

Vote 12

South African Management Development Institute

	2004/05 To be appropriated	2005/06	2006/07
MTEF allocations	R40 887 000	R37 447 000	R39 668 000
Statutory amounts	-	-	-
Responsible Minister	Minister for the Public Service and Administration		
Administering Department	South African Management Development Institute		
Accounting Officer	Director-General of the South African Management Development Institute		

Aim

The aim of the South African Management Development Institute (SAMDI) is to provide practical, client-driven, organisational development interventions that lead to improved performance and service delivery in the public sector.

Programme purpose and measurable objectives

Programme 1: Administration

Purpose: Facilitate the overall management of SAMDI and provide support services for its organisational functions.

Programme 2: Public Sector Organisational and Staff Development

Purpose: Provide a range of interventions that develop organisations, improve their performance, and raise levels of service delivery, through competency-based training and conducting client-driven research.

Measurable objective: Co-ordinate and manage the training of officials in national and provincial departments and local government, thereby improving performance and service delivery in the public service.

Strategic overview and key policy developments: 2000/01 – 2006/07

SAMDI's overall mission is to enhance the capacity of the public service to deliver on the strategic priorities underpinning the country's development strategy. SAMDI will design and deliver quality interventions which are responsive to the needs of management in the public service. These interventions will improve levels of efficiency, effectiveness and service delivery through: developing management and leadership abilities across the public service; improving the functioning of the systems related to provisioning management and administration in the public service; developing and implementing systems that allow for the appropriate development and use of human resources in the public sector; offering training programmes to support government's anti-corruption strategy; and extending SAMDI's delivery impact across the continent to support the NEPAD priority of effective and efficient public services.

Demand-driven approach

After an impact study in 2002, SAMDI's approach to service delivery shifted from being supply-driven to demand-driven. The immediate benefit of the change was that the organisation was positioned to be a significant provider of human resource development services to national and provincial departments, and recently to public entities and local government. SAMDI has also been actively operating in capacity-building initiatives in the Southern African Development Community (SADC) region and the Commonwealth.

Globalisation and the ICT revolution

SAMDI will continue to address the challenges of globalisation over the medium term by fostering international partnerships, which have begun with the Canadian Centre for Management and Leadership Development and the Malaysian National Institute of Public Administration (INTAN). SAMDI is participating in the establishment of a network for management development institutes in Africa, and also participates in the Official Development Assistance (ODA) co-ordinators forum. SAMDI is presently using Flemish government donor funding to establish the Integrated Management Development Programme, as part of its specialised market for training which will support efforts to promote good governance in the public service.

SAMDI also has to meet the challenges of the Information and Communications Technology (ICT) revolution, particularly in relation to participating in a competitive market. SAMDI entered into discussions with the State Information Technology Agency (Sita) about the development of a Master Systems Plan and a Management Information System (MIS). The main objectives will be to set up and manage an MIS as well as an ICT support centre which will facilitate the organic development of an enterprise-wide knowledge and information system.

Training and development

In response to government's Human Resource Development Strategy for South Africa, SAMDI has embarked on a capacity-building programme for community development workers (CDW), which addresses one of the strategy's priority areas of building human resource capacity in order to support communities.

One way of ensuring that SAMDI is at the forefront of public sector training and development is to use appropriate IT to complement more traditional learning approaches. This will increase access to training and expand its reach cost-effectively. SAMDI has launched, and continues to run, an e-learning training programme on the Public Finance Management Act (1 of 1999) (PFMA).

HIV and Aids programme

Other government priorities that SAMDI has responded to and for which further donor support will be mobilised include gender empowerment, disability, and HIV and Aids. SAMDI's programme on HIV and Aids focuses on the workplace. It aims to sensitise managers to appropriate strategies for managing attrition and raising awareness. The programme also enables management to implement the workplace guidelines developed by the Department of Public Service and Administration (DPSA).

Expenditure estimates

Table 12.1: South African Management Development Institute

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	Revised			
R thousand	2000/01	2001/02	2002/03	2003/04	2003/04	2004/05	2005/06	2006/07
1 Administration	7 091	8 939	11 469	16 289	16 289	26 492	27 431	29 051
2 Public Sector Organisational and Staff Development	11 533	13 856	19 271	25 972	25 972	14 395	10 016	10 617
Total	18 624	22 795	30 740	42 261	42 261	40 887	37 447	39 668
Change to 2003 Budget Estimate				-	-	2 128	2 236	
Economic classification								
Current payments	17 256	20 594	25 542	17 244	17 244	29 978	31 343	33 198
Compensation of employees	10 152	13 484	16 981	8 594	8 594	11 255	11 914	12 629
Goods and services	7 104	7 085	8 527	8 650	8 650	18 723	19 429	20 569
Interest and rent on land	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	25	34	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-
Transfers and subsidies to:	29	38	4 317	24 255	24 255	10 104	5 263	5 579
Provinces and municipalities	29	38	47	22	22	31	34	36
Departmental agencies and accounts	-	-	4 270	24 233	24 233	10 073	5 229	5 543
Universities and technikons	-	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Payments for capital assets	1 339	2 163	881	762	762	805	841	891
Buildings and other fixed structures	-	-	-	50	50	50	50	53
Machinery and equipment	1 339	2 163	881	712	712	755	791	838
Cultivated assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Total	18 624	22 795	30 740	42 261	42 261	40 887	37 447	39 668

Expenditure trends

Expenditure increased by 22,4 per cent and 34,9 per cent in 2001/02 and 2002/03 respectively. This was the result of the increase in the number of training programmes presented to departments. An additional amount of R5,7 million was allocated to the Vote in 2002/03 in order to enable the department to offer one-year contracts to staff previously funded by a grant from the European Commission (EC), which expired on 31 December 2002.

The budget for 2003/04 increased by 37,5 per cent to allow for an increase in the augmentation of the Training Trading Account. The augmentation of the Trading Account will decrease over the medium term as the Trading Account becomes more self-sustainable.

Departmental receipts

Departmental receipts are mainly commissions on insurance premiums deducted from employees' salaries, parking fees and interest on departmental debt. The increase in revenue for 2002/03 is due to stale cheques that were deposited into the National Revenue Fund. Revenue from SAMDI services is received by the Trading Account and does not form part of departmental receipts.

Table 12.2: Departmental receipts

R thousand	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04			
Tax receipts	-	-	-	-	-	-	-
Sales of goods and services produced by department (excl capital assets)	14	13	25	27	27	28	28
Sales of scrap, waste, arms and other used current goods (excl capital assets)	-	-	-	-	-	-	-
Transfers received	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	20	6	1 222	12	11	11	12
Total departmental receipts	34	19	1 247	39	38	39	40

Programme 1: Administration

The aim of the programme is to facilitate the overall management of SAMDI and provide for the policy-formulation and management responsibilities of the Minister, the Director-General and other members of SAMDI's management. Other functions include: organising the department; providing centralised administrative, legal, and office support services; managing staff and financial administration; determining working methods and procedures; and exercising internal control.

Expenditure estimates

Table 12.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04			
R thousand							
Minister ¹	-	-	-	-	-	-	-
Management	1 429	1 200	1 264	1 154	1 383	1 459	1 547
Corporate Services	5 420	7 738	10 205	15 135	25 109	25 972	27 504
Government Motor Transport	242	1	-	-	-	-	-
Total	7 091	8 939	11 469	16 289	26 492	27 431	29 051
Change to 2003 Budget Estimate				2 210	10 206	10 169	

¹ Minister for the Public Service and Administration. Salary provided on the Public Service and Administration Vote.

Economic classification

	5 757	6 764	10 570	15 559	25 712	26 613	28 184
Current payments							
Compensation of employees	3 061	4 371	6 486	7 842	8 966	9 478	10 047
Goods and services	2 696	2 368	4 051	7 717	16 746	17 135	18 137
Interest and rent on land	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	25	33	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate			
	Audited	Audited	Preliminary		2003/04	2004/05	2005/06	2006/07
	2000/01	2001/02	outcome 2002/03					
Transfers and subsidies to:	9	12	18	18	25	27	29	
Provinces and municipalities	9	12	18	18	25	27	29	
Departmental agencies and accounts	–	–	–	–	–	–	–	
Universities and technikons	–	–	–	–	–	–	–	
Foreign governments & international organisations	–	–	–	–	–	–	–	
Public corporations & private enterprises	–	–	–	–	–	–	–	
Non-profit institutions	–	–	–	–	–	–	–	
Households	–	–	–	–	–	–	–	
Payments for capital assets	1 325	2 163	881	712	755	791	838	
Buildings and other fixed structures	–	–	–	–	–	–	–	
Machinery and equipment	1 325	2 163	881	712	755	791	838	
Cultivated assets	–	–	–	–	–	–	–	
Software and other intangible assets	–	–	–	–	–	–	–	
Land and subsoil assets	–	–	–	–	–	–	–	
<i>Of which: Capitalised compensation</i>	–	–	–	–	–	–	–	
Total	7 091	8 939	11 469	16 289	26 492	27 431	29 051	

Details of transfer payments and subsidies:

Provinces and municipalities							
Municipalities							
Current	9	12	18	18	25	27	29
Regional Services Council levies	9	12	18	18	25	27	29
Total	9	12	18	18	25	27	29

Expenditure trends

The average annual growth of 31,9 per cent between 2000/01 and 2003/04 in *Administration's* expenditure was due to an increased demand for SAMDI's training programmes and capacity-building. The increase of 28,3 per cent in 2002/03 from the previous year can be attributed specifically to capacity-building in the programme. The average annual increase of 21,3 per cent over the medium term is also to accommodate capacity-building.

Programme 2: Public Sector Organisational and Staff Development

The aim of this programme is to provide demand-driven organisational development interventions to the public sector, which lead to improved performance and service delivery, and, in addition, to co-ordinate, manage and administer the Training Trading Account.

Expenditure estimates**Table 12.4: Public Sector Organisational and Staff Development**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate			
	Audited	Audited	Preliminary		2003/04	2004/05	2005/06	2006/07
	2000/01	2001/02	outcome 2002/03					
R thousand								
Public Sector Organisational and Staff Development	11 533	13 856	15 001	1 739	4 322	4 787	5 074	
Augmentation of Training Trading Account	–	–	4 270	24 233	10 073	5 229	5 543	
Total	11 533	13 856	19 271	25 972	14 395	10 016	10 617	
Change to 2003 Budget Estimate				(2 210)	(8 078)	(7 933)		

R thousand	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	2003/04		2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03					
Economic classification								
Current payments	11 499	13 830	14 972	1 685	4 266	4 730	5 014	
Compensation of employees	7 091	9 113	10 495	752	2 289	2 436	2 582	
Goods and services	4 408	4 717	4 476	933	1 977	2 294	2 432	
Interest and rent on land	-	-	-	-	-	-	-	
Financial transactions in assets and liabilities	-	-	1	-	-	-	-	
Unauthorised expenditure	-	-	-	-	-	-	-	
Transfers and subsidies to:	20	26	4 299	24 237	10 079	5 236	5 550	
Provinces and municipalities	20	26	29	4	6	7	7	
Departmental agencies and accounts	-	-	4 270	24 233	10 073	5 229	5 543	
Universities and technikons	-	-	-	-	-	-	-	
Foreign governments & international organisations	-	-	-	-	-	-	-	
Public corporations & private enterprises	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	
Payments for capital assets	14	-	-	50	50	50	53	
Buildings and other fixed structures	-	-	-	50	50	50	53	
Machinery and equipment	14	-	-	-	-	-	-	
Cultivated assets	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-	
Total	11 533	13 856	19 271	25 972	14 395	10 016	10 617	

Details of transfer payments and subsidies:

Provinces and municipalities								
Municipalities								
Current	20	26	29	4	6	7	7	
Regional Services Council levies	20	26	29	4	6	7	7	
Departmental agencies and accounts (Entities)								
Current	-	-	4 270	24 233	10 073	5 229	5 543	
Augmentation of Training Trading Account	-	-	4 270	24 233	10 073	5 229	5 543	
Total	20	26	4 299	24 237	10 079	5 236	5 550	

Expenditure trends

The annual average growth of 31,1 per cent in *Public Sector Organisational and Staff Development* expenditure between 2000/01 and 2003/04 was due to an increased demand for training programmes by national and provincial departments.

In 2002/03 an additional R3,8 million was allocated to the programme's budget to allow for the extension of the contracts of training staff after the European Union (EU) donor funding was terminated at the end of 2002. However, this programme still realised an over-expenditure of approximately R1,9 million in 2002/03 due to European Union donor funding being withheld because consensus could not be reached on the tender conditions applied by SAMDI.

The Training Trading Account was established to act as a cost-recovery mechanism for training programmes. All the training functions and related expenditure are now part of the Trading

Account. This means that all chief directorates, except for Organisational Development and Training Services, have been incorporated into the Trading Account. This shift, together with a decreased augmentation of the Trading Account, is the reason for a decreasing budget over the medium term.

Service delivery objectives and indicators

Recent outputs

To date, SAMDI has trained 8 680 public servants, and by the end of 2003/04 will have trained 10 658.

An e-learning project, which covers training on the PFMA was launched by SAMDI during 2002/03, and given further momentum in 2003/04. This training will promote and improve accountability and responsible government spending.

Two capacity-building programmes were offered to public servants in the North-West province on integrated service (cluster) delivery and project management. The Department of Public Health of the Gauteng Provincial Administration also underwent successful training in financial management.

Medium-term output targets

Public Sector Organisational and Staff Development

Measurable objective: Co-ordinate and manage the training of officials in national and provincial departments and local government, thereby improving performance and service delivery in the public service.

Subprogramme	Output	Measure/Indicator	Target
Augmentation of Training Trading Account	Transfers to the Trading Account	Timely and sufficient transfers made to augment the Trading Account	Monthly
	Trained officials	Number of people trained	13 536 in 2004
			14 638 in 2005
			15 241 in 2006

Training Trading Account

An amount of around R4,3 million was transferred to the Trading Account in 2002/03 and a surplus of R6,1 million was generated.

The amounts to be transferred over the medium term are: R10,1 million, R5,2 million and R5,5 million. The Training Trading Account aims to generate revenue of R15,0 million, R20,0 million and R21,2 million over the medium term.

A financial agreement with the Flemish government has been approved and implementation started in 2003/04 and continues in 2004/05. Approximately R11,0 million will be received as donor funding, which will be used to present leadership and management development programmes to senior, middle and emerging managers in the public service.

The establishment of an active website in June 2003 helped to market and introduce the training programmes of the Trading Account to more departments. The training courses are now advertised on the website.

Table 12.5 Summary of revenue and expenses for the Training Trading Account

R Thousand	Outcome			Estimated outcome 2003/04	Medium-term estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03				
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	-	-	12 948	10 000	40 510	49 431	52 256
Sale of capital assets	-	-	-	-	-	-	-
Transfers received	-	-	4 270	24 233	10 073	5 229	5 543
Total revenue	-	-	17 218	34 233	50 583	54 660	57 799
Expenses							
Current expenses	-	-	11 098	29 522	50 107	54 447	57 713
Compensation of employees	-	-	3 416	16 157	21 030	22 292	23 630
Goods and services	-	-	7 682	13 365	29 077	32 155	34 083
Transfer payments and subsidies	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Fixed assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Total Expenses	-	-	11 098	29 522	50 107	54 447	57 713
Surplus / (Deficit)	-	-	6 120	4 711	476	213	86

Annexure

Vote 12: South African Management Development Institute

Table 12.6: Summary of expenditure trends and estimates per programme

Table 12.7: Summary of expenditure trends and estimates per economic classification

Table 12.8: Summary of personnel numbers and compensation of employees

Table 12.9: Summary of expenditure on training

Table 12.10: Summary of information and communications technology expenditure

Table 12.11: Summary of official development assistance expenditure

Table 12.7: Summary of expenditure trends and estimates per economic classification (continued)

	Expenditure outcome				Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	
	2000/01	2001/02	2002/03					2003/04
R thousand								
Transfers and subsidies to:								
Provinces and municipalities								
- Provinces								
- Provincial Revenue Funds								
- Provincial agencies and funds								
- Municipalities	29	38	47	22	-	22	22	36
- Municipalities	29	38	47	22	-	22	22	36
- Municipal agencies and funds								
Departmental agencies and accounts								
- Social security funds			4 270	25 629	(1 396)	24 233	24 233	5 543
- Departmental agencies (non-business entities)			4 270	25 629	(1 396)	24 233	24 233	5 543
Universities and technikons								
Foreign governments & international organisations								
Public corporations and private enterprises								
- Public corporations								
- Subsidies on production								
- Other transfers								
- Private enterprises								
- Subsidies on production								
- Other transfers								
Non-profit institutions								
Households								
- Social benefits								
- Other transfers to households								
Total transfers and subsidies	29	38	4 317	25 651	(1 396)	24 255	24 255	5 579

Table 12.7: Summary of expenditure trends and estimates per economic classification (continued)

	Expenditure outcome				Revised estimate	Medium-term expenditure estimate		
	Audited		Preliminary outcome	Adjusted appropriation		2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03					
R thousand								
Payments on capital assets								
Buildings and other fixed structures								
- Buildings	-	-	-	50	50	50	50	53
- Other fixed structures	-	-	-	50	50	50	50	53
Machinery and equipment	1 339	2 163	881	712	712	755	791	838
- Transport equipment	-	-	-	-	-	-	-	-
- Other machinery and equipment	1 339	2 163	881	712	712	755	791	838
Cultivated assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-	-
Total payments on capital assets	1 339	2 163	881	762	762	805	841	891
Total	18 624	22 795	30 740	42 261	42 261	40 887	37 447	39 668

Table 12.8: Summary of personnel numbers and compensation of employees¹

Personnel numbers	2000/01	2001/02	2002/03	2003/04	2004/05
	1 Administration	30	21	34	36
2 Public Sector Organisational and Staff Development	51	44	54	57	63
Total	81	65	88	93	104
Total compensation of employees (R thousand)	10 152	13 484	16 981	8 594	11 255
Unit cost (R thousand)	125.3	207.4	193.0	92.4	108.2

¹ Full-time equivalent

Table 12.9: Summary of expenditure on training

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate			
	Audited		Preliminary outcome			2003/04	2004/05		
	2000/01	2001/02	2002/03	2004/05			2005/06	2006/07	
R thousand									
1 Administration	70	110	45	48	52	65	70		
2 Public Sector Organisational and Staff Development	62	155	96	102	109	112	119		
Total	132	265	141	150	161	177	189		

Table 12.10: Summary of information and communications technology expenditure

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate			
	Audited		Preliminary outcome			2003/04	2004/05		
	2000/01	2001/02	2002/03	2004/05			2005/06	2006/07	
R thousand									
1 Administration	438	1 605	1 627	1 903	1 943	1 970	2 088		
Technology	-	1 417	1 336	1 453	1 463	1 470	1 558		
IT services	438	188	291	450	480	500	530		
2 Public Sector Organisational and Staff Development	-	-	-	50	50	50	53		
Technology	-	-	-	-	-	-	-		
IT services	-	-	-	50	50	50	53		
Total	438	1 605	1 627	1 953	1 993	2 020	2 141		

Table 12.11: Summary of official development assistance expenditure

Donor R thousand	Programme / project name	Cash or kind	Expenditure outcome					Medium-term expenditure estimate		
			2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	
European Commission Government of Flanders	Training Training (R11,0 million over 30 months)		3 080	18 083	24 945	-	-	-	-	-
Total			3 080	18 083	24 945	7 000	4 000	-	-	-