	On demand	147
Internal/external communication actions and language services	Provincial Cabinet Provincial departments Provincial Officials Public	Provincial Cabinet Provincial departments Provincial Officials Public	On demand	Adequate
Human Resource Development	All course participants (Public Service Staff of the PAWC)	Staff of other spheres of Government	According to the SAQA Act	All course aligned to SAQA guidelines
Ensuring a quality legal service in the rendering of formal (written) and informal opinions, departmental legal correspondence and in scrutinising Cabinet Submissions	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration	Accurate, thoroughly researched, timeous and quality legal advice Accurate, thoroughly researched, timeous and quality legal advice in the scrutiny and verification of Cabinet Submissions	Completed 498 formal opinions Scrutinised 90 Cabinet Submissions
The negotiation, drafting and editing of legally sound and sustainable contracts	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration	The conclusion of legally sound and sustainable contracts that serve the best interests of the Provincial Administration, and which serve to minimise any potential risks	Drafted, negotiated or edited 194 contracts



Ensure compliance with Constitutional directives in the monitoring of, and commenting on, national legislation	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration	Comprehensive, thoroughly researched and timeous commentary on national legislation	Commented on 33 pieces of national legislation
Provide for the drafting of provincial and subordinate legislation in all areas of provincial competence	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration	Drafting of user-friendly legislation, which is consonant with the policies of instructing departments and which covers all reasonably foreseeable aspects	Drafted, amended or edited 38 pieces of provincial legislation
Ensure successful management of litigation matters	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration	The Premier, the Provincial Cabinet, the Director-General and all the Departments of the Western Cape Provincial Administration	Successful defences, oppositions, motions or actions	Managed and monitored 199 litigation matters

Table 1.2 - Consultation arrangements for customers

Type of arrangement	Actual Customer	Potential Customer	Actual achievements
Co-operation agreement between this Province and Burgundy.	The Western Cape Government. The Province of Burgundy.	Private sector. Media.	The Co-operation agreement were concluded during the Premier's visit to Burgundy for the period 12 – 14 September 2002.
Investment opportunities in the Western Cape.	The Western Cape Government . Foreign Investors.	Private sector. Media.	The Premier addressed the Netherlands Chamber of Commerce in Amsterdam as well as the French Chamber of Commerce re investment opportunities in the Western Cape and visited the EDF (French Electric Company) who are involved in the current Koeberg operations in South-Africa.
Training of staff	Provincial Departments	Local Government Public	Six courses completed
Cabinet meetings	Provincial Cabinet	-	As requested
Provincial Top Management Meetings	HOD	-	As requested
Consultative meetings with management of departments	Provincial departments	-	As requested/required
Consultative interdepartmental forums	Provincial departments	-	Prescheduled meetings
Personal meetings/information sessions	Members of management/officials	-	Scheduled meetings
Wide range of consultation and liaising services	All course participants (Public Service Staff of the PAWC)	Staff of other spheres of Government	Establishment of Departmental Training Comities in all Departments in PAWC



Integrated Approach	Western Cape Anti-Corruption Forum; Banking Forum; South African Police Service; Department of Justice; Asset Forfeiture Unit, Public Protector, Local Authorities, Private Forensic Audit Firms, ODAC		Monthly meetings
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Table 1.3- Service delivery access strategy

Access Strategy	Actual achievements
Effective support services to the Premier and Cabinet.	This department was challenged with new policy directions due to a change in Government, Premiership and the appointment of a new Director-General (accounting officer) in the second quarter of the 2002/03 financial year. Consequently the management capacity in the Office of the Premier and Office of the Director-General was strengthened.
Awareness raising around gender, disability and youth matters	Human Rights Day celebrations completed Youth Day celebrations funded Women's Day Conference funded National celebration of International Day for the Disabled supported
Equal access for disabled persons	Conference on Partnership in Disability funded and successfully completed
Access to the Directorate is obtained by means of direct communication with Accounting Officers, complainants (employees, broader public & informants), toll free hotline, e-mail and website, presentations (preventative approach)	Unconditional reporting of commercial crime and or serious financial irregularities related issues as per our fraud database. Protection of "whistle blowers" and guaranteeing anonymity and confidentiality.
External marketing of activities	Marketing of activities through public media and events.
Internal marketing of activities	Marketing of activities through personnel and internal newsletters.
Web page	The creation of a web page.
Decentralised training activities and the establishment of a regional office.	4 decentralised training weeks in George and Vredendal. Approval granted to establish the George Campus.

Table 1.4 - Service information tool

Types of information tool	Actual achievements
Marketing, communication and media.	I Formulated communication strategy. 1 Integrated, communication, marketing and advertising plan. 180 Media meetings. 104 Speeches, press statements and articles. 125 successfully managed events.
Brochures, posters and exhibitions	Displays, posters and brochures at conferences and workshops
Advertisements in the media	Advertisements placed in news papers to raise awareness about gender, disability and youth matters and celebrated commemorative days
Website	Access 2002 website activated
Toll free hotline, Forensic Audit Website address, e-mail, Fraud Database, media (newspaper) and benchmark report on Forensic Capabilities in Provinces (KPMG), Presentations, monthly meetings with accounting officers and other role players,	The Directorate received 42 calls on the hotline of which 28 matters were registered on our database as formal audits/ investigations. The media (newspaper) reflects the components significant successes pertaining to criminal convictions. The component provides regular presentations to Departments and local councils, as this is part of the Directorates educational and preventative awareness campaign to instil a culture of incorruptibility.
Annual Report	Published



Posters	Distributed posters regarding awareness, promoting our toll free hotline and the functions of the Directorate.
Forensic Audit Website	Regular updated website in which we provide monthly statistics pertaining to commercial crime within the Western Cape Provincial Administration and presentations (preventative) to be accessed by employees of the Administration
Forums	Established the Western Cape Anti-Corruption Forum, which hosts monthly meetings pertaining to corruption and commercial crime.
E-Mail, websites, collective agreements, policy directives and circulars, presentations to Provincial Top Management, workshops and structured meetings of Forums and Task Teams.	Ongoing actions and strategies to keep clients and employees informed.
Annual reports and evaluation reports.	Prompt response to address possible areas of concern and to improve on possible shortcomings.
Intranet.	Intranet portal maintained.
Printed and electronic media.	Personnel newsletter printed, advertisement in public media and departmental website maintained.
Public events.	Displayed, posters and brochures at 5 festivals/events.
Personal interventions.	Scheduled information/training sessions.
Training Prospectus and liaising services.	All information successfully disseminated.

Table 1.5 - Complaint mechanism

Complaint Mechanism	Actual achievements
The Directorate serves as a Complaints mechanism to both employees of the Provincial Administration and the broader public to report matters pertaining to commercial crime, i.e. corruption, fraud, theft and serious financial transgressions, which may be reported to the Directorate directly or complaints may be reported anonymously via the toll free hotline or via the Directorates own web address.	A total of 98 matters were reported to the Directorate, which were registered on our database and which resulted in formal audits/ investigations. Protection of information
Formal prescribed grievance and dispute resolution mechanisms.	Timely and procedurally correct solving of grievances and disputes.
Complaints from clients.	Timely response.
Consultation forums and workshops.	Participative problem solving and buy-in.
Written and verbal communication, e-mail and websites.	Timely solving of dissatisfaction.
Consultations in the WCPBC.	Structured and participative management of matters. This also contributes towards labour peace.
Written/oral complaints to management.	Adequately.
Constant review and evaluation of activities as well as post training course evaluation interventions.	Review of training strategies/course content when indicated.



2 - Expenditure

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

TABLE 2.1 – Personnel costs by programme, 2002/ 03

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	No. of employees by salary band	Average personnel cost per employee (R'000)
	A	B	C	D	E		F
Prog 1 Administration	41 249	19 959	294	8 824	48.39%	114	175
Prog 2 Internal Audit	6 565	4 011	129	712	61.10%	31	129
Prog 3 Information Tech	234 175	28 758	1 399	73 919	12.28%	130	221
Prog 4 Corporate Serv	47 178	33 931	2 704	7 280	71.92%	243	140
Prog 5 Legal Services	6 595	5 637	58	228	85.47%	24	235
Total	335 762	92296	4 584	90 963	27.49%	542	170

TABLE 2.2 – Personnel costs by salary bands, 2002/ 03

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	No. of personnel per salary band	Average personnel cost per employee (R'000)
Lower Skilled (Level 1-2)	871	0.96%	20	44
Skilled (Levels 3-5)	3 001	3.31%	34	88
Highly skilled production (Levels 6-8)	22 905	25.23%	209	110
Highly skilled supervision (Levels 9-12)	21 604	23.80%	100	216
Senior management (Levels 13-16)	12 381	13.64%	25	495
Other	30 026	33.07%	154	195
Total	90 789	100.00%	542	167

NOTE: The discrepancy in personnel cost by programme (Table 2.1) and personnel cost by salary band (Table 2.2), can be contributed to accumulated differences between the Financial Management System (FMS) and the Personnel Salary System (PERSAL). Please note that the FMS figures of Table 2.1 has been verified by the Provincial Auditor and is reflected in the Financial Statements in part three of this document. The latter is regarded as the correct amount.

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Aid by programme, 2002/03

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
	A	B	C	D	E	F	G	H
Prog 1 Administration	13 128	65.77%	198	0.99%	351	1.76%	681	3.41%
Prog 2 Internal Audit	2 633	65.64%	58	1.45%	61	1.52%	179	4.46%
Prog 3 Information Tech	26 600	92.50%	1 369	4.76%	49	0.17%	122	0.42%
Prog 4 Corporate Serv	23 422	69.03%	309	0.91%	1 081	3.19%	1 844	5.43%
Prog 5 Legal Services	3 992	70.82%	10	0.18%	89	1.58%	189	3.35%
Total	69 775	75.60%	1 944	2.11%	1 631	1.77%	3 015	3.27%

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Aid by salary bands, 2002/ 03

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	638	73,25	6	0,69	39	4,48	37	4,25



Skilled (Levels 3-5)	2 055	68,48	53	1,77	138	4,60	189	6,30
Highly skilled production (Levels 6-8)	15 831	69,12	375	1,64	850	3,71	1 518	6,63
Highly skilled supervision (Levels 9-12)	15 718	72,76	134	0,64	495	2,29	902	4,18
Senior management (Levels 13-16)	7 045	56,90	-	-	91	0,73	379	3,06
Other	28 127	93,68	1 366	4,55	6	0,02	15	0,05
Total	69 414	76,46	1 939	2,14	1 619	1,178	3 040	3,35

TABLE 3.1 – Employment and vacancies by programme, 31 March 2003

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme 1: Administration	164	94	43	20
Programme 2: Internal Audit	33	25	24	6
Programme 3: Information Technology	61	8	87	122
Programme 4: Corporate Service	285	237	17	6
Programme 5: Legal Services	37	24	35	0
Total	580	388	33	154

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2003

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2), Permanent	38	18	53	2
Skilled (Levels 3-5), Permanent	79	41	48	27
Highly skilled production (Levels 6-8), Permanent	277	200	28	67
Highly skilled supervision (Levels 9-12) Permanent	141	104	26	51
Senior management (Levels 13-16), Permanent	45	25	44	7
Total	580	388	33	154

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2003

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
B2040000 – OTHER ADMIN. POLICY & RELATED OFFICERS	15	7	53	2
C5010100 – ADVOCATES	21	16	24	0
C5010300 – GENERAL LEGAL ADMIN & REL. PROFESSIONALS	1	1	0	0
C5040200 – LANGUAGE PRACTITIONER INTERPRETERS & OTHER COMM.	13	8	38	1
C6010200 – SENIOR MANAGERS	38	23	39	7
C6010302 – HUMAN RESOURCES RELATED	38	31	18	0
C6010308 – ADMINISTRATIVE RELATED	48	30	38	5
C6010317 – COMMUNICATION AND INFORMATION RELATED	4	3	25	0
C6020200 – HUMAN RESOURCES & ORG. DEV. & RELATED PROFESSIONALS	67	47	30	2
C6030200 – RISK MANAGEMENT & SECR. SERVICES	11	10	9	0
E4010000 – SECURITY OFFICERS	86	73	15	0
J1010000 – COMPUTER SYSTEM DES. & ANALYSTS	21	4	81	109
J2010000 – COMPUTER PROGRAMMES	13	2	85	0
J3010000 – OTHER IT PERSONNEL	6	0	100	0
OTHER	198	133	33	28
Total	580	388	588	154



TABLE 4.1 – Job Evaluation, 1 April 2002 to 31 March 2003

Salary Band	Number of posts	Number of Jobs Evaluated	% of posts evaluated	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	38	2	5.3	0	0	0	0
Skilled (Levels 3-5)	79	12	15.2	0	0	0	0
Highly skilled production (Levels 6-8)	277	15	5.4	0	0	0	0
Highly skilled supervision (Levels 9-12)	141	17	12.1	0	0	0	0
Senior Management Service Band A	30	7	23.3	0	0	0	0
Senior Management Service Band B	10	3	30	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	580	56	9.7	0	0	0	0

The following table provides a summary of the number of employees who's own 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 4.2 – Profile of employees whose positions were upgraded due to their posts being upgraded, 1 April 2002 to 31 March 2003

Beneficiaries	African	Asian	Coloured	White	Total
Female	NO UPGRADES				
Male					
Total					
Employees with a Disability					

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

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2002 to 31 March 2003 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	No. of Employees in Dept.
	NONE				
Total					
Percentage of Total Employment					

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

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2002 to 31 March 2003 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	NONE				
Male					
Total					
Employees with a disability					

5 - Employment Changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These "critical occupations" should be the same as those listed in Table 5.3)



TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2002 to 31 March 2003

Salary Band	Employment at Beginning of Period	Appointments	Transfers into Dept.	Appointments and transfers into the Dept.	Terminations	Transfers out of the dept.	Terminations and transfers out of the dept.	Turnover rate %
Lower skilled (Levels 1-2)	17	16	0	16	12	1	13	76
Skilled (Levels 3-5)	47	23	4	27	13	2	15	32
Highly skilled production (Levels 6-8)	199	54	12	66	35	13	48	24
Highly skilled supervision (Levels 9-12)	151	29	6	35	10	10	20	13
Senior Management Service Band A	42	4	2	6	2	1	3	7
Senior Management Service Band B	26	2	0	2	1	0	1	4
Senior Management Service Band C	5	1	0	1	0	0	0	0
Senior Management Service Band D	5	0	1	1	1	0	1	20
Total	492	129	25	154	74	27	101	21

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2002 to 31 March 2003

Occupation:	Number of employees per occupation	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
B2040000 – OTHER ADMIN. POLICY AND REL. OFFICERS	11	4	2	18
C5010100 – ADVOCATES	11	7	2	18
C5010300 – GENERAL LEGAL ADMIN & REL. PROFESSIONALS	1	0	0	0
C5040200 – LANGUAGE PRAC. INTERPRETERS & OTHER COMM.	9	2	2	22
C6010200 – SENIOR MANAGERS	30	8	6	20
C6010302 – HUMAN RESOURCES REL.	27	0	2	7
C6010308 – ADMINISTRATIVE RELATED	29	22	11	38
C6010317 – COMMUNICATION AND INFORMATION RELATED	4	0	1	25
C6020200 – HUMAN RESOURCE & ORG. DEV. & RELATED PROFESSIONALS	45	14	6	13
C6030200 – RISK MANAGEMENT & SECR. SERVICES	7	1	0	0
E4010000 – SECURITY OFFICERS	79	4	2	3
J1010000 – COMPUTER SYSTEM DES. & ANALYSTS	107	11	4	4
J2010000 – COMPUTER PROGRAMMERS	2	1	0	0
J3010000 – OTHER IT PERSONNEL	0	1	0	0
OTHER	130	79	63	48
Total	492	154	101	21

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

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number (all personnel)	Percentage of Total Resignations
Transfer to other PS Dept.	22	22%
Dismissal (Discharge)	1	1%
Resignation of Position	21	21%
Retirement – Public Service	1	1%
SEC 17(2)(A) PUBLIC SERV	1	1%
Transfer out of PERSAL	5	5%
Contract Expiry	50	50%
Grand Total	101	100%
Total number of employees who left as a % of the total employment	21	



Table 5.4 – Promotions by critical occupation

Occupation:	Employees as at 1 April 2002	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a Salary Level	Notch progressions as a % of Employment
B2040000 – OTHER ADMIN. POLICY AND REL. OFFICERS	11	0	0	4	36
C5010100 – ADVOCATES	11	3	27	3	27
C5010300 – GENERAL LEGAL ADMIN & REL. PROFESSIONALS	1	0	0	10	10
C5040200 – LANGUAGE PRACTITIONER INTERPRETERS & OTHER COMM.	9	0	0	6	67
C6010200 – SENIOR MANAGERS	30	1	3	3	10
C6010302 – HUMAN RESOURCE REL.	27	2	7	14	52
C6010308 – ADMINISTRATIVE REL.	29	1	3	10	34
C6010317 – COMMUNICATION AND INFORMATION RELATED	4	0	0	2	50
C6020200 – HUMAN RESOURCES & ORG. DEV. & REL. PROFESSIONALS	45	1	2	14	31
C6030200 – RISK MANAGEMENT & SECR. SERVICES	7	0	0	3	43
E4010000 – SECURITY OFFICERS	79	1	1	19	24
J1010000 – COMPUTER SYSTEM DES. & ANALYSTS	107	0	0	3	3
J2010000 – COMPUTER PROGRAMMERS	2	0	0	0	0
J3010000 – OTHER IT PERSONNEL	0	0	0	0	0
OTHER	130	6	5	49	38
Total	492	15	3	140	28

Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2002	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2)	17	0	0	2	12
Skilled (Levels 3-5)	47	1	2	18	38
Highly skilled production (Levels 6-8)	199	7	4	68	34
Highly skilled supervision (Levels 9-12)	151	7	5	52	34
Senior management (Levels 13-16)	78	0	0	0	0
Total	492	15	3	140	28

6 – Employment Equity

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

6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories (SASCO), 31 March 2003

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	7	0	16	1	3	0	1	29
Professionals	9	86	2	108	5	37	0	59	306
Clerks	0	18	1	5	0	47	0	28	99
Service and sales workers	1	60	0	16	0	3	0	3	83
Plant and machine operators and assemblers	0	3	0	0	0	0	0	0	3
Elementary occupations	1	10	0	0	0	10	0	1	22
Total	12	184	3	145	6	100	0	92	542

Employees with disabilities	NONE
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6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands, 31 March 2003

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	2	0	2	0	0	0	0	4
Senior Management	0	24	0	40	1	6	0	8	79
Professionally qualified and	4	45	1	62	0	19	0	34	165



experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman	6	84	1	37	3	43	0	42	216
Semi-skilled and discretionary decision making	1	20	1	4	2	22	0	6	56
Unskilled and defined decision making	1	9	0	0	0	10	0	2	22
Total	12	184	3	145	6	100	0	92	542

6.3 Recruitment for the period 1 April 2002 to 31 March 2003

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	2	0	2	0	0	0	1	5
Professionally qualified and experienced specialists and mid-management	4	12	2	9	4	9	0	5	45
Skilled technical and academically qualified workers, junior management, supervisors, foreman	0	2	1	6	0	6	0	2	17
Semi-skilled and discretionary decision making	3	7	1	6	5	26	0	13	61
Unskilled and defined decision making	0	1	0	0	0	0	0	0	1
Total	7	24	4	23	9	41	0	21	129

Employees with disabilities	NO DATA
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6.4 Promotions for the period 1 April 2002 to 31 March 2003

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	0	0	0	0	0	0	1	1
Professionally qualified and experienced specialists and mid-management	0	1	0	1	0	3	0	2	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman	1	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	1	0	3	0	2	6
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1	1	0	2	0	6	0	5	15

Employees with disabilities	NONE
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6.5 Terminations for the period 1 April 2002 to 31 March 2003

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	2	0	1	0	1	4
Professionally qualified and experienced specialists and mid-management	1	2	1	4	1	5	0	2	16
Skilled technical and academically qualified workers, junior management, supervisors, foreman	0	0	0	2	0	3	1	1	7
Semi-skilled and discretionary decision making	4	4	1	4	6	18	0	10	47
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	5	6	2	12	7	27	1	14	74

Employees with disabilities	NONE
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6.6 Disciplinary action for the period 1 April 2002 to 31 March 2003

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
TOTAL	0	4	0	3	0	3	0	3	13

6.7 Skills development for the period 1 April 2002 to 31 March 2003

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	0	2	0	7	0	1	1	0	11
Professionals	0	0	0	0	0	0	0	0	0
Technicians and Associate Professionals	4	33	6	34	0	34	0	45	156
Clerks	13	52	4	14	10	51	0	16	160
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
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	2	0	2	0	0	4
Total	17	87	10	57	10	88	1	61	331

Employees with disabilities	NONE
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7 – Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 6.1), salary bands (table 6.2) and critical occupations (Table 6.3).

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2002 to 31 March 2003

Beneficiary Profile	Beneficiary Profile			Cost (R'000)	
	Number of beneficiaries	Total Employment	Percentage of Total within group	Cost (R'000)	Average Cost per Employee
African	0	18	0	0	0
Male	0	12	0	0	0
Female	0	6	0	0	0
Asian	0	5	0	0	0
Male	0	4	0	0	0
Female	0	1	0	0	0
Coloured	23	282	18	280	25
Male	12	183	7	128	11
Female	11	99	11	152	14
White	33	237	28	521	30
Male	20	145	14	368	18
Female	13	92	14	153	12
Total	56	542	46	801	55

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2002 to 31 March 2003

Salary Bands	Beneficiary Profile			Cost		
	Number of Beneficiaries	Number of employees	Percentage of Total within salary band	Total Cost (R'000)	Average Cost per Employee (R)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	1	18	6	5	5	0,01
Skilled (Levels 3-5)	1	41	2	6	6	0,01
Highly skilled production (Levels 6-8)	16	200	8	178	11	0,19
Highly skilled supervision (Levels 9-12)	15	104	14	309	20	0,33
Total	33	363	9	498	15	0,54



TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2002 to 31 March 2003

Beneficiary Profile			Cost		
Critical Occupations	Number of Beneficiaries	Number of Employees	Percentage of Total within Occupation	Total Cost (R'000)	Average Cost per Employee
C5010100 – ADVOCATES	4	16	25	48	11 976.00
C6010200 – SENIOR MANAGERS	23	30	77	309	13 418.85
C6010302 – HUMAN RESOURCES REL.	13	31	42	193	14 861.50
C6010308 – ADMINISTRATIVE REL.	4	35	11	74	18 441.54
OTHER	12	430	13	15	1 312.40
Total	56	542	10	639	60 010.29

TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2002 to 31 March 2003

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average Cost per Beneficiary (R)	Personnel Cost SMS (R'000)
	Number of Beneficiaries	Total Employment	Percentage of Total Employment			
Band A	13	18	72	137	10 531	0
Band B	7	7	100	95	13 530	0
Band C	2	4	50	42	21 008	0
Band D	1	1	100	28	28 739	0
Total	23	30	77	302	13 147	0

8 – Foreign Workers

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

TABLE 8.1 – Foreign Workers, 1 April 2002 to 31 March 2003, by salary band

Salary Band	1 April 2002		31 March 2003		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

TABLE 8.2 – Foreign Worker, 1 April 2002 to 31 March 2003, by major occupation

Major Occupation	1 April 2002		31 March 2003		Change	
	Number	% of total	Number	% of total	Number	% change
Administrative office workers	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0
Professionals and managers	0	0	0	0	0	0
Rank: education therapist	0	0	0	0	0	0
Total	0	0	0	0	0	0

9 - Leave utilisation for the period 1 April 2002 to 31 March 2003

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

NOTE: Please note the dates on the leave reports – it is for the leave cycle and not per financial year

TABLE 9.1 – Sick leave, 1 April 2002 to 31 March 2003

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 (Levels 1-2)	95	34	13	65	7	11
Skilled (Levels 3-5)	387	23	42	62	9	68



Highly skilled production (Levels 6-8)	1448	24	180	68	8	424
Highly skilled supervision (Levels 9-12)	527	20	86	56	6	308
Senior management (Levels 13-16)	170	11	20	59	9	178
Total	2627	13	341	62	8	989

TABLE 9.2 – Disability leave (temporary and permanent), 1 April 2002 to 31 March 2003

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 (Levels 1-2)	11	100	2	10%	6	1
Skilled (Levels 3-5)	7	100	1	1%	7	1
Highly skilled production (Levels 6-8)	40	100	5	15%	8	12
Highly skilled supervision (Levels 9-12)	43	100	4	3%	11	12
Senior management (Levels 13-16)	14	100	1	3%	14	13
Total	115	100	13	2%	9	39

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

TABLE 9.3 – Annual Leave, 1 April 2002 to 31 March 2003

Salary Bands	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	330	17	20
Skilled Levels 3-5)	1 096	16	68
Highly skilled production (Levels 6-8)	5 049	19	266
Highly skilled supervision(Levels 9-12)	2 596	17	154
Senior management (Levels 13-16)	679	20	34
Total	9 750	18	542

TABLE 9.4 – Capped leave, 1 January 2002 to 31 December 2002

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2002	Number of Employees utilizing capped leave	Total number of capped leave available at 31 December 2002	Number of Employees as at 31 December 2002
Lower skilled (Levels 1-2)	21	4	27	5	511	19
Skilled Levels 3-5)	86	10	40	9	1 920	48
Highly skilled production (Levels 6-8)	472	11	50	44	10 222	205
Highly skilled supervision(Levels 9-12)	133	7	17	20	4 330	250
Senior management (Levels 13-16)	83	9	54	9	1 451	27
Total	795	9	34	87	18 434	549

TABLE 9.5 – Leave payouts for the period 1 April 2002 till 31 March 2003

The following table summarises payments made to employees as a result of leave that was not taken. Note the date in this report – dates as per financial year

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee (R)
Leave payout for 2002/03 due to non-utilisation of leave for the previous year	27	5	5
Capped leave payouts on termination of service for	0	0	0



2002/03			
Current leave payout on termination of service for 2002/03	81	2	40
Total	108	7	15

10. HIV/AIDS & Health Promotion Programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Occupational and safety officers	Training regarding universal precautions in process.
Occupational health and safety officers	All components being provided with First Aid boxes.

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

Question	Yes	No	Details, if yes
1. Have the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Adv. H Venter / Mr JD Morkel: Directorate Personnel Management
2. Do the department have a dedicated unit or have you 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		A at 31 March 2003, the task was performed by a Consultant. R382 000 was set aside for transformation issues which includes HIV/Aids – no specific HIV/Aids budget was set aside.
3. Have the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.		X	In process
4. Have the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	A Provincial Committee is in place representing all Provincial Departments.
5. Have the department reviewed the employment policies and practices of your department 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.	X		All policies relating to recruitment, selection and appointments
6. Have 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.	X		Information sessions: pamphlets posters
7. Do the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Sessions on VCT has commenced. NO results available as yet
8. Have the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		X	

11 – Labour Relations

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

TABLE 11.1 – Collective agreements, 1 April 2002 to 31 March 2003

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

TABLE 11.2 – Misconduct and discipline hearings finalised, 1 April 2002 to 31 March 2003

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	8
Verbal warning	8	62
Written warning	0	0
Serious written warning	0	0
Final written warning	4	31
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0



Not guilty	0	0
Case withdrawn	0	0
Total	13	100

Note: The following report will only be developed as a blank report. The departments will export the blank report to Excel where they will be able to capture their own data.

TABLE 11.3 – Types of misconduct addressed at disciplinary hearings, 1 April 2002 to 31 March 2003

Type of misconduct	Number	% of total
Absent from work without reason or permission	6	46
Refuse to obey security regulations	1	8
Conduct oneself in improper/unacceptable manner	2	15
Disrespect/abuse or insolent behaviour	1	8
Possesses or wrongfully uses property of the state	2	15
Fails to comply with or contravene an Act.	1	8
Total	13	100

TABLE 11.4 – Grievances lodged for the period 1 April 2002 to 31 March 2003

Number of grievances addressed	Number	% of Total
Resolved	0	0
Not resolved	0	0
Total	0	0

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2002 to 31 March 2003

Number of disputes addressed	Number	% of Total
Upheld	0	0
Dismissed	0	0
Total	0	0

TABLE 11.6 – Strike actions for the period 1 April 2002 to 31 March 2003

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

TABLE 11.7 – Precautionary suspensions for the period 1 April 2002 to 31 March 2003

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

12 - Skills development

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

12.1 Training needs identified 1 April 2002 to 31 March 2003

Occupational Categories	Gender	Number of employees as at 1 April 2002	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	27	Data not available in this format.			
	Male	64				
Professionals	Female	41				
	Male	123				
Technicians and associate professionals	Female	23				
	Male	82				
Clerks	Female	67				
	Male	20				
Service and sales workers	Female	6				
	Male	21				



Elementary occupations	Female	7	
	Male	11	
Sub Total	Female	171	
	Male	321	
Total		492	

12.2 Training provided 1 April 2002 to 31 March 2003

Occupational Categories	Gender	Number of employees as at 1 April 2003	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	5	0	0	0	0
	Male	24	0	0	0	0
Professionals	Female	101	0	0	0	0
	Male	205	0	0	0	0
Clerks	Female	75	0	0	0	0
	Male	24	0	0	0	0
Service and sales workers	Female	6	0	0	0	0
	Male	77	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	3	0	0	0	0
Elementary occupations	Female	11	0	0	0	0
	Male	11	0	0	0	0
Gender Sub Total	Female	198	0	0	0	0
	Male	344	0	0	0	0
Total		542	0	0	0	0

13 – Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2002 to 31 March 2003

Nature of injury on duty	Number	% of total
Required basic medical attention only	8	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	8	100

14. Utilisation of Consultants

Table 14. 1: Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
IT Risk Assessment	1	8	R47 834.40
Social Service Risk Assessment	1	22	R28 511.97
WCTB Audit	2	8	R51 117.60
WCNCB Audit	2	8	R36 480.00
Casidra Audit	2	8	R58 537.60
Participlan	1	2	R22 230.00
SAMD I (Job Evaluation)	1	4	R 4 750.00
Univ. of Stellenbosch	1	2	R 3 135.00
Human Resource Management Training	1	35	R30 766.50
Injury on Duty Training	1	2	R 9 918.00
Presentation and Facilitation skills	1	5	R 6 500.00
Sexual Harassment	1	3	R10 317.00

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
12	15	107	R310 098.07



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

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
HR Transformation	100	100	1

Table 14.3: Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
NONE			

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
NONE			

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

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
NONE			



ANNUAL REPORT ON THE PROVINCIAL BARGAINING COUNCIL: WESTERN CAPE FOR THE PERIOD 1 APRIL 2002 – 31 MARCH 2003

The Provincial Bargaining Council Western Cape (PBCWC) played a pivotal role in maintaining labour peace during the year 2002/2003. Collective bargaining between the parties was characterised by a commitment towards the promotion of sound labour relations within the Provincial Departments of the Western Cape. The hard work of task teams contributed towards the high level of constructive negotiations maintained at Council level.

1. Parties to the Council

The employer party consists of representatives from each of the Provincial Departments of the Western Cape. The departmentalisation model of the WCPA changed from 10 to 13 provincial departments on 1 August 2002.

The following trade unions were party to the Council during the reporting year.

- Democratic Nursing Association of South Africa (DENOSA) acting together with South African Medical Association (SAMA)
- Hospital and Personnel Trade Union of South Africa (HOSPERSA)
- National Education Health and Allied Worker's Union (NEHAWU)
- National Union of Public Servants and Allied Workers (NUPSAW)
- Public and Allied Worker's Union of South Africa (PAWUSA)
- Public Servant's Association (PSA)

2. Membership figures and vote weights

The admitted trade unions and their respective membership and vote weights were as follows during the reporting year.

TRADE UNION	MEMBERSHIP TOTAL	% VOTES
PAWUSA	8017	21
NEHAWU	7875	20
PSA	7830	20
DENOSA	5927	
SAMA	916	
Total	6843	18
HOSPERSA	4915	13
NUPSAW	3031	8
TOTAL	38 511	100

3. Executive Committee (EXCO)

The EXCO had a total of 9 meetings during the reporting year.

The most important role of EXCO was to finalise the agenda for meetings of the Council. EXCO also identified issues on the agenda that needed expedited dispute resolution and applied interventionist strategies where necessary.

4. Task Teams

The Council appointed a Personnel Task Team and a Labour Relations Task Team consisting of representatives from Labour and the Employer.

4.1 Personnel Task Team

The task team had 7 meetings during the reporting year. The task team dealt with the following issues.



- 4.1.1 Review of collective agreement 6 of 1998 (PAWC Personnel Plan)
The task team compiled a draft document that is still being considered.
- 4.1.2 Implementation / Application of CORE
The Human Resource Management Framework policy was adopted on 14 August 2002.
- 4.1.3 Policy on working hours to accommodate operational needs
The policy was adopted and signed on 14 August 2002.
- 4.1.4 Employee assistance: Rehabilitation treatment
A submission was sent to the Provincial Treasury regarding an opinion on financial assistance in this regard. The Council awaits feedback from the Provincial Treasury.
- 4.1.5 Compensation Management
A draft policy document had been tabled and is being considered by the Council.
- 4.1.6 Domestic Ranks and Flatter Structure
An amended draft Human Resource Management Framework policy had been tabled and is still under consideration.
- 4.1.7 Draft Policy: Remunerative work outside the Public Service
The draft policy is in the process of being finalized by the Council
- 4.2 The Labour Relations Task Team had 8 meetings during the reporting year. The task team dealt with the following issues:
- 4.2.1 Endeavors by the PSCBC to abolish provincial bargaining Councils.
In terms of the Labour Relations Act, 1995 as amended, the PSCBC now has the power to abolish and designate bargaining councils in the Public Service. A draft resolution that would provide for the dis-establishment of provincial and departmental bargaining councils is in the process of being finalized by the PSCBC. The Council awaits developments in this regard.
- 4.2.2 Policy framework: Disciplinary code and procedures
A draft collective agreement in which the new amendments to the PSCBC Disciplinary Code and Procedures had been incorporated is in the process of being considered by the Council.
- 4.2.3 Application for registration of amended Constitution by the Department of Labour.
The Council awaits feedback from the Department of Labour.
- 4.2.4 Full time shop stewards (FTSS) agreement
The task team drafted a pro forma agreement to give effect to the GPSSBC resolution on FTSS. The Council adopted the document.
- 4.2.5 Establishment of the Provincial Public Health and Welfare Sectoral Bargaining Chamber (PPHWSBC)
The PPHWSBC agreed in principle to refer transverse matters affecting other sectors to the Council for consideration.
- 4.2.6 Implementation of the new Disciplinary Code and Procedures of the Public Service and New Grievance Rules.
The task team discussed the implementation of the said documents and informed the Council on the amended clauses in the documents.
- 4.2.7 Strategic Planning session of the Council



The task team drafted the program and templates for discussion purposes in preparation for the strategic planning session, which is reported on further in this report.

5. Meetings / Workshops

5.1 Meetings

A total of 10 meetings were held which include 8 general meetings, 1 Annual General Meeting and 1 Special meeting.

5.2 Workshops / Presentations

One workshop was held during which the application /implementation of CORE was discussed.

Sonnenberg, Hoffmann and Galombik conducted a presentation on the Interceptions of Communications Act.

6. Disputes / Grievances

The Council dealt with the following disputes:

- IT Contract staff
The dispute involves the alleged failure of the Employer to honor contractual obligations in terms of the contracts of IT staff. The dispute is still in process.
- Collective grievance: Assistant Directors at Social Services
The dispute involves the alleged failure by the Employer to promote 8 Assistant Directors at the Department of Social Services and Poverty Alleviation. The dispute remained unresolved and the parties had been informed about their right to refer their individual disputes to the PHWSBC.
- Collective Grievance: Rank Promotion (Outenikwa House / Social Services)
The dispute involves the alleged unfair procedure followed by the Employer in the application of rank promotion procedures. The Council investigated the matter and the dispute had subsequently been resolved.

7. Collective agreements / Policies

The Council concluded the following collective agreements.

No.	Agreement	Date signed	Date of effect
P 9/2002	Human Resource policy on compensation management	12/6/2002	12/6/2002
P 10/2002	Standing Rules of the Council	14/8/2002	14/8/2002
P 11/2002	Human Resource policy on working hours to accommodate operational needs	14/8/2002	14/8/2002
P 12/2002	Amendment to the ORA: Notice of revocation of a stop order	13/11/2002	1/12/2002
P 1/2003	Amendments to the Constitution: Extension of representation	12 /2/2003	1/30/2003

The Council adopted the Forensic Audit- and the Smoking policy for the WCPA during the reporting year.

8. Strategic Planning Session

The Council had its first strategic planning session on 19 – 20 March 2003 at Mykonos Conference Centre. The theme of the session was to build relationships by objectives. Mr K Govender, Chief Negotiator of the Public Service facilitated the process.

The purpose was to reflect on the effective/efficient functioning of the Council and to identify processes / issues that should be addressed. A program of action, detailing key performance areas, desired outcomes and responsibilities coupled to time frames had been



drafted at the session. The program is currently in process and it is envisaged that it will contribute to improving the functioning of the Council.

10. Closing remarks

The spirit of cooperation amongst parties to the Council during the past year emphasized the commitment of parties to the promotion of sound labour relations within the Provincial Departments of the Western Cape.



ANNEXURE B

PROVINCIAL ADMINISTRATION: WESTERN-CAPE

