



Western Cape  
Government

Department of the Premier



Annual Report 2011/2012

Department of the Premier

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**WESTERN CAPE GOVERNMENT  
DEPARTMENT OF THE PREMIER**

**Annual Report**  
for the year ended 31 March 2012

**Tabled in the Western Cape Provincial Parliament**

**Cape Town, South Africa**

**29 September 2012**

**WESTERN CAPE GOVERNMENT  
DEPARTMENT OF THE PREMIER**

**Annual Report  
2011/12 Financial Year**

**HELEN ZILLE**

**PREMIER OF THE WESTERN CAPE**

As Accounting Officer of the Department of the Premier, I hereby submit the Annual Report of the Department of the Premier for the period 1 April 2011 to 31 March 2012 in terms of Section 40 of the Public Finance Management Act, 1999 and Chapter 18 of the Treasury Regulations to the Executive Authority of this Department, Premier Helen Zille.



**Adv Brent Gerber**  
Director-General

27 September 2012

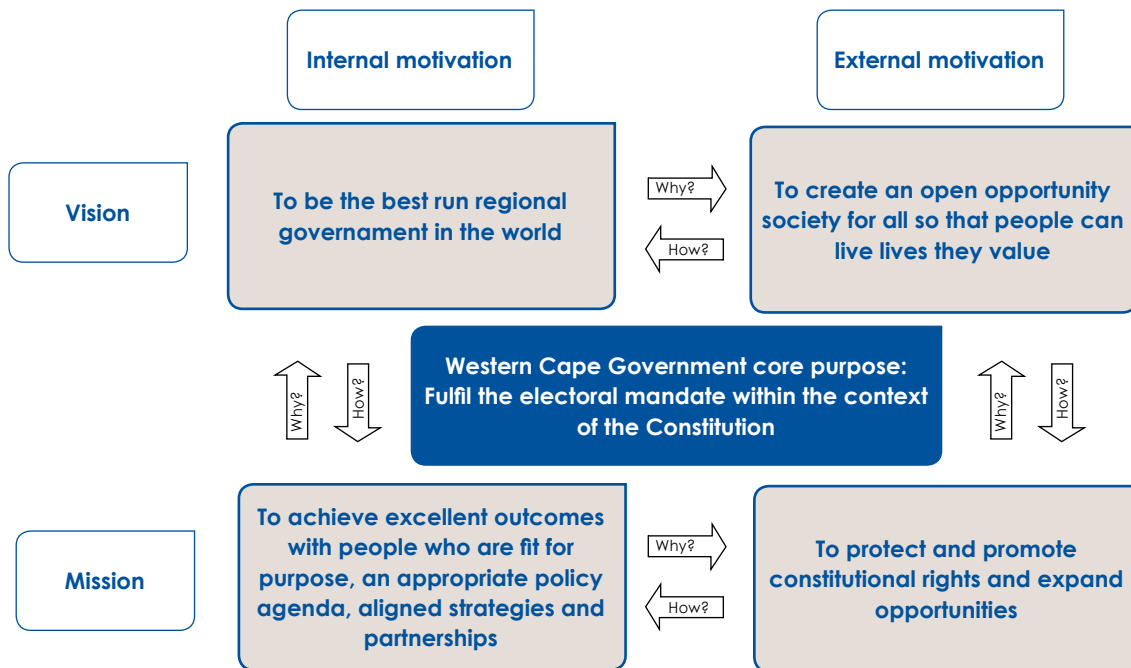
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**1.1 VISION AND MISSION**

The figure below depicts the vision and mission of the Western Cape Government. The core purpose of the provincial government is to fulfil the electoral mandate within the context of the Constitution. This will be done by giving effect to an internal and external vision and mission. Internally, the vision and mission motivate employees of the provincial government to aspire to excellence in everything they do. This will ensure the best possible outcomes within the available resources which, in turn, will result in expanded opportunities for the citizens of the province to lead lives they value.

**Figure 1.1.1: Vision and mission of the Western Cape Government**



**1.2 CORE VALUES**

The Western Cape Government committed itself to delivering services according to the following values:

**Competence (the ability and capacity to do the job appointed to do)**

- We are able to do the job we are appointed to do, and always strive for excellence.
- We develop and grow our people, enabling and empowering them to perform their duties in support of service delivery.
- We empower our employees to, and focus on, rendering an excellent service to the people of the Western Cape.
- We demonstrate knowledge and an understanding of, and work together to execute in terms of the constitutional, legislative and electoral mandates.

**Accountability (we take responsibility)**

- We have a clear understanding of our vision, mission, strategic objectives, roles, delegations and responsibilities.
- We deliver on our outcomes and targets with quality, on budget and in time.
- We hold each other accountable as public servants and know we can trust each other to deliver.
- We individually take responsibility and ownership for our work, actions and decisions.



**Integrity (to be honest and do the right thing)**

- We create an ethical environment by being honest, showing respect and living out positive values.
- We seek the truth and do the right things in the right way in each situation.
- We are reliable and trustworthy and behave consistently in word and in action.
- We act with integrity at all levels and in all instances with zero tolerance for corruption.

**Responsiveness (to serve the needs of our citizens and employees)**

- Our focus is the citizen, building relationships that allow us to anticipate their needs and deal with them proactively.
- We take each other and citizens seriously, being accessible, listening and hearing their voices.
- We respond with timeous action and within agreed timeframes.
- We collaborate with each other and stakeholders, providing appropriate and reliable information and sharing it responsibly.

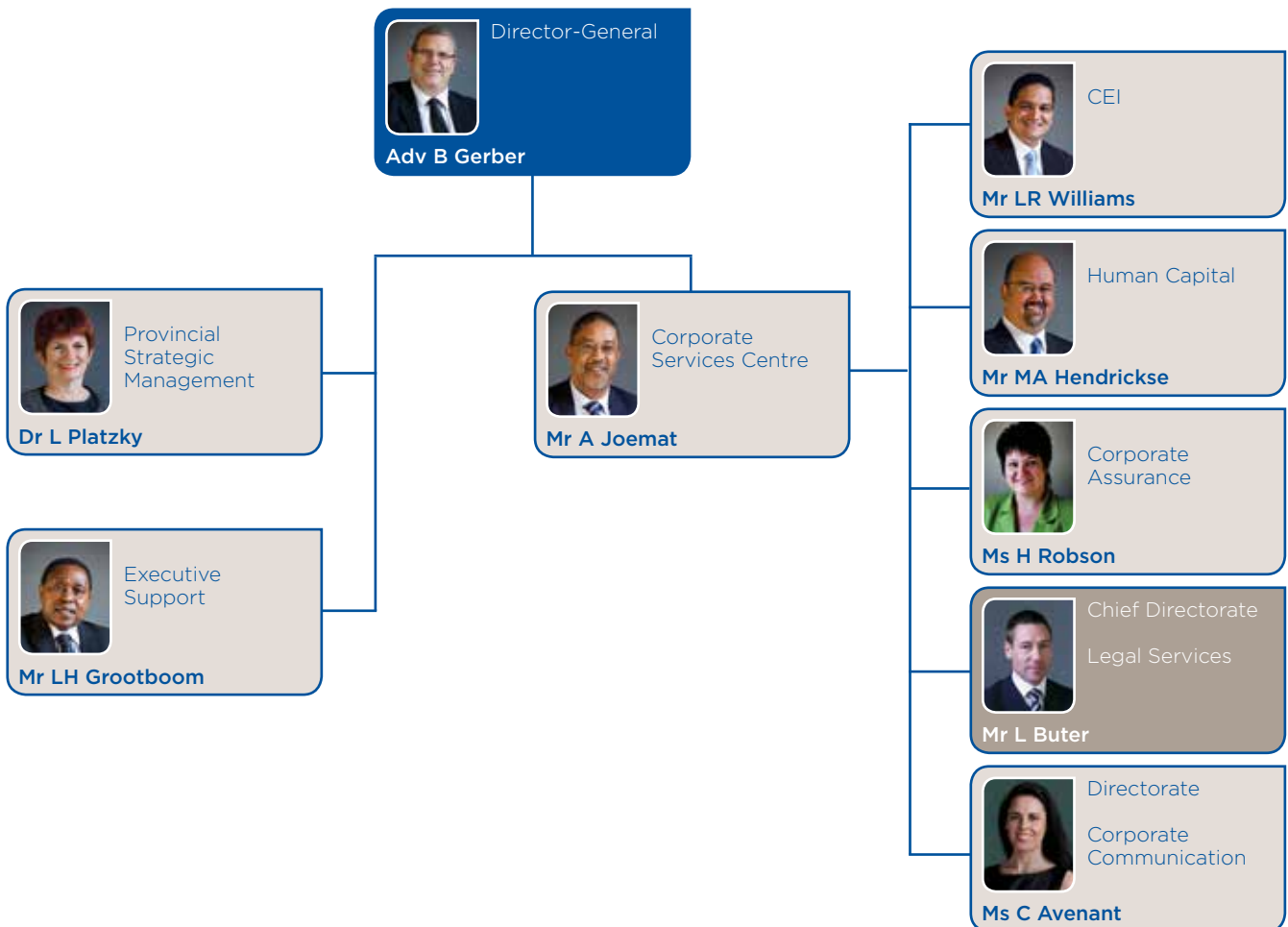
**Caring (to care for those we serve and work with)**

- We value all employees and citizens and treat them with dignity and respect.
- We listen actively and display compassion towards employees and citizens.
- We provide support to, and show interest in, each other as employees as well as in the citizens, thus caring for all our wellbeing.
- We show appreciation and give recognition to employees and citizens.

**1.3 ORGANISATIONAL STRUCTURE OF THE DEPARTMENT OF THE PREMIER**

The following chart depicts the top management structure of the Department as at 31 March 2012. The Department's senior management structure is depicted in Part 5 of the report.

**Figure 1.3.1: Organisational structure of the Department of the Premier**



## 1.4 LEGISLATIVE MANDATE

The constitutional mandates that this Department is responsible for relate to the powers, functions and responsibilities of the provincial government in upholding the national Constitution, in particular Chapter 6, and Chapter 4 of the provincial Constitution of the Western Cape.

The Acts listed hereunder, together with the Constitutions, guide and direct all actions performed and responsibilities exercised in the Department:

- Constitution of the Republic of South Africa, 1996
- Constitution of the Western Cape Act 1 of 1997
- Public Finance Management Act 1 of 1999
- Intergovernmental Relations Framework Act 13 of 2005
- Public Service Act, Proclamation 103 of 1994
- Pensions Fund Act 24 of 1956
- Income Tax Act 58 of 1962
- Prescription Act 68 of 1969
- Occupational Health and Safety Act 85 of 1993
- Compensation for Occupational Injuries and Diseases Act 130 of 1993
- Labour Relations Act 66 of 1995
- Development Facilitation Act 67 of 1995
- Government Employees Pension Law, Proclamation 21 of 1996
- National Archives and Record Service of South Africa Act 43 of 1996
- Extension of Security of Tenure Act 62 of 1997
- Basic Conditions of Employment Act 75 of 1997
- Local Government: Municipal Demarcation Act 27 of 1998
- Employment Equity Act 55 of 1998
- Skills Development Act 97 of 1998
- Local Government: Municipal Structures Act 117 of 1998
- Skills Development Levies Act 9 of 1999
- Promotion of Access to Information Act 2 of 2000
- Promotion of Administrative Justice Act 3 of 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000
- Preferential Procurement Policy Framework Act 5 of 2000
- Protected Disclosures Act 26 of 2000
- Local Government: Municipal Systems Act 32 of 2000
- Broad-Based Black Economic Empowerment Act 53 of 2003
- Local Government: Municipal Finance Management Act 56 of 2003
- Local Government: Municipal Property Rates Act 6 of 2004
- Prevention and Combating of Corrupt Activities Act 12 of 2004
- Public Audit Act 25 of 2004
- State Information Technology Agency Act 88 of 1998
- Government Immovable Asset Management Act 19 of 2007
- Division of Revenue Act (annually)
- Prevention of Organised Crime Act 121 of 1998

- Financial Intelligence Centre Act 38 of 2001
- Electronic Communications Security (Pty) Ltd Act 68 of 2002
- Electronic Communications and Transactions Act 25 of 2002
- Western Cape Land Administration Act 6 of 1998
- Western Cape Law on the Powers and Privileges of the Provincial Legislature (Law 3 of 1995)
- Western Cape Direct Charges Act 6 of 2000
- Provincial Archives and Records Service of the Western Cape Act 3 of 2005
- Western Cape Delegation of Powers Law 7 of 1994
- Western Cape Coat of Arms Act 7 of 1998
- Western Cape Provincial Commissions Act 10 of 1998
- Western Cape Provincial Honours Act 9 of 1999
- Members of the Western Cape Provincial Parliament Code of Conduct Act 3 of 2002

The following legislation was tabled in the Provincial Parliament during the 2011/12 financial year:

- Western Cape Land Use Planning Ordinance Amendment Bill, 2011
- Western Cape Land Use Planning Ordinance Second Amendment Bill, 2011
- Western Cape Laws Repeal Bill, 2011
- Western Cape Biosphere Reserves Bill, 2011
- Western Cape Privileges and Immunities of Councillors Bill, 2011
- Provincial Development Council Act Repeal Bill, 2011
- Western Cape Unauthorised Expenditure Bill, 2011
- Western Cape Adjustments Appropriation Bill, 2011
- Western Cape Appropriation Bill, 2012
- Western Cape Laws Repeal Bill, 2012
- Western Cape Additional Adjustments Appropriation Bill, 2012

## 1.5 ENTITIES REPORTING TO THE PREMIER

During the period under review the Provincial Development Council reported to the Premier.

**Table 1.5.1: Entities reporting to the Premier**

| Name of entity                 | Legislation                                  | Nature of business  |
|--------------------------------|--|---|
| Provincial Development Council | Provincial Development Council Law 5 of 1996 | The Provincial Development Council was established to facilitate, among stakeholders in the province, consensus concerning development planning, development strategies and integrated development frameworks. The Provincial Development Council Act Repeal Bill was adopted in December 2011. The Act was gazetted in December 2011 resulting in the dissolution of the entity. |

## 1.6 PREMIER'S STATEMENT

The year under review constituted the midpoint of the current term of government. It provided an opportunity to reflect on what was achieved against what we set out to do and what still needs to be done in pursuit of the strategic agenda that we set out when we assumed office.

The mid-term review of the Provincial Strategic Plan, supported by the Branch Provincial Strategic Management, confirmed that the Western Cape Government made significant strides in building state machinery that is better aligned and integrated with improved coordination of functions. More prudent, effective and efficient utilisation of government resources was institutionalised through measures such as the revised Ministerial Handbook which limited the privileges of the provincial Cabinet.

The Western Cape Government's resolve to provide clean and transparent governance spurred us on to deal decisively with matters of administrative justice and fraud and corruption. We've increased capacity where needed and justified to make good on our commitments in this respect.

The development of uniform policies and standards and the institutionalisation of business processes and systems supporting the Corporate Services Centre required significant effort, review and reorganisation to make sure that it supported the rest of the provincial government by rendering support services on a shared services basis. Clear signs are emerging that the benefits and value-add sought with the establishment of the CSC was worth the investment. A solid foundation has been laid on which to build in the next financial year.

Policies and plans mean very little without skilled and fit-for-purpose employees to implement them. This requires exceptional leadership and change management skills to create an organisational culture that is conducive to the implementation of government's strategies. The Department rolled out leadership values assessments and facilitated leadership conversations to enhance and nurture leadership capabilities in the organisation.

Building regional partnerships to assist with the implementation of the Provincial Strategic Plan led to two visits abroad; Bavaria, Germany and Upper Austria from 23 September to 2 October 2011, and Namibia from 24 to 25 January 2012.

Benefits that derived from the Bavaria/Upper Austria visits included the strengthening of the bilateral relations with the two regions, arguably the Western Cape's second most successful cooperation agreements with regions abroad. The visit also served to promote the Western Cape as a preferred trade and investment destination in both regions.

The purpose of the visit to Namibia was to learn from the Khomas region in Windhoek/Namibia about the operating of an economic zone where alcoholic beverages are sold. The fact-finding tour at the Single Quarters, Eveline and Bonn Street gave the delegation an opportunity to see how the "high-street" model was implemented in that region. The visit encouraged information sharing with various stakeholders where best practices and challenges were discussed. Following the visit, a pilot location is being investigated for viable economic activities that could enhance the economic zone in addition to the sale of liquor.

## 1.7 ACCOUNTING OFFICER'S OVERVIEW

Governments today face unprecedented challenges delivering on their mandate. Increasing public scrutiny, demands for accountability and cries for enhanced transparency are but a few of the piercing calls government must answer in meeting the public expectation. Governments, of course, are required to achieve all of this and more in an environment marked by growing demand, shrinking budgets, strict regulations and environmental factors outside of their direct control.

In order to be successful, a government is required to have a high performance ethos, a clear vision for the future, and a strategy on how it will achieve that vision. In the face of the aforementioned challenges, how government

performs its functions, duties and responsibilities is critical to its success. This introduces a qualitative element to the performance of its daily functions.

For the Western Cape Government (WCG), success means the effective and efficient delivery of its mandate so that it earns the acknowledgement of being the best-run regional government in the world and thus is able to realise its vision of an "Open Opportunity Society for All", allowing the people of the Western Cape to live lives they value. Hence Provincial Strategic Objective (PSO) 12: "Building the best-run regional government in the world" was adopted.

The strategic case for PSO 12 was presented to Cabinet which then approved the development of a strategic directive for the PSO. PSO 12 also informed the strategic planning of the Department of the Premier for the 2012/13 financial year.

Some of the achievements of the Department of the Premier for the 2011/12 financial year include the following:

- The Department received an unqualified audit with one other matter for the 2010/11 financial year.
- The percentage of posts filled in the finance function increased from 54% to 78% of posts filled.
- Six human rights projects aimed at strengthening the rights and responsibilities of citizens were pursued under the strategic guidance of the Premier. These projects related to the enforcement of payment of child maintenance, implementation of the provincial sexual harassment policy, a teenage pregnancy intervention plan, a disability access programme, human trafficking intervention and a campaign to encourage citizens to participate in voluntary HIV/Aids testing.
- The provincial transversal management system served to ensure the integrated and across-the-board implementation of the provincial strategic plan. This system was reviewed and improved upon where required.
- The Department spearheaded a mid-term review which was conducted in February 2012 and which informed the strategic planning for the rest of the term of government.
- A communication strategy was developed and implementation of the strategy commenced. A brand architecture was finalised and the implementation thereof announced.
- The Integrated Events Strategy (IES) for Cape Town and the Western Cape, developed as a leverage platform and a plan to catalyse further growth, was adopted by the provincial cabinet on 28 September 2011.
- In an attempt to improve the organisational culture prevalent in the Department, all business units developed specific plans and started implementation of interventions to inculcate the provincial values in the Department.
- Progress was made with the development of an institutional model for the Provincial Training Institute to make it a more viable business unit. Progress was also made with the development of a people strategy aimed at embedding modern human resource practices in the organisation.
- The Centre for e-Innovation successfully managed to improve the ICT governance maturity in the Western Cape Government to a level 3 rating (based on the 5-level Control Objectives for Information Technology scale). A resolution rate of 98.42% was achieved against a planned performance of 80% in respect of all calls received at the Presidential Hotline for resolution by the province.
- Significant progress was made with the implementation of the modernisation blueprints as approved and prioritised by the provincial Cabinet. 7 548 of the user base (total 14 500) migrated to a new technology platform in terms of the IT Modernisation Plan.
- The Department of the Premier plays a central role in making sure that good governance principles are adhered to across the Western Cape Government. In further pursuit of this goal strategic and operational enterprise risk management was driven in a much more strategic and focused manner. Continuous identification of emerging risks was embedded at the management level.
- Internal audit capacity to ensure adequate coverage of high risks in internal audit plans remained a challenge and will require additional resources in the next financial year.
- The forensic investigative function was outsourced in an attempt to strengthen investigative capacity. This resulted in a gradual decrease in investigation backlogs and an increase in the quality of investigations.
- While eight functional training interventions in areas such as the promotion of administrative justice and access to information, conclusion and management of contracts and the provincial legislative processes were planned, the Department managed to deliver 37 interventions within limited resources.

**2.1 OVERALL PERFORMANCE**

**2.1.1 Voted funds**

|                          | Main appropriation<br>R'000         | Adjusted appropriation<br>R'000 | Actual amount spent<br>R'000 | (Over)/under expenditure<br>R'000 |
|--------------------------|-------------------------------------|---------------------------------|------------------------------|-----------------------------------|
|                          | 697 197                             | 694 018                         | 692 445                      | 1 573                             |
| Premier                  | Helen Zille                         |                                 |                              |                                   |
| Administering department | Department of the Premier           |                                 |                              |                                   |
| Accounting Officer       | Director-General: Adv. Brent Gerber |                                 |                              |                                   |

**2.1.2 Aim of Vote 1: Department of the Premier**

The main role and function of the Department of the Premier is to provide strategic and operational support to the Premier and the provincial Cabinet in the exercise of their provincial executive authority in accordance with the Constitution of the Republic of South Africa, 1996, and the Constitution of the Western Cape, 1997. This entails coordinating the functions of the Western Cape Government and its departments through the development and implementation of legislation and policy and rendering corporate services.

In support of the role and function of the provincial Director-General, as reflected in section 7(3) (c) of the Public Service Act, the Department rendered the following core functions during the period under review:

- Executive support, providing executive governance support services.
- Provincial strategic management, professionally supporting the Premier and Cabinet to effectively exercise their executive authority in respect of provincial strategic management matters.
- A Corporate Services Centre rendering transversal corporate services on a shared services basis, including human capital, the Centre for e-Innovation and corporate assurance services.

The Department subscribed to the Provincial Strategic Objectives, being:

- Increasing opportunities for growth and jobs.
- Improving education outcomes.
- Increasing access to safe and efficient transport.
- Increasing wellness.
- Increasing safety.
- Developing integrated and sustainable human settlements.
- Mainstreaming sustainability and optimising resource-use efficiency.
- Promoting social inclusion and reducing poverty.
- Integrating service delivery for maximum impact.
- Creating opportunities for growth and development in rural areas.
- Building the best-run regional government in the world.

The Department of the Premier contributed to all these strategic objectives, but is primarily responsible for “building the best-run regional government in the world”, which is also in line with the national outcome: “An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.”

## Summary of programmes

Below follows a summary of the main purposes and services of each of the Department's budget programmes.

Table 2.1.2.1: Programme 1: Executive Support (Administration)

| Purpose   | Main services  |
|---|--|
| Efficient and effective administrative support of the Executive | <ul style="list-style-type: none"> <li>Operational support to the Premier.</li> <li>Operational and secretariat support to Cabinet, Sector Committees and the Provincial Top Management.</li> <li>Administrative support, strategic guidance and content on international relations and human rights.</li> <li>Departmental management and operational support to the Director-General.</li> </ul> |

Table 2.1.2.2: Programme 2: Provincial Strategic Management

| Purpose   | Main services  |
|---|--|
| Coherent provincial strategic management for the Western Cape | <ul style="list-style-type: none"> <li>Enable provincial policy development and transversal strategic management to enable effective provincial governance.</li> <li>Provision of strategic management information to enable effective provincial governance.</li> <li>Facilitate meaningful communication with the people of the Western Cape.</li> </ul> |

Table 2.1.2.3: Programme 3: Human Capital

| Purpose  | Main services  |
|--|--|
| Provide a workforce that contributes to optimal service delivery | <ul style="list-style-type: none"> <li>Promotion of institutional capacity building through appropriate and evidence based organisational development interventions.</li> <li>Coordination and enhancement of learning and development within the Western Cape Government.</li> <li>Rendering human resource management services to departments of the Western Cape Government.</li> </ul> |

Table 2.1.2.4: Programme 4: Centre for e-Innovation

| Purpose   | Main services   |
|---|---|
| To enable optimal service delivery by providing strategic direction and innovative information and communication technologies (ICTs) in the Western Cape Government | <ul style="list-style-type: none"> <li>Providing strategic ICT services.</li> <li>Providing Government Information Technology Officer (GITO)* management services to the Western Cape Government.</li> </ul> <p>* GITO management services encompass a broad range of information technology services as described by the Department of Public Service Administration (DPSA) for all national and provincial departments.</p> |

Table 2.1.2.5: Programme 5: Corporate Assurance

| Purpose  | Main services   |
|--|---|
| Provincial Corporate Assurance that ensures good, clean corporate governance | <ul style="list-style-type: none"> <li>Ensure efficient and effective risk management systems.</li> <li>Provide a corporate internal audit service to the Western Cape Government.</li> <li>Prevent, detect and investigate economic crime.</li> <li>Rendering of a comprehensive legal support service.</li> <li>Rendering of corporate communication services.</li> </ul> |

### 2.1.3 Strategic outcome orientated goals

With the further refinement of the Provincial Strategic Plan, taking due cognisance of the national delivery arrangements, a new provincial strategic objective was developed for the Western Cape Government "to be the best-run regional government in the world". The Department of the Premier in partnership with the Provincial Treasury and Department of Local Government take the lead in delivering against this provincial strategic objective. It necessitated the refining of its outcome oriented strategic goal statements by the Department in response to the new focused provincial strategic direction.

During the period under review the Department of the Premier worked to achieve the following strategic objectives in pursuit of its outcome orientated goals:

| Strategic goal  | Strategic objectives   |
|---|--|
| <p><b>Goal 1</b><br/>Render relevant and timeous secretariat services, office and administrative support to the Executive of the Western Cape Government</p>                                  | <p><b>Strategic Objective 1.1</b><br/>To enable effective governance through the provision of a personal and administrative support service to the satisfaction of the Premier.</p> <p><b>Strategic Objective 1.2</b><br/>To enable effective governance by the Executive through the provision of accessible executive secretariat and administrative support, strategic guidance and content on international relations and human rights.</p> <p><b>Strategic Objective 1.3</b><br/>To provide relevant departmental management support (departmental strategy and finance and administration) and operational support to enable the Director-General to execute statutory duties, roles and responsibilities.</p>   |
| <p><b>Goal 2</b><br/>Ensure coherent management and implementation of the provincial strategic plan through methodologically sound provincial policy and information for the Western Cape</p> | <p><b>Strategic Objective 2.1</b><br/>To strategically support the Executive in governing the province through the development of methodologically sound provincial policies and planning as well as the facilitation and evaluation/assessment of transversal strategies and programmes.</p> <p><b>Strategic Objective 2.2</b><br/>To support the Executive in governing the province through the provision of accurate strategic management information, by measuring the results of the provincial strategic objectives and its outcomes.</p> <p><b>Strategic Objective 2.3</b><br/>To coordinate external communication and to ensure that the provincial government communicates the delivery intents and outcomes of the provincial strategic plan to the people of the Western Cape.</p>  |
| <p><b>Goal 3</b><br/>To achieve good corporate governance through effective, efficient and professional corporate services in the Western Cape Government</p>                                 | <p><b>Strategic Objective 3.1</b><br/>To provide a human capital system that enables an appropriate workforce contributing to optimal service delivery by the provincial government.</p> <p><b>Strategic Objective 3.2</b><br/>To enable optimal service delivery by providing strategic direction and innovative information and communication technologies in the provincial government.</p> <p><b>Strategic Objective 3.3</b><br/>To provide corporate assurance services that is risk and control directed and promote zero tolerance for fraud and corruption, resulting in continuous improvement in the control environment of all departments in the provincial government.</p> <p><b>Strategic Objective 3.4</b><br/>To provide legal support encompassing legislative drafting, litigation support and corporate legal advisory services, ensuring provincial government management that is sound in law and based on the Constitution of the Republic of South Africa.</p> <p><b>Strategic Objective 3.5</b><br/>To ensure uniform application of provincial messaging and branding through rendering corporate communication services.</p> |



#### 2.1.4 Overview of the service delivery environment for 2011/12

The Department of the Premier achieved most of its indicators for the year under review.

The Department of the Premier's core function does not lend itself to direct service delivery to the public. It is predominantly a centre of government agency which means that its functions are internally directed and governance related. Based on its core functions it supports the Premier and Executive in guiding the strategic direction of the province and renders a corporate support function to the rest of the provincial government. Given its transversal role, the Department functioned in a particular context as outlined below.

Delivery on the Department's indicators was in many instances not within its direct sphere of control, but rather dependent on the Department's ability to influence a wide variety of stakeholders to support the achievement of its targets against selected indicators. The importance of these indicators and related targets were not always fully understood by client departments. Commitment from heads of department was obtained through face-to-face meetings and by using structures such as the Provincial Top Management meeting.

Similarly, it is often difficult to obtain the cooperation of other public sector institutions external to the Western Cape due to different service delivery priorities. On occasion it required intervention on an executive level to commit external institutions to programmes and projects.

Reporting or commenting deadlines set by other spheres of government were not always feasible. It required of managers to rotate work or to reprioritise deliverables internally.

In some instances, an increase in demands for transversal services (as rendered by the Corporate Services Centre) from other provincial government departments placed strain on the available resources of the Department. The effect of ad hoc requests for assistance was mitigated to some extent through entering into service level agreements with other departments.

The following additional allocations and shifts to other votes were appropriated by Vote 1: Department of the Premier:

- (R50 000) shifted for the 17th United Nations Framework Convention on Climate Change Conference of Parties (COP17).
- (R250 000) shifted for the Surveillance Research Project.
- (R200 000) shifted for Accessibility Analysis of Thusong Service Centres.
- (R2 679 000) shifted for the Employee Assistance Programme (EAP).

The Department's core functions were directed towards ensuring that the province becomes the best-run regional government in the world. There is significant synergy with national outcome 12, "An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship." A large number of the deliverables contained in the provincial strategic objective related to building the best-run regional government in the world were in direct support of national outcome 12, especially as it relates to the deliverables of Programme 3, Human Capital (including organisational development, the Provincial Training Institute and human resource management), Programme 4, Centre for e-Innovation and Programme 5, Corporate Assurance (enterprise risk management, internal control, forensic investigations and legal services). Deliverables by these programmes contributed directly to the national outputs relating to improved access and quality of services, human resource management and development, business processes, systems, decision rights and accountability, citizen participation and reducing corruption.

There were no budget rollovers from 2010/11.

### 2.1.5 Overview of the organisational environment for 2011/12

It is often difficult to obtain the right mix of skills to enable agility in how the Department responds to a range of unanticipated or unplanned issues. Contract appointments, where vacancies existed, were made to source in the right mix of skills.

Significant progress was made with the filling of vacancies in the Department as a whole. Whilst the rate at which vacancies are being filled still does not meet that of industry standards, various business process improvements and work organisation interventions were introduced to improve the rate. In addition, measures were put in place to dedicate specific time to the filling of critical vacancies. At year-end the vacancy rate was 23.3%.

Processes were also put in place to ensure that organisational structures were reviewed where demands for services have increased or functions were expanded. These were included in MTEC policy proposals, but due to a tight national fiscal envelope, not always able to be funded.

Procurement processes tended to be cumbersome, not always well understood and at times not well planned. Internal awareness sessions were conducted to alleviate some of the difficulties. Greater emphasis was also placed on proper demand management planning.

Capacity constraints hampered delivery in some key business units such as internal audit (where audit coverage remained low) and the forensic investigative function. In terms of the latter, the function was successfully outsourced and is now being managed in terms of a contract.

It is often difficult to formulate relevant and appropriate indicators for services that are demand-based, such as for the corporate communication function. For the new financial year, more appropriate indicators will be considered.

The key senior posts in the Department of the Premier were relatively stable in the period under review with no significant resignations or appointments.

### 2.1.6 Key policy developments and legislative changes

No significant changes occurred during the 2011/12 financial year.

### 2.1.7 Departmental revenue, expenditure, and other specific topics

#### Collection of departmental revenue

The Department over-collected revenue by R1 129 000 by ensuring, on an ongoing basis, that all revenue is collected. The better than anticipated performance is mainly due to the fact that claims were received late for staff transferred (after end of financial year) and training courses. The Department ensured optimal raising of revenue by evaluating tariffs on an annual basis and by continuously evaluating measures to ensure efficiency and effectiveness.

Table 2.1.7.1: Sources of revenue of the Department of the Premier:

|   | 2008/09<br>Actual | 2009/10<br>Actual | 2010/11<br>Actual | 2011/12<br>Target | 2011/12<br>Actual | % deviation<br>from target<br>R'000 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------------------|
| Tax revenue   | –                 | –                 | –                 | –                 | –                 | –                                   |
| Non-tax revenue   |                   |                   |                   |                   |                   |                                     |
| Sales of goods and services                             | 779               | 1 132             | 661               | 581               | 526               | (9.46)                              |
| Transfers received (donation)                           | –                 | –                 | –                 | –                 | –                 | –                                   |
| Other   | –                 | 38                | 16                | 10                | 38                | 280.00                              |
| Sales of capital assets (capital revenue)               | –                 | –                 | –                 | –                 | –                 | –                                   |
| Financial transactions (recovery of loans and advances) | (115)             | 423               | 1 067             | –                 | 1 156             | –                                   |
| <b>Total departmental receipts</b>                      | <b>664</b>        | <b>1 593</b>      | <b>1 744</b>      | <b>591</b>        | <b>1 720</b>      | <b>191.03</b>                       |

### 2.1.8 Departmental expenditure

The Department spent 99.78% of its budget. This under-expenditure had no effect on service delivery, while measures were continuously evaluated in order to improve the economy and efficiency of spending. The main reason for the under-spending is as a result of the disestablishment of the Provincial Development Council on 5 December 2011.

The table below provides a high-level summary of the expenditure incurred by the Department against budget. More detail can be found in the appropriation report included in Part 3 of this report.

Table 2.1.8.1: Departmental expenditure against allocated budget for 2011/12

| Programmes   | Voted for<br>2011/12<br>R'000 | Rollovers<br>and<br>adjustments<br>R'000 | Virements<br>R'000 | Total<br>voted<br>R'000 | Actual<br>expenditure<br>R'000 | Variance<br>R'000 |
|--------------|-------------------------------|--|--------------------|-------------------------|--------------------------------|-------------------|
| Programme 1  | 64 466                        | 2 258                                    | 1 148              | 67 872                  | 67 313                         | 559               |
| Programme 2  | 31 826                        | (1 470)                                  | (1 546)            | 28 810                  | 28 718                         | 92                |
| Programme 3  | 116 808                       | 2 403                                    | 8 530              | 127 741                 | 127 695                        | 46                |
| Programme 4  | 394 823                       | –  | (4 259)            | 390 564                 | 389 726                        | 838               |
| Programme 5  | 89 274                        | (6 370)                                  | (3 873)            | 79 031                  | 78 993                         | 38                |
| <b>Total</b> | <b>697 197</b>                | <b>(3 179)</b>                           | <b>–</b>           | <b>694 018</b>          | <b>692 445</b>                 | <b>1 573</b>      |

## 2.1.9 Transfer payments

The table below provides a summary of the transfer payments made, which therefore do not constitute final expenditure by the Department. More detail can be found in the annexures to the Annual Financial Statements included in Part 3 of this report.

Table 2.1.9.1: Transfer payments

| Name of institution                               | Amount transferred R'000 | Actual expenditure R'000 |
|---|--------------------------|--------------------------|
| Provincial Development Council                    | 2 943                    | 2 943                    |
| Library Business Corners                          | 9 800                    | 9 800                    |
| Cape Higher Education Consortium                  | 500                      | 500                      |
| Transfers to non-profit institutions              | 743                      | 743                      |
| Transfers to households (severance packages etc.) | 3 391                    | 3 391                    |
| <b>Total</b>                                      | <b>17 377</b>            | <b>17 377</b>            |

### The Provincial Development Council

The state of human development in the Western Cape in particular, has required the development and pursuit of a programme to address issues such as economic growth, skills development and poverty. The relationship between the state and its citizens was facilitated by the establishment and development of an array of institutional mechanisms such as the Provincial Development Council (PDC) championing public participation and social dialogue.

The PDC was legislatively mandated to act as the platform for social dialogue amongst social partners within the Western Cape Province. Social dialogue is, however, a mechanism through which public participation tools can be used and there are a range of definitions for what constitutes public participation. The PDC endeavoured to provide a platform for social dialogue which moves beyond placation to foster partnerships between various social partners.

The Council was funded by the provincial government to discharge functions that had to be administered in terms of the Public Finance Management Act (PFMA). Both the administrative and financial functions were guided by the PDC Strategic Management/Work Plan that outlined how and when activities will take place, consistent with the PDC core business and how it will be resourced. The Western Cape Government was the sole funder of these activities. Here, the functioning of the Council that is entrusted with deciding on the nature of the work programme has been critical in providing strategic direction. It, together with its committees and the services provided by its administrative component, absorbed the bulk of the core budget that was detailed in its Strategic Management Plan and Annual Work Plan. In the event that certain agencies requested the PDC to perform the work consistent with its mandate, they were required to fund these off-budget activities on a cost recovery basis. The extent to which this arrangement has been implemented would have been assessed using the results of the internal and external audit processes.

The PDC submitted a strategic management plan as well as a budget, which was fitted into the budget of the Department of the Premier. It also submitted quarterly performance reports to the Department as well as to Provincial Treasury. Quarterly submissions of expenditure and requirements for the next quarter were also submitted. Financial statements were submitted and audited by the Auditor-General. The annual report was submitted to the Legislature and Treasury. The PDC also had a functional audit committee which operated separately from the Department's audit committee. Because Cabinet was not satisfied with the governance, corporate and operational effectiveness and efficiency of the institution, the decision to close down the PDC was taken in 2010, but the legal process to dissolve the PDC was only concluded in December 2011. A closing report (audited financials and annual report) on the PDC is being finalised.

## **Cape Higher Education Consortium (CHEC)**

A Memorandum of Agreement (MoA) was signed between the Western Cape Government and the Vice-Chancellors of the public universities located in the Western Cape in 2006. This partnership has been established premised on the view that vibrant and strong higher education institutions play an important role in supporting regional social and economic development, through the provision of high level skills, research, community engagement and innovation. To give effect to this MoA, a Joint Task Team comprising representatives from the Western Cape Government and the four Higher Education Institutions in the province has had scheduled discussions and overseen a number of initiatives.

During the financial year 2011/12, a number of joint initiatives were undertaken and strengthened to contribute to increased knowledge and improved collaboration. These initiatives included the Disaster Risk Management collaboration which entails an active partnership between the Provincial Disaster Management Centre and the universities where postgraduate students have undertaken a range of research projects that address some of the priorities of the region; a best practice framework for student bursary support in which seminars and workshops have been held with the National Student Financial Aid Scheme, the Western Cape SETA cluster, the NBI and provincial government to share information on their approaches to bursary support as a basis for the development of best practice guidelines for bursary support; contribution to the development of the Regional Innovation Strategy wherein the universities continue to work with the Department of Economic Development and Tourism to assist in the establishment of the Regional Innovation Forum and Regional Innovation Strategy; and the Future Cape initiative where CHEC supported the province in the initiation of the Future Cape initiative by hosting workshops and drafting a contextual report which currently serves as a departure point of discussion with a range of stakeholders.

Monthly meetings were held between the Department and CHEC where project progress was assessed by the Department. These projects constituted the deliverables that CHEC received funding for as part of the transfers. A monitoring process was therefore in place. In addition, CHEC also provides the Department with an annual financial report. A process is currently underway to develop the next three-year strategic plan.

## **Library Business Corners**

Cape Access is one of the key programmes for increasing digital literacy within the Western Cape Province. By providing ICT training as well as access to e-mail, the Internet and other productivity tools, poorer and disadvantaged communities are empowered to access information and services that brings with it opportunities with life-changing potential. Through the e-centres they have access to government services and products, they have access to various online services, they can communicate more effectively with government, they have access to important information such as new business opportunities and jobs, and they can also transact online. More importantly, communities can now be connected to other communities within the province, around South Africa and the world.

Cape Access contributes to empowering poorer communities to tackle the challenges of poverty much better than before. Through the Cape Access project 25 e-Centres comprising six to twelve computers with Internet access were established throughout the province in public libraries, schools, multi-purpose centres and other access points. These centres are open for use by anyone but with a focus on poor and marginalised rural communities. Usage is free of charge, but time-limited (45 minutes per person) on a daily basis. Members are able to use e-mail and are assisted by trained facilitators to set up their own e-mail addresses and mailboxes. Each computer provides typical computer productivity tools (Word, Excel, PowerPoint, e-mail), as well as access to the Internet. Training to facilitators and an organisational framework are provided. Two contract staff employees, funded by the Cape Access programme, are appointed from the local community to provide facilitation and training services in the centres. These contract employees are also trained and properly certified before providing accredited ICT training at the centres.

Transfer funding is spent primarily on the following broad expenditure categories relating to the operations of the centre:

- Community specific projects
- Salaries and stipends
- Rental
- Telephony and internet connectivity
- Technology refresh
- Establishing of new e-centres
- ICT training of staff and the community
- Stationery (cartridges, paper, etc.)

This office has not requested the written assurance from Library Business Corners (LBC) that it implements effective, efficient and transparent financial management and internal control systems, as it accepted that the unqualified audit report submitted by Library Business Corners served as confirmation of the existence of effective, efficient and transparent financial management and internal control systems. Regular meetings are held with the LBC management to discuss progress of projects and to monitor spending in line with the budget. The Ce-I also hosts two bi-annual Chairpersons Forum Meetings where it meets with the chairpersons of all e-Forums. At these forums issues of governance are discussed and Ce-I provides strategic leadership to the forums in order to ensure that their strategies are aligned with those of the WCG. The budget and expenditure are discussed during meetings with LBC. The annual financial statements of LBC also provides information on the application of funding received from the WCG. Furthermore, LBC does provide the department with confirmation that the funds were utilised for its intended purpose.

#### **Transfers to households**

R3 391 000 was transferred to households. This included mainly severance packages of former PDC staff (R3 122 000), but also leave gratuities for employees who retired and/or resigned (R264 000) and injury on duty (R5 000).

#### **Other transfers to non-profit institutions**

Other transfers to non-profit institutions included donations (no monitoring required). These are not regarded as transfers as contemplated in section 38(1)(j) of the Public Finance Management Act, Act 1 of 1999. The Department of the Premier monitors transfers in terms of its own approved transfer payments policy.

#### **2.1.10 Public entities**

The only public entity that resorted under the Department was the Provincial Development Council (PDC) which was disestablished on 5 December 2011. The work programme of the PDC had been informed by the signing of the Framework Agreement for Growth and Development in the Western Cape on 14 November 2003. The Framework Agreement was developed through an extensive consultation process involving government, organised business, organised labour and civil society formations from the onset. The Framework Agreement provided the basis for the design and implementation of processes of social dialogue that informed partnership formation for a three-year period. This culminated in the review of the Framework Agreement and the adoption of the consensus based Resolution for Provincial Growth and Development at the Triennial Summit held on 16 October 2007. There was a change in the political administration in the Western Cape during 2009. Government subsequently developed its 12 strategic objectives to navigate them to achieve an "open opportunity society for all".

The Framework Agreement for Growth and Development in the Western Cape and the Resolution for Provincial Growth and Development identified a series of key priority areas for intervention, which informed and directed the PDC work programme. The initial 12 strategic objectives of provincial government were not directly incorporated into the work programme of the PDC. Attempts were made by the PDC especially through the Specialist Committee deliberations to ensure that government's strategic priorities were incorporated and infused into the PDC work programme in an attempt to achieve alignment.

The reality, however, is that the PDC work programme items mirrored the strategic objectives of the Western Cape Government. The PDC therefore attempted to mainstream many of its work programme items to be in line with the strategic objectives of government. Despite this, the outcomes of these processes in the main did not inform government policy or programmes. The disjuncture between the PDC work programme and the absence of government's strategic objectives impeded the functioning of the PDC structures.

The items on the work programme of the PDC consisted of approximately 43 issues. These items are discussed within the area of planning and integration and the three specialist committees of the PDC, namely (i) economic participation, enterprise development and employment creation (ii) human resource and social development and (iii) infrastructure, spatial development and sustainable human settlements. Considerable progress has been made on a range of issues that were identified for deliberations. The level of progress recorded and the nature of involvement on these issues varies per specialist committee.

The items on the PDC work programme had, to a large extent, focused on policy and sector strategy development, especially since the organisation is not responsible for the implementation of programmes and projects. The reality is that the work of the PDC had never been viewed by certain social partners in terms of the entire value chain of policy development, implementation, monitoring and evaluation and review.

In 2009 the Premier appointed a task team to review the mandates, performance and effectiveness of all public entities in the province, including the PDC. From the review it became clear that the PDC had failed to focus on its key mandate of fostering social dialogue; underperformed on its own work plan and targets; experienced prolonged governance challenges; had a limited value addition to the programmes of its stakeholders; had limited public and broader civil society representation; and was not effective in mobilising public support and engagement. After considering the review report and its findings, and following a lengthy public consultation process, the Cabinet resolved to repeal the PDC Act through the Provincial Legislature and disestablished the PDC on 5 December 2011.

The Constitution does not prescribe the institutional form and structure of public participation (S195). Furthermore, the Constitution confers power on the Executive to decide how it wants to conduct public participation. Cabinet also felt that existing platforms for stakeholder engagements are adequate, i.e. departments report to the public via parliament and departments engage directly with the public on policies, legislation and programmes.

#### **2.1.11 Conditional grants and earmarked funds**

The Department received no conditional grants or earmarked allocations from National Treasury.

#### **2.1.12 Capital investment, maintenance and asset management plan**

##### **Capital investment, maintenance and asset management**

The Department's capital investments are restricted to the movable assets in respect of computer equipment (infrastructure and end-user) and furniture.

Details regarding the amounts in respect of the movable assets of the Department can be found in note 29 of the Annual Financial Statements. The asset register is updated immediately with acquisitions, disposals and any other movements of assets. Information Technology assets includes a three-year warranty in the event that an asset breaks down.

The Department submitted its input in terms of the Government Immovable Asset Management Act, 2007 (GIAMA) to the provincial Department of Transport and Public Works.

## 2.2 PROGRAMME PERFORMANCE

The activities of the Department were organised in the following programmes:

- Programme 1: Executive Support providing for the Offices of the Premier and Director-General and Executive Secretariat.
- Programme 2: Provincial Strategic Management providing for Policy and Strategy, Strategic Management Information and Strategic Communication.
- Programme 3: Human Capital providing for Organisation Development, Provincial Training Institute and Human Resource Management.
- Programme 4: Centre for e-Innovation providing for Strategic ICT Services and GITO Management Services.
- Programme 5: Corporate Assurance providing for Enterprise Risk Management, Internal Audit, Forensic Investigative Unit, Legal Services and Corporate Communication.

### 2.2.1 Programme 1: Executive Support (Administration)

#### Purpose

The purpose of this programme is to render relevant and timeous secretariat services, as well as office administrative support to the Executive of the Western Cape Government.

#### Strategic objectives

##### **Sub-programme 1.2: Office of the Premier**

To enable effective governance through the provision of a personal and administrative support service to the satisfaction of the Premier.

##### **Sub-programme 1.3: Executive Secretariat**

To enable effective governance by the Executive through the provision of accessible executive secretariat and administrative support, strategic guidance and content on international relations and human rights.

##### **Sub-programme 1.4: Office of the Director-General and Sub-programme 1.5: Departmental Finance and Administration**

To provide relevant departmental management support (departmental strategy and finance and administration) and operational support to enable the Director-General to execute statutory duties, roles and responsibilities.

#### Performance indicators and targets

*Programme 1: Executive Support realised a number of significant achievements:*

- 104 executive and management engagements were supported.
- 21 human rights projects were managed.
- 34 international incoming and outgoing delegations were managed.
- Six reports were submitted to Cabinet on delivery against international agreements.
- Two monitoring reports on the provincial benefits derived from the implementation of Regional Leaders' Summit resolutions and other active agreements were submitted.
- A new survey to measure the quality of support rendered to the Director-General was successfully implemented.
- An unqualified audit with one other matter received for the 2010/11 financial year.
- 99.78% of the budget for the 2010/11 financial year was spent.
- The vacancy rate in terms of key finance posts was significantly reduced. 78% of vacancies were filled.
- The achievements in this programme contributed directly to the departmental strategic goal of rendering relevant and timeous secretariat services, office and administrative support to the Executive of the Western



Cape Government. Managed engagements enabled the Executive to make strategic decisions and to provide strategic policy direction for the province thereby ensuring governance of the province. It also served to foster mutually beneficial intergovernmental relations with other regions in the world. The better than anticipated performance against human rights projects indicates the commitment of the Executive to entrench human rights in the province.

- Personal and administrative support enabled the Premier and Director-General to execute their mandated functions. The Director-General was further supported in the performance of his duties as Accounting Officer of the Department through the delivery of departmental strategic planning and financial management.
- This programme also contributed directly to Provincial Strategic Objective 12. The successful management of international partnerships has contributed to the outcome theme “efficient and transparent institutional governance” as these types of partnerships is key to harnessing international resources and benefits for the province.
- The financial performance of the Department contributed to the outcome theme related to “financial management” as part of an effort to continuously improve financial governance in the province. Management also adopted and monitored a Financial Management Improvement Plan (FMIP) to achieve this theme.

### Programme 1: Executive Support (Administration)

Table 2.2.1.1: Performance of Programme 1: Executive Support (Administration)

| Performance indicator                           | Baseline (actual output) 2010/11  | Actual performance against target |                                | Reason for variance/comments  |  |
|---|---|-----------------------------------|--------------------------------|-------------------------------|--|
|   |   | Target (2011/12)                  | Actual (2011/12)               |                               |  |
| <b>Sub-programme 1.1: Programme Support</b>     |   |                                   |                                |                               |  |
| 1.1.1   | All legislatively required reports are submitted in terms of departmental timeframes                        | N/A                               | No instances of non-compliance | No instance of non-compliance |  |
| <b>Sub-programme 1.2: Office of the Premier</b> |   |                                   |                                |                               |  |
| 1.2.1   | Level of Premier's satisfaction in respect of a personal support service rendered, measured in a given year | N/A                               | 80 – 85%                       | 99%                           | Measured quarterly by administering a survey.  |
| <b>Sub-programme 1.3: Executive Secretariat</b> |   |                                   |                                |                               |  |
| 1.3.1   | Number of Executive and management engagements supported  | 96                                | 100                            | 104                           | There were Executive Committee and Provincial Top Management meetings that had to be arranged outside the annual calendar.   |
| 1.3.2   | Number of human rights priority projects managed  | 15                                | 6                              | 21                            | Additional projects generated as a result of community interactions with the Office of the Human Rights Champion. Human Rights cases varying from Child Maintenance (40), Human Settlement cases (50), Social Grants for the elderly (20), School Rebates with the Department of Education (3), Dial A Ride with City of Cape Town, Social grants for HIV/Aids, Disability Rights in Informal Settlements with Department of Human Settlements, Children Abuse in Farms with Municipalities, Relocating of Communities, e.g. Tambo Square, with City of Cape Town. |

| Performance indicator                                    |  | Baseline (actual output) 2010/11 | Actual performance against target |                  | Reason for variance/comments   |
|--|--|----------------------------------|-----------------------------------|------------------|--|
|  |  |                                  | Target (2011/12)                  | Actual (2011/12) |  |
| 1.3.3  | Expected number of international incoming and outgoing delegations managed   | 22                               | 10                                | 34               | External factors like invitations and courtesy calls had a major impact on the variance between annual target and annual output, but no impact on the budget, since many of the gifts that are exchanged during courtesy calls have already been procured.   |
| 1.3.4  | Number of reports submitted to Cabinet on delivery against all international agreements  | N/A                              | 4                                 | 6                | The variance is informed by the need to report on the status of International Agreements, as well as projects derived from them. No financial impact.  |
| 1.3.5  | Number of monitoring reports on the provincial benefits derived from the implementation of Regional Leaders' Summit resolutions and other active agreements          | N/A                              | 2                                 | 2                | Some of the benefits include: <ul style="list-style-type: none"> <li>• Strengthen bilateral relations with the other member states of the Regional Leaders' Forum, e.g. the attendance of the Biofach International Expo in Bavaria, World Sustainable Energy Days (Austria), etc.</li> <li>• Promote the Western Cape as a preferred trade and investment destination, within the framework of the Regional Leaders' Summit, e.g. the hosting of the South African Cheese Festival to promote the cheese industry in the Western Cape.</li> <li>• Exchange of international best practices e.g. attendance of the Convention on Integrated Transport: Innovative Tools with Quebec, Canada.</li> <li>• Ensure additional market access for Western Cape businesses, particularly the emerging markets like China, Brazil, e.g. the attendance of the Yantai International Wine Festival through which the Western Cape is promoting the export of wine to China.</li> </ul> |
| <b>Sub-programme 1.4: Office of the Director-General</b> |  |                                  |                                   |                  |  |
| 1.4.1  | Number of departmental governance dashboard reports compiled for assessment by the departmental Executive Management Committee for corrective interventions required | N/A                              | 4                                 | 1                | No agenda template for quarterly governance reporting at a departmental management meeting was in place. Approach to management meetings is being revised.   |
| 1.4.2  | Level of Director-General's satisfaction in respect of a personal support service rendered, measured in a given year   | N/A                              | 80% – 85%                         | 83%              |  |

| Performance indicator   | Baseline (actual output) 2010/11  | Actual performance against target |   | Reason for variance/comments            |  |
|---|---|-----------------------------------|---|---|--|
|   |   | Target (2011/12)                  | Actual (2011/12)                              |   |  |
| <b>Sub-programme 1.5: Departmental Finance and Administration</b> |   |                                   |   |   |  |
| 1.5.1   | An unqualified audit with no emphasis of matters in respect of the preceding year   | 1                                 | Unqualified audit with no emphasis of matters | Unqualified audit with one other matter | Province-wide non-compliance with the submission of SBD4 declaration of interest of quotes obtained via EPSi led to one emphasis of matter.  |
| 1.5.2   | Percentage spend on the budget of the Department achieved in respect of the preceding financial year                      | 99.61%                            | 98% – 100%                                    | 99.78%                                  |  |
| 1.5.3   | Percentage of finance posts filled<br>Baseline: 54% of 78 posts filled  | N/A                               | 90% – 100%                                    | 78%                                     | Seven staff appointed. ASD: Asset Management advert closed March 2012 and SL 8 Provisioning interview held March 2012. Certain of the posts filled were internal appointments and resulting vacancies to be advertised in first and second quarter of 2012/13 financial year.  |
| 1.5.4   | Number of assets not accounted for. Baseline: x number out of 17 000 assets   | N/A                               | Nil   | 138                                     | Constitutes less than 1% of the total assets. Assets in outlying areas are moved and these movements are beyond our control. Asset controllers were appointed per component. A number of critical posts in asset management were advertised or readvertised.   |
| 1.5.5   | Number of invoices not finalised within 30 days after receipt<br>Baseline: Total number of unopposed invoices             | N/A                               | Nil   | 10                                      | Payments late as a result of incorrect bank details received from service providers or having to wait for details. Followed up details with service providers.   |
| 1.5.6   | Date by when the Accounting Officer has approved a reviewed and/or updated Accounting Officer System for the ensuing year | N/A                               | AO system approved by 31 March 2012           | Nil                                     | Comments were received on the draft system and evaluated. The Accounting Officer System could not be updated and finalised due to urgent procurement matters taking precedence and we were and still are awaiting the new Accounting Officer System template from Provincial Treasury. The system will be finalised in the 2012/13 financial year after receipt of the required template from the Provincial Treasury. |

No changes were made to in-year targets.

N/A denotes that the indicator was new and did not exist prior to the 2011/12 financial year.

## 2.2.2 Programme 2: Provincial Strategic Management

### Purpose

The purpose of this programme is to ensure coherent management and implementation of the Provincial Strategic Plan through methodologically sound provincial policy and information for the Western Cape.

### Strategic objectives

#### **Sub-programme 2.2: Policy and Strategy**

To strategically support the Executive through the development of methodologically sound provincial policies and planning as well as the facilitation and evaluation/assessment of transversal strategies and programmes.

#### **Sub-programme 2.3: Strategic Management Information**

To support the Executive in governing the Province through the provision of accurate strategic management information, by measuring the results of the provincial strategic objectives and its outcomes.

#### **Sub-programme 2.4: Strategic Communication**

To coordinate external communication and to ensure that the Western Cape Government communicates the delivery intents and outcomes of the Provincial Strategic Plan to the people of the Western Cape.

### Performance indicators and targets

The **Sub-programme Policy and Strategy** achieved the following deliverables:

- One assessment report containing analysis of the alignment of all 12 Departments' annual performance plans with the Provincial Strategic Plan.
- 39 policy papers and commentary on national and provincial policies and laws were done.
- Provincial Transversal Management Report and Mid-term Review Report for Cabinet Bosberaad were submitted to Cabinet.

The **Sub-programme Strategic Management Information** has achieved the targets set for the period under review. Key deliverables included:

- The level of maturity tested for Programme and Project Management in the Western Cape Government as per implementation through the Department of the Premier. A level 2.1 maturity was achieved against the target of 2 set in the annual performance plan.
- The level of maturity tested for Results-Based Monitoring and Evaluation in the Western Cape Government as per implementation through the Department of the Premier. A level 2.4 maturity was achieved.
- The level of maturity tested for Spatial Information Management achieved a level 2.2 maturity rating.
- Phase 2 was completed of an automated and integrated monitoring and evaluation system for improving the measurement of provincial-wide performance. This delivered a Business Intelligence pilot for the implementation of the Provincial-Wide Monitoring and Evaluation System and Central Repository.

The **Sub-programme: Strategic Communication** submitted a communication and brand compliance report to Cabinet. Only one report was submitted due to the delay in rollout of the brand.

A new departmental strategic objective has been developed and therefore a new sub-programme, namely Strategic Projects was created in Programme 2: Provincial Strategic Management. This objective has been developed in order to strategically support the Executive in facilitating major events/projects with provincial growth and development potential at interdepartmental, intergovernmental and/or inter-sectoral level. The performance indicators for this sub-programme appear in the Annual Performance Plan for 2012/13 and it will be reported on in the next financial year.

Deliverables in this programme contributed directly to Provincial Strategic Objective 12 through inculcating a strategic management approach focusing on performance on the levels of outputs, outcomes and impacts. Measuring of performance enables improved quality and access to services delivered by government. As such, deliverables in this programme also made a significant contribution to national outcome 12.

## Programme 2: Provincial Strategic Management

Table 2.2.2.1: Performance of Programme 2: Provincial Strategic Management

| Performance indicator                         |   | Baseline (actual output) 2010/11 | Actual performance against target |                               | Reason for variance  |
|---|---|----------------------------------|-----------------------------------|-------------------------------|--|
|   |   |                                  | Target (2011/12)                  | Actual (2011/12)              |  |
| <b>Sub-programme 2.1: Programme Support</b>   |   |                                  |                                   |                               |  |
| 2.1.1   | All legislatively required reports are submitted in terms of departmental timeframes.   | N/A                              | No instances of non-compliance    | No instance of non-compliance |  |
| <b>Sub-programme 2.2: Policy and Strategy</b> |   |                                  |                                   |                               |  |
| 2.2.1   | Number of assessment reports on the alignment of the Department's annual performance plans with the Provincial Strategic Plan | 12                               | 2                                 | 2                             | The report delivered in Quarter 2 related to one report containing information on the alignment of departmental annual performance plans with the Provincial Strategic Plan as part of the MTEC1 process. The Mid-term Review Report as indicated under indicator 2.2.3 also accounts for this indicator as it contained information on departmental strategic alignment with the 12 Provincial Strategic Objectives.                                    |
| 2.2.2   | Estimated number of policy papers in response to national and provincial strategic imperatives                                | N/A                              | 20                                | 39                            | 39 policy papers and commentary on national and provincial policies and laws were done. These included, amongst others, inputs into UN Development Assistance Framework; Green Paper on Higher Education and Training; Draft White Paper on Safety and Security; Proposed amendments to National Youth Development Agency Act; Provincial Museum Policy; Special Economic Zones Bill and Policy Paper; BEE Procurement Policy; Green Procurement Policy. |
| 2.2.3   | Number of six-monthly and annual policy reports submitted to Cabinet on the implementation of the Provincial Strategic Plan   | N/A                              | 3                                 | 2                             | Provincial Transversal Management (PTMS) Report; Mid-term Review Report (MTR) for Cabinet Bosberaad. Original decision was three reports, but as the year progressed it became evident that the need for two reports, PTMS and Mid-term Review, would be sufficient to cover the output for the year. Both PTMS and MTR as inputs into Cabinet Bosberaad – compilation into presentation counts as summary for the year's work.                          |

| Performance indicator                                      | Baseline (actual output) 2010/11   | Actual performance against target |                   | Reason for variance/comments |   |
|--|--|-----------------------------------|-------------------|------------------------------|---|
|  |  | Target (2011/12)                  | Actual (2011/12)  |                              |   |
| <b>Sub-programme 2.3: Strategic Management Information</b> |  |                                   |                   |                              |   |
| 2.3.1  | Enable the level of programme and project management maturity achieved in the provincial government measured by way of an internationally acceptable instrument<br>Baseline: Level 1 (based on a 5-level model)        | N/A                               | 2                 | 2.1                          | The level of maturity tested for Programme and Project Management in Western Cape Government as per implementation through the Department of the Premier.               |
| 2.3.2  | Enable the level of results-based monitoring and evaluation maturity achieved in the provincial government measured by way of an internationally acceptable instrument<br>Baseline: Level 0 (based on a 5-level model) | N/A                               | 1                 | 2.4                          | The level of maturity tested for Results-Based Monitoring and Evaluation in Western Cape Government as per implementation through the Department of the Premier.        |
| 2.3.3  | Enable the level of spatial information management maturity achieved in the provincial government measured by way of an internationally acceptable instrument<br>Baseline: Level 0 (based on 5-level model)            | N/A                               | 1                 | 2.2                          | The level of maturity tested for Spatial Information Management in Western Cape Government as per implementation through the Department of the Premier.                 |
| 2.3.4  | Progress with the phased development of an automated and integrated Monitoring and Evaluation system for improving the measurement of provincial-wide performance<br>Baseline 4 phases                                 | Phase 1 completed                 | Phase 2 completed | Phase 2 completed            | Phase 2 completed which delivered a Business Intelligence pilot for the implementation of the Provincial-Wide Monitoring and Evaluation System and Central Repository.  |
| <b>Sub-programme 2.4: Strategic Communication</b>          |  |                                   |                   |                              |   |
| 2.4.1  | Number of six-monthly and annual policy reports submitted to Cabinet on the status of provincial strategic communication   | N/A                               | 4                 | 1                            | The communication and brand compliance report is for the period 1 October 2011 to 31 March 2012. Only one report was compiled due to the delay in rollout of the brand. |
| 2.4.2  | Number of assessment reports submitted to Cabinet on the provincial government communications environment and on ministerial and departmental performance<br>Baseline: 12 reports                                      | N/A                               | 12                | 12                           |   |

No changes were made to in-year targets.

N/A denotes that the indicator was new and did not exist prior to the 2011/12 financial year.

## 2.2.3 Programme 3: Human Capital (Corporate Services Centre)

### Purpose

The purpose of this programme is to achieve good corporate governance through effective, efficient and professional corporate services in the Western Cape Government. The Department's strategic goal of achieving good corporate governance encompasses the functions and services provided by the Corporate Services Centre. The Corporate Services Centre consists of three programmes: Programme 3 (Human Capital), Programme 4 (Centre for e-Innovation ) and Programme 5 (Corporate Assurance). As such, each of the above programmes only had one strategic objective which it contributed to on the programme level. A further strategic distinction was not made on the sub-programme level in respect of these programmes, the rationale being that a number of functions and services may strategically contribute to the achievement of a specific strategic goal.

### Strategic objectives

#### **Sub-programme 3.2: Organisation Development, Sub-programme 3.3: Provincial Training Institute and Sub-programme 3.4: Human Resource Management**

To provide a human capital system that enables an appropriate workforce contributing to optimal service delivery by the Western Cape Government.

### Performance indicators and targets

The sub-programme, Organisation Development registered the following achievements:

- Provincial Assessment Centre established.
- Various interventions (57) that potentially contributed to the reduction of entropy and the improvement of congruence between current and desired organisational culture.
- A new provincial employee health and wellness transversal contract was concluded in the fourth quarter.
- Organisational design and process improvement projects (13) were conducted to improve the efficacy of organisational service delivery in line with strategic and operational mandates and priorities.
- Various initiatives (7) that contributed to the enhancement of citizens' service delivery experiences of Western Cape Government institutions were implemented.
- Initiatives (3) that contributed to competency based human resource practices were implemented.

The sub-programme Provincial Training Institute (PTI) registered the following achievements:

- 45 transversal human capital development programmes were designed/updated/delivered as guided by the workplace skills plans.
- Four impact assessments on the delivering of transversal human capital development programmes were done.

During the period under review the sub-programme Human Resource Management was able to deliver:

- 66 Human Resource Management reports submitted to Heads of Department to inform the strategic management of human resources;
- The progress with the development of a people management strategy;
- Seven Employment Equity Plans and four Human Resources Plans for client departments;
- The extension of a transversal response handling service and the introduction of an online application service.

The deliverables achieved in the programme during the period under review made a significant contribution to the achievement of Provincial Strategic Objective 12 and national outcome 12. In respect of Provincial Strategic Objective 12, the deliverables of the Organisation Development Sub-programme facilitated seven interventions that were aimed at improving the citizens' experience in their interaction with the Western Cape Government, thus contributing to the strategic outcome, citizen-centric service delivery. Deliverables of the Provincial Training Institute Sub-programme and Human Resource Management Sub-programme contributed to the strategic outcome related to people management of Provincial Strategic Objective 12. As such, these deliverables also contributed to output 2 of national outcome 12 which relates to human resource management and development. The progress made with the time it takes to fill vacancies in the Western Cape Government serves as an example in this regard.

### Programme 3: Human Capital (Corporate Services Centre)

Table 2.2.3.1: Performance of Programme 3: Human Capital

| Performance indicator                              | Baseline (actual output) 2010/11   | Actual performance against target |                                | Reason for variance            |  |
|--|--|-----------------------------------|--------------------------------|--------------------------------|--|
|  |  | Target (2011/12)                  | Actual (2011/12)               |                                |  |
| <b>Sub-programme 3.1: Programme Support</b>        |  |                                   |                                |                                |  |
| 3.1.1  | All legislatively required reports are submitted in terms of departmental timeframes   | N/A                               | No instances of non-compliance | No instances of non-compliance |  |
| <b>Sub-programme 3.2: Organisation Development</b> |  |                                   |                                |                                |  |
| 3.2.1  | Improve the person-job-fit of selection through the measurement of the behavioural competency potential of applicants for vacant management posts (L11-L16 and equivalent)<br>Baseline: 600 applicants                   | N/A                               | 600                            | 380                            | The measurement of the behavioural competency potential of applicants for vacant management posts (levels 11 to 16) is dependent on the number of posts advertised as well as the number of candidates shortlisted. The target was formulated on historic trends. It therefore falls outside of the sub-programme's area of responsibility if the number of posts advertised in a given year does not exactly correspond with the averaged historical trends.                                  |
| 3.2.2  | Enable the improvement of the person-job-fit (development) through the measurement of the behavioural competency potential of current managers (L11-L16 and equivalent) over a 5-year cycle<br>Baseline: 5 000 employees | N/A                               | 400                            | 20                             | The technical capacity of the communications network to adequately deal with actual assessments played an important role in the performance of this indicator. During the pilot phase of the assessment centre, equipment was tested and proven to be capable of completing tasks in the expected time frames. Network capacity was therefore not identified as a potential limitation. In reality, network capacity in respect of bandwidth and network availability proved to be inadequate. |
| 3.2.3  | Improve the representativeness and awareness of the desired provincial government organisational culture measurement<br>Baseline: current 16%, desired 40%   | N/A                               | 20%                            | 19%                            | Dependent on departmental participation in a survey.   |
| 3.2.4  | Number of interventions per year to contribute to the reduction of entropy and the improvement of congruence (number of shared values between current and desired culture)<br>Baseline: 13; Desired: 26                  | N/A                               | 26                             | 57                             | The following interventions were facilitated: <ul style="list-style-type: none"> <li>• 10 Middle Management Service toolkit sessions</li> <li>• 13 Barrett feedback sessions (Minister/HOD)</li> <li>• 20 Senior Management Service feedback sessions</li> <li>• 14 Nine Conversations in Leadership cells implemented</li> </ul>  |
| 3.2.5  | Number of services provided to influence employee health and wellness as prioritised through, amongst others, analysis of employee health and wellness trends  | N/A                               | 4                              | 4                              | Transversal contract concluded in the fourth quarter.  |



| Performance indicator |  | Baseline (actual output) 2010/11 | Actual performance against target |                  | Reason for variance   |
|-----------------------|--|----------------------------------|-----------------------------------|------------------|---|
|                       |  |                                  | Target (2011/12)                  | Actual (2011/12) |   |
| 3.2.6                 | Estimated number of projects implemented to improve the efficacy of organisational service delivery in line with strategic and operational mandates and priorities | 11                               | 13                                | 13               | <p>Organisation design interventions that were dealt with include the following:</p> <ul style="list-style-type: none"> <li>• Department of Agriculture: Food Safety</li> <li>• Department of Economic Development and Tourism: Western Cape Liquor Authority</li> <li>• Department of Education: Review of the departmental micro organisation and establishment; and ICT Support</li> <li>• Department of Environmental Affairs and Development Planning: Review of the Development Facilitation Unit post establishment</li> <li>• Department of Health: Metro and Rural Regional Hospitals; Support Services unit; Advocacy function of the Health Programmes unit</li> <li>• Department of Social Development: Facilities Review (first draft)</li> <li>• Department of Transport and Public Works: Design of the Provincial Regulatory Entity; and first draft modernisation of the departmental structure.</li> </ul> <p>Business process improvement initiatives:</p> <ul style="list-style-type: none"> <li>• Department of the Premier (Human Rights, International Relations, Cabinet secretariat, Director-General support, Human Capital, Legal Services, Corporate Assurance, Communication, Cel)</li> <li>• Transport and Public Works (subsidised public transport).</li> </ul> |
| 3.2.7                 | Number of initiatives that contribute to the enhancement of citizens' service delivery experiences of provincial government institutions                           | N/A                              | 5                                 | 7                | <p>Initiatives included the following:</p> <ul style="list-style-type: none"> <li>• Service Delivery Improvement Plan (SDIP) development, assessment and reporting</li> <li>• Public Service week/Public Service day</li> <li>• Department of the Premier citizen report</li> <li>• Batho Pele Impact Assessment Network framework</li> <li>• Service delivery improvement implementation plans (10 departments)</li> <li>• National Batho Pele Forum/Western Cape Batho Pele Forum</li> </ul>  |
| 3.2.8                 | Number of staff establishment related initiatives that contribute to competency based human resource practices   | N/A                              | 3                                 | 3                |   |

| Performance indicator                                   | Baseline (actual output) 2010/11   | Actual performance against target |                  | Reason for variance |   |
|---|--|-----------------------------------|------------------|---------------------|---|
|   |  | Target (2011/12)                  | Actual (2011/12) |                     |   |
| <b>Sub-programme 3.3: Provincial Training Institute</b> |  |                                   |                  |                     |   |
| 3.3.1   | Utilisation rate of the 11 lecture rooms maintained for 220 work days in a given year as a reflection of value add to human resource development in the province | N/A                               | 85%              | 85%                 | Annual target will be reviewed taking existing infrastructure and other challenges into account.  |
| 3.3.2   | Number of transversal human capital development programmes designed/updated/delivered as guided by workplace skills plans  | 54                                | 41               | 41                  | The target has been 41 programmes in the last three years, given the Provincial Training Institute infrastructure capacity and human resource capacity. Any additional programmes are provided on an ad hoc basis and depend on the availability of staff/facilities and/or need to outsource.  |
| 3.3.3   | Number of impact assessments (measuring skills transfer) on the delivering of transversal human capital development programmes                                   | N/A                               | 4                | 4                   | <p>The four programmes that were assessed are:</p> <ul style="list-style-type: none"> <li>• Performance Management (Building Higher Performance)</li> <li>• Managing incapacity and poor work performance</li> <li>• Customer Care</li> <li>• Introduction to Junior Management.</li> </ul> <p>The assessment results indicate that the training is resulting in better performance by individuals, affecting organisational performance positively, leading to better service delivery. Managers are, however, urged to nominate relevant employees for programmes and afford trainees the opportunity to put into practice their newly acquired skills.</p>   |
| 3.3.4   | Percentage progress with the implementation of a new funding model for the Provincial Training Institute   | N/A                               | 30%              | 30%                 | <ul style="list-style-type: none"> <li>• Terms of reference were drafted, recommended and approved</li> <li>• Evaluation criteria were developed and approved</li> <li>• The Bid Adjudication Committee approved all documentation</li> <li>• A compulsory information session was held with all prospective service providers</li> <li>• Bids were received, a recommendation was made and approved by the Bid Adjudication Committee</li> <li>• The contract was awarded</li> <li>• An SLA was drafted and submitted to Legal Services for scrutiny</li> <li>• The first meeting was held with the service provider.</li> </ul> <p>The above happened in the 2011/12 financial year and constitutes 30% of the project as per project plan.</p> |

| Performance indicator                              | Baseline (actual output) 2010/11   | Actual performance against target |                  | Reason for variance                                       |  |
|--|--|-----------------------------------|------------------|---|--|
|  |  | Target (2011/12)                  | Actual (2011/12) |   |  |
| <b>Sub-programme 3.4 Human Resource Management</b> |  |                                   |                  |   |  |
| 3.4.1  | Number of most critical / scarce skill areas, as identified through human resource planning, for which bursaries are awarded   | N/A                               | 10               | 35  | This deliverable was achieved in the first quarter. This was an allocation of 35 provincial scholarships to social workers.  |
| 3.4.2  | Percentage of all posts in the Provincial Government vacant for a period less than four months from the date of request for filling. Baseline: Total number of vacancies   | N/A                               | 60%              | 68%   | <p>The filling of posts within a period of 90 days is a collaborative endeavour between the Corporate Services Centre and client departments.</p> <p>38 Vacancy Bulletins were issued during 2011/12 financial year, wherein 1 038 posts were advertised. Of the 1 038 posts advertised, 220 were withdrawn. Of the remaining 818 posts, 557 were filled (68%). 261 posts (32%) are in various stages of filling, of which 33 nominations have been submitted for approval, 115 cases are in the short-listing stage and 113 cases in the interview stage.</p> <p>The 557 posts have been filled within an average of 175 calendar days (approximately 128 working days).</p> <p>Pro-active vacancy management and uniform selection support tools/ documentation have been developed to facilitate the filling of advertised posts within the prescribed norm of 90 days.</p> |
| 3.4.3  | Percentage of employees whose performance agreements, performance reviews and performance assessments are concluded by the due date. Baseline: Total number of public service staff  | N/A                               | 100%             | Performance Reviews 69.6%<br>Performance Agreements 75.9% | Challenges were encountered as a result of the high vacancy rate and the difficulty in recruiting suitable and competent employees in the vacant posts. Furthermore, the standard of competence in respect of existing staff also contributed to the non-attainment of the planned output.   |
| 3.4.4  | Percentage of all unresolved grievance cases in the provincial government which are not older than 30 days and prima face serious discipline cases brought to charge in no less than three months. Baseline: Total number of unresolved disciplinary and grievance cases | N/A                               | 60%              | Grievances 12.12%,<br>Misconduct 22.5%                    | Challenges were encountered as a result of the high vacancy rate and the difficulty in recruiting suitable and competent employees in the vacant posts. Furthermore, the standard of competence in respect of existing staff also contributed to the non-attainment of the planned output.   |

| Performance indicator |   | Baseline (actual output) 2010/11 | Actual performance against target |                  | Reason for variance  |
|-----------------------|---|----------------------------------|-----------------------------------|------------------|--|
|                       |   |                                  | Target (2011/12)                  | Actual (2011/12) |  |
| 3.4.5                 | Percentage of employees whose unsatisfactory performance (a score less than 3) have not exceeded three consecutive quarters as measured in terms of the performance management and development system. Baseline: Total number of employees whose performance are rated as less than 3 | N/A                              | 60%                               | 2.20%            | The reported performance of 2.20% was on the baseline, i.e. the number of employees whose performance are rated as less than 3. According to a report extracted from PERMIS on 2 August 2012, only 1.3% of the employees scored below 3 and this represents 106 employees. The indicator, however, speaks to the percentage of this group (the 106) whose unsatisfactory performance have not exceeded 3 consecutive quarters. This amounts to 81.1%, which means that on this indicator 135% of the target was actually achieved. This figure may still change over the next few months as more employees complete their final ratings (especially SMS members, whose ratings will only be done later). |
| 3.4.6                 | Number of human resource management reports submitted to Heads of Department to inform the strategic management of human resources in a given year  |                                  |                                   |                  |  |
|                       | a. Human resource administration management reports   | N/A                              | 44                                | 144              | <ul style="list-style-type: none"> <li>• Monthly listing of all in-service monthly reports to 11 departments = 132 reports per annum</li> <li>• Consolidated Monthly Listing</li> <li>• 1 report monthly = 12 reports per annum</li> </ul>   |
|                       | b. Human resource trends analysis report including annual report inputs   | N/A                              | 44                                | 45               | 12 Annual Reports, 11 Overtime Trends, 11 HR Assessments, 11 Fact File Reports = 45 reports  |
|                       | c. Performance management   | N/A                              | 66                                | 66               | <ul style="list-style-type: none"> <li>• 44 quarterly monitoring reports i.e. 11 every quarter</li> <li>• 11 Workplace Skills Plans</li> <li>• 11 Human Resource Development implementation plans</li> <li>• The target of 66 reports was achieved</li> </ul>  |
|                       | d. Employee relations and collective bargaining   | N/A                              | 44                                | 46               | Q1 - 11 HOD reports (Employee Relations),<br>2 Collective Bargaining reports<br>Q2 - 11 HOD reports<br>Q3 - 11 HOD reports<br>Q4 - 11 HOD reports  |
| 3.4.7                 | Number of human resource management, development, workplace skills and employment equity plans and reports prepared and/or reviewed and submitted in compliance with the relevant prescripts  | N/A                              | 38                                | 44               | This deliverable was initially submitted as separate items in the Annual Performance Plan but was then combined to reduce possible duplication. The following reports were submitted:<br>11 x Employment Equity Act 2 to Department of Labour<br>4 statutory reports to Department of Labour<br>7 x newly developed Employment Equity Plans<br>11x Workplace Skills Plans<br>11X Human Resource Development Reports  |
| 3.4.8                 | Number of interventions to attract and retain requisite skills  | N/A                              | 2                                 | 2                | Teta Career expo (third quarter)<br>CPUT graduate Faire (second quarter).  |

No changes were made to in-year targets.

N/A denotes that the indicator was new and did not exist prior to the 2011/12 financial year.

## 2.2.4 Programme 4: Centre for e-Innovation

### Purpose

The purpose of this programme is to contribute towards the achievement of good corporate governance through effective, efficient and professional corporate services in the Western Cape Government. This is done in conjunction with Programme 3, Human Capital and Programme 5, Corporate Assurance.

- Western Cape provide strategic direction and innovative information communication technologies to the Western Cape Government enabling optimal service delivery. It focuses on Strategic ICT services through:
  - advisory services to the Cabinet and provincial top management with regard to e-Government and ICTs;
  - planning and development of transversal e-Government/ICT projects and services; and
  - rendering integrated e-Government services to citizens, business, civil servants and government.
- Government Information Technology Officer (GITO) management services to the Western Cape Government through:
  - managing transversal infrastructure, applications and ICT operations; and
  - rendering GITO management services to departments.

### Strategic objective

#### **Sub-programme 4.2: Strategic ICT Services and Sub-programme 4.3: GITO Management Services**

To enable optimal service delivery by providing strategic direction and innovative information and communication technologies in the Western Cape Government.

### Performance indicators and targets

Programme 4, the Centre for e-Innovation (CEI) continued to fulfil its transversal role in respect of the delivery of ICTs. CEI supported the Western Cape Government installed base of over 14 500 corporate workstations in over 270 locations. The CEI also supported a substantial installed base in more than 1 500 schools (which includes over 46 000 workstations).

In accordance with the IT Services Blueprint which was approved by the provincial Cabinet in November 2009, continued emphasis was placed on the implementation of the IT Service Delivery Improvement Plan (SDIP) which set out to address ICT challenges in the general environment. The three key elements of the plan related to:

- connectivity and broadband;
- core-infrastructure optimisation; and
- business-productivity optimisation.

In terms of the CEI's external facing services the channels available to citizens to access government information and services were enhanced. Channels such as the internet portal, walk-in centre, e-mail channel and the call centre were upgraded and enhanced to improve the citizens' interface with the government. The ICT infrastructure of the e-community centres in rural areas was also enhanced.

The e-government capacity of the Western Cape Government comprises the following:

- Internet portal: <http://www.westerncape.gov.za>
- Intranet portal: <http://intranet.westerncape.gov.za/>
- WCG Contact Centre:
- Call Centre: 0860 142 142 (sharecall, weekdays 08:00-18:00)
- E-mail channel: [questions@westerncape.gov.za](mailto:questions@westerncape.gov.za)
- Walk-in Centre: 142 Long Street, Cape Town (weekdays 8:00-16:00)
- Support to the Presidential Hotline: Issues affecting the Western Cape
- Cape Access: <http://www2.capeaccess.org.za/>: 19 e-Community Centres and 14 e-Community Forums.

These channels play a critical role in providing access to government services and information to our citizens.

Achievements of the Centre for e-Innovation during the 2011/12 financial year include the following:

- 98.42% resolution rate of Western Cape requests received at the Presidential Hotline within 36 hours of being logged (baseline: total number of requests received).
- 25 Cape Access e-Community Centres established, fitted and operationalised.
- 1 249 SAQA accredited training opportunities provided to citizens through the Cape Access programme.
- 5 771 educators and public servants trained in Information Communication Technologies in order to optimise service delivery by the Western Cape Government.
- 236 new and enhanced ICT applications delivered.
- 99.74% systems and 99.16% network uptime and availability maintained over the year for a 24/7 service.
- 8 538 end-user equipment items implemented (new or replacement) in order to sustain service delivery capability.
- 7 548 users migrated to a new technology platform in terms of the IT Modernisation Improvement Plan.

This programme contributed fully to the strategic outcome in the Provincial Strategic Objective 12 that relates to e-government. This outcome is aimed at the sustainable use of information and communication technologies to enable improved information and service delivery as well as encouraging citizen participation in decision-making and accessing of government services. The operationalisation of 25 e-Community Centres is indicative in this regard. As such, the achievements registered by this programme also contributed directly to national outcome 12, particularly the outputs related to service delivery quality and access, and citizen participation.

#### Programme 4: Centre for e-Innovation (Corporate Services Centre)

Table 2.2.4.1: Performance of Programme 4: Centre of e-Innovation

| Performance indicator                            |   | Baseline (actual output) 2010/11 | Actual performance against target |                               | Reason for variance/comments   |
|--|---|----------------------------------|-----------------------------------|-------------------------------|--|
|  |   |                                  | Target (2011/12)                  | Actual (2011/12)              |  |
| <b>Sub-programme 4.1: Programme Support</b>      |   |                                  |                                   |                               |  |
| 4.1.1  | All legislatively required reports are submitted in terms of departmental timeframes  | N/A                              | No instances of non-compliance    | No instance of non-compliance |  |
| <b>Sub-programme 4.2: Strategic ICT Services</b> |   |                                  |                                   |                               |  |
| 4.2.1  | Level of ICT governance maturity, measured annually on a 5-point scale, achieved reflecting performance in aspects such as policies, strategies, norms, standards | 3                                | 2                                 | 3                             | The Department has not performed a formal assessment due to the focus on governance training during the last quarter of 2011/12 and adopted the assessment results of the previous year. A service provider was sourced to increase the ICT governance capacity within the Ce-I and will also be performing the next assessment at the commencement of its contract on 1 July 2012. In order to consolidate the level 3 ICT governance maturity rating, the Ce-I embarked on the following key governance maturity improvement interventions during the year under review: ICT Governance Training to all Ce-I managers and departmental DITCOM Chairpersons and Deputy Chairpersons; Adoption and Implementation of an ICT Governance Charter; IT Risk Management Improvement; Implementation of key Information Security policies; Finalised the Business Continuity Plan. |

| Performance indicator |   | Baseline (actual output) 2010/11 | Actual performance against target |                  | Reason for variance/comments  |
|-----------------------|---|----------------------------------|-----------------------------------|------------------|---|
|                       |   |                                  | Target (2011/12)                  | Actual (2011/12) |   |
| 4.2.2                 | Number of integrated departmental strategic ICT plans and the Provincial Strategic ICT Plan are reviewed to ensure optimal utilisation of ICTs                | 8                                | 14                                | 12               | The review in respect of the Department of Transport and Public Works was delayed due to the unavailability of the department's management.<br>The review in respect of the Department of Economic Development and Tourism was delayed due to the unavailability of the departmental management and a restructuring of that department's DITCOM.  |
| 4.2.3                 | Number of key research interventions completed towards improvement of strategic decision-making, service delivery and operating efficiency                    | 12                               | 4                                 | 11               | The target for Research and Development initiatives was set to four, but the actual performance for the 2011/12 year was 11. This was due to increased research capacity within the section of Ce-I that services schools. The initiatives include the following: <ul style="list-style-type: none"> <li>• Nearfield communication</li> <li>• Tablets (iPads and Androids) for the business environment</li> <li>• Gadget Guru for schools</li> <li>• Mobile computing for hospital theatres (COWS)</li> <li>• Citizen feedback consoles satisfaction measurement for citizens at the walk-in centre</li> <li>• Evaluation of various slate computers for schools</li> <li>• Evaluation of networking equipment and solutions for schools</li> <li>• Projector evaluations</li> <li>• Wireless sensor networks</li> <li>• Portable Wi-Fi hotspots</li> <li>• Various software evaluations for schools computing environment.</li> </ul> |
| 4.2.4                 | Resolution rate of Western Cape requests received at the Presidential Hot-Line within 36 hours of being logged<br>Baseline: Total number of requests received | N/A                              | 80% of all calls received         | 98.42%           | The Directorate e-Government for Citizens manages issues escalated by the Presidency for the Western Cape. Resolution is dependent on complexity of the issue and response times and quality by WCG Departments and Municipalities. e-G4C intervenes directly to achieve maximum resolution.  |

| Performance indicator |   | Baseline (actual output) 2010/11 | Actual performance against target |                  | Reason for variance/comments   |
|-----------------------|---|----------------------------------|-----------------------------------|------------------|--|
|                       |   |                                  | Target (2011/12)                  | Actual (2011/12) |  |
| 4.2.5                 | Number of Cape Access e-Community Centres established, fitted and operationalised                           | N/A                              | 25                                | 25               | <p>The Cape Access Centres provide:</p> <ul style="list-style-type: none"> <li>• Improved use of WCG e-services and information</li> <li>• e-Skills development</li> <li>• Information Communication Technology for Development socio-economic Projects</li> <li>• Connectivity (rural)</li> <li>• e-Centres in rural and poor areas</li> <li>• Free hard and software</li> </ul> <p>The following e-Centres are currently established:</p> <ul style="list-style-type: none"> <li>• Klaver (Klaver Multi-purpose Community Centre)</li> <li>• Vanrhynsdorp Multi-purpose Centre (Vanrhynsdorp)</li> <li>• Saturnus Primary School (Oudtshoorn)</li> <li>• Beaufort West Secondary School (Beaufort West)</li> <li>• Conville Library (George)</li> <li>• Struisbaai Library (Struisbaai)</li> <li>• Matzikamma Municipal Hall (Doringbaai)</li> <li>• Thembaletu Thusong Centre (George)</li> <li>• Bitterfontein Thusong Centre (Bitterfontein)</li> <li>• Elim Centre (Elim)</li> <li>• Louwville Library (Vredenburg)</li> <li>• St Augustine Primary (Paternoster)</li> <li>• Bongolethu Library (Oudtshoorn)</li> <li>• Genadendal Library (Genadendal)</li> <li>• College of Cape Town (Gugulethu)</li> <li>• Ceres Advice Centre (Ceres)</li> <li>• Siphathisi weEducare Centre (Mossel Bay)</li> <li>• Murraysburg Thusong Centre (Murraysburg)</li> <li>• Ladismith</li> <li>• Thembaletu Library (Thembaletu, George)</li> <li>• Dysselsdorp (PPK Church)</li> <li>• Swellendam (Thusong Centre)</li> <li>• Riversdale (Thusong Centre)</li> <li>• Waboomskraal (Thusong Centre)</li> <li>• Prince Albert (Ussasa Tele-centre)</li> </ul> |
| 4.2.6                 | Number of SAQA accredited ICT training opportunities provided to citizens through the Cape Access programme | N/A                              | 1 100                             | 1 249            | This is accredited e-Skills training (the International Computer Driving Licence or ICDL) course. Numbers depend on number of applicants enrolled onto the ICDL (seven modules) courses and pass rate.   |



| Performance indicator                              | Baseline (actual output) 2010/11   | Actual performance against target |                  | Reason for variance/comments |   |
|--|--|-----------------------------------|------------------|------------------------------|---|
|  |  | Target (2011/12)                  | Actual (2011/12) |                              |   |
| <b>Sub-programme 4.3: GITO Management Services</b> |  |                                   |                  |                              |   |
| 4.3.1  | Number of educators and public servants trained in ICTs in order to optimise service delivery by the Western Cape Government staff | 4 346                             | 3 800            | 5 771                        | The high number was due to a major intervention to upgrade the ICT skills of end-users in the new migrated technology platform.   |
| 4.3.2  | Number of new and enhanced ICT applications delivered  | 14                                | 288              | 236                          | The target set could not be achieved due to major procurement delays and issues by the State Information Technology Agency (SITA) in their procurement processes which is stifling delivery of services. Departments also scaled down on new applications and the enhancements of existing applications.  |
| 4.3.3  | Average 98% systems uptime and availability maintained over the year for a 24/7 service  | 99.89%                            | 98%              | 99.74%                       | This was measured by SITA and is available online. The measures which were put in place to achieve the higher than planned delivery were primarily around better managing the service level agreement with SITA.  |
| 4.3.4  | Average % network up-time and availability maintained over the year for a 24/7 service   | 98.31%                            | 98%              | 99.16%                       | This was measured by the network tools in place. The measures which were put in place to achieve the higher than planned delivery were primarily around better managing the service level agreement with SITA, connecting the large sites with broadband and improving the coverage of the network tools through constant network monitoring.     |
| 4.3.5  | Number of end-user equipment items implemented (new or replacement) in order to sustain service delivery capability                | 5 628                             | 4 000            | 8 538                        | The high number is due to major end-user technology deployment at the academic and other hospitals, primary health care clinics, schools, and the replacement of end-user equipment due to the technology migration blueprint.  |
| 4.3.6  | Average turnaround time in days for resolving Helpdesk calls maintained  | 4.22                              | 4                | 4.06 days                    | The Helpdesk service has improved from five days previously to four days currently despite increased volumes of calls received.   |
| 4.3.7  | Percentage of the user base (total 14 500) migrated to a new technology platform in terms of the IT Modernisation improvement plan | 20% (2 900)                       | 35% (4 350)      | 52.05% (Total: 7 548)        | A determined effort was made to surpass the targets set and 10 488 users (72.3%) have been migrated to date reflected as follows:<br>2010/11: 2 900<br>2011/12 Q1: 1 094<br>2011/12 Q2: 2 050<br>2011/12 Q3: 1 556<br>2011/12 Q4: 2 848<br>More temporary staff was brought onboard to assist with the rollout, but within the budget allocation. |

No changes were made to in-year targets.

N/A denotes that the indicator was new and did not exist prior to the 2011/12 financial year.

## 2.2.5 Programme 5: Corporate Assurance

### Purpose

The purpose of this programme is to contribute towards the achievement of good corporate governance through effective, efficient and professional corporate services in the Western Cape Government. This is done in conjunction with Programme 3, Human Capital and Programme 4, Centre for e-Innovation .

The Branch Corporate Assurance provides for:

- Enterprise Risk Management which renders a fully-fledged integrated enterprise risk management support service to all departments in the Western Cape Government. The Provincial Treasury retains its statutory regulatory role with regard to this function.
- A consolidated Internal Audit service conducting risk-based internal audits in respect of all departments;
- A provincial Forensic capacity aimed at the prevention, detection and investigation of alleged cases of theft, fraud and corruption.
- Legal Services, providing legal support, encompassing legislative drafting, litigation and corporate legal advisory services, thereby ensuring provincial government management that is sound in law.
- Corporate Communication, rendering corporate communication services through the production of government communication products, the rendering of events and public participation services, and implementation of advertising and marketing campaigns, contributing to provincial management efficiencies.

### Strategic objective

**Sub-programme 5.2: Enterprise Risk Management, Sub-programme 5.3: Internal Audit, Sub-programme 5.4: Forensic Investigative Unit, Sub-programme 5.5: Legal Services and Sub-programme 5.6: Corporate Communication.**

To provide corporate assurance services that are risk and control directed and promote zero tolerance for fraud and corruption, resulting in continuous improvement in the control environment of all departments in the Western Cape Government.

### Performance indicators and targets

The deliverables pursued by this programme during the period under review contributed to the progressive realisation of the strategic outcomes in Provincial Strategic Objective 12 as well as national outcome 12. For this programme, Provincial Strategic Objective 12 specifically relates to adherence to the rule of law and striving towards a mature internal control framework. In respect of a mature framework, progress was made in respect of the appointment of a service provider to develop a tool that can assist the internal audit team to test the maturity of the risk and control environment. This will eventually make a significant contribution to ensuring that the institutional arrangements of the Western Cape Government encourage accountability and transparency. As such, it will also make a significant contribution to the output in national outcome 12 that relates to business processes, systems, decision rights and accountability.

Similarly, whilst the improvement in response and investigation turnaround times in respect of forensic investigations was negatively impacted by the large number of backlog cases, the registered achievements also contributed to efficient and transparent institutional governance (one of the strategic outcomes of provincial strategic objective 12) and directly contributed to output 4 of national outcomes 12 which relates to corruption tackled effectively.

In respect of the rule of law, the submission to the provincial Cabinet of two reports that contained an analysis of all provincial litigation matters and associated awards and judgments to determine litigation trends and to highlight and advise on risks and shortcomings in decision-making processes serve as an example. There is direct alignment with the output in national outcome 12 that relates to business processes, systems, decision rights and accountability.

## Programme 5: Corporate Assurance (Corporate Services Centre)

Table 2.2.5.1: Performance of Programme 5: Corporate Assurance

| Performance indicator                                |   | Baseline (actual output) 2010/11 | Actual performance against target                    |                               | Reason for variance/comments   |
|--|---|----------------------------------|--|-------------------------------|--|
|  |   |                                  | Target (2011/12)                                     | Actual (2011/12)              |  |
| <b>Sub-programme 5.1: Programme Support</b>          |   |                                  |  |                               |  |
| 5.1.1  | All legislatively required reports are submitted in terms of departmental timeframes  | N/A                              | No instances of non-compliance                       | No instance of non-compliance |  |
| <b>Sub-programme 5.2: Enterprise Risk Management</b> |   |                                  |  |                               |  |
| 5.2.1  | Level of enterprise risk management maturity  | N/A                              | One tool developed and baseline assessment completed | Nil                           | The service provider to assist with the development of the tool was appointed on 23 March 2012.  |
| <b>Sub-programme 5.2: Internal Audit</b>             |   |                                  |  |                               |  |
| 5.3.1  | Percentage of total number of strategic high risk areas included in internal audit coverage plans<br>Denominator: Total number of strategic high risk areas   | 27.46%                           | 40%  | 38.21%                        | The internal audit coverage is directly impacted by the available resources in this Chief Directorate. A policy option was again submitted during the 12/13 MTEC process, but no additional funds have been made available. This is a very critical aspect that is receiving attention from the Director-General.  |
| 5.3.2  | Percentage of practical value-added recommendations implemented with action plans by departments.<br>Denominator: Total number of recommendations implemented | 34.74%                           | 80%  | 54.25%                        | The intervention of conducting follow-up audits only twice made a slight contribution in the increase of the percentage. It must however be noted that the responsibility for implementing corrective action remains with the respective departments.  |
| 5.3.3  | Adequate controls evident in the processes of the province contributing to the increased maturity level of the control environment                            | N/A                              | One tool developed                                   | Nil                           | The service provider to assist with the development of the tool was appointed on 23 March 2012. This project will commence in the new year. Delays in the procurement process were due to the fact that a presentation phase was included in the bid. This project will be driven in the new financial year as a combined project between the Directorate: Enterprise Risk Management and the Chief Directorate: Internal Audit. |

| Performance indicator                                 |   | Baseline (actual output) 2010/11 | Actual performance against target       |   | Reason for variance/comments  |
|---|---|----------------------------------|---|---|---|
|   |   |                                  | Target (2011/12)                        | Actual (2011/12)                          |   |
| <b>Sub-programme 5.4: Forensic Investigative Unit</b> |   |                                  |   |   |   |
| 5.4.1   | Decrease in response and investigation turnaround times. Denominator: number of investigation days  | N/A                              | 10% decrease on previous financial year | 39.4% increase on previous financial year | Due to the completion of the majority of the case backlogs dating to financial years prior to 2010/11, this indicator was significantly negatively impacted. By 31 March 2012, only five very old cases remain on the case register and will be finalised as a matter of urgency.   |
| 5.4.2   | Percentage improvement in the 2010 fraud health check results for the Province. Denominator: fraud health check results for 2010                | N/A                              | 10%                                     | 8.19%                                     | The single Fraud Health indicator during the 2011 health check was 5.74 as at 30 March 2012. This has now increased to 6.21, which is a 8.19% improvement of the prior year indicator. Due to the number of participants as at 31 March 2012, a decision was taken to allow more questionnaires to be submitted into the new financial year, where after the improvement in the indicator will again be calculated. |
| 5.4.3   | Percentage of all recommendations made by the Forensic Investigative Unit implemented. Denominator: Total number of recommendations implemented | N/A                              | 80%                                     | 15.47%                                    | Almost 88% of recommendations made by the Forensic Investigative Unit were followed-up by the FIU. It is the responsibility of the respective departments to implement the recommendations, and we could only record an implementation rate of 15.47% of all recommendations followed up. This will be driven with renewed vigour in the new financial year with each respective department.                        |
| 5.4.4   | Increase in the number of pro-active interventions. Denominator: number of interventions  | N/A                              | 100%                                    | 31.58%                                    | Due to the focus on investigative requirements, the increase in preventative initiatives was not 100% as planned, but 31.58%. During the last quarter a detailed project plan that consisted of various activities relating to prevention was agreed that would run into the new financial year. This is however only counted as "one" initiative whilst a number of activities were approved as part of the plan.  |

| Performance indicator                              |  | Baseline (actual output) 2010/11 | Actual performance against target |                      | Reason for variance/comments  |
|--|--|----------------------------------|-----------------------------------|----------------------|---|
|  |  |                                  | Target (2011/12)                  | Actual (2011/12)     |   |
| <b>Sub-programme 5.5: Legal Services</b>           |  |                                  |                                   |                      |   |
| 5.5.1  | Bi-annual report containing analysis of all provincial litigation matters and associated awards and judgments to determine litigation trends and to highlight and advise on risks and short-comings in decision-making processes | N/A                              | 2                                 | 2                    | Second bi-annual report covers the period until 31 March 2012 and was submitted during May 2012.  |
| 5.5.2  | Number of functional training interventions conducted in areas such as the promotion of administrative justice and access to information, conclusion and management of contracts and the provincial legislative process          | N/A                              | 8                                 | 37                   | The reason for exceeding the target is the result of allocating a senior legal adviser to the functional training programme on a full-time basis, and not part-time as originally contemplated. 36 training interventions were conducted on PAJA and 37 on PAIA in the form of a one-day workshop with three hours allocated to each topic. 687 officials were reached. |
| <b>Sub-programme 5.6: Corporate Communications</b> |  |                                  |                                   |                      |   |
| 5.6.1  | Date by when a provincial government brand has been rolled out to departments  | N/A                              | 31 December 2012                  | Nil                  | A brand and communication strategy has been approved and is currently being executed through Corporate Communication.   |
| 5.6.2  | Percentage completion of government communication products.<br>Baseline: Total number of products requested by clients   | N/A                              | 100%                              | 100%                 | All requests received have been executed. This deliverable is demand-based.   |
| 5.6.3  | Number of annual reports designed and printed for client departments   | N/A                              | 13                                | 4                    | Designing and printing of annual reports are demand driven. Where requests were received we delivered on the service. However, most departments opted to have their annual reports designed and printed through a service provider due to the nature of such a large job.   |
| 5.6.4  | Number of annual performance plans designed and printed for client departments   | N/A                              | 13                                | Four covers designed | Designing and printing of annual performance plans are demand driven. No requests were received from any department. However, Corporate Communication has provided an oversight role to ensure that the design of all annual performance plans adhered to the brand corporate identity.   |
| 5.6.5  | Number of provincial newsletters published   | N/A                              | 4                                 | Nil                  | No newsletters were published for transversal use. The provincial newsletter concept has been replaced by a Better Together magazine to be launched in May 2012. The magazine is aligned to the Western Cape Government brand and communication strategy.   |

| Performance indicator |  | Baseline (actual output) 2010/11 | Actual performance against target |                  | Reason for variance/comments  |
|-----------------------|--|----------------------------------|-----------------------------------|------------------|---|
|                       |  |                                  | Target (2011/12)                  | Actual (2011/12) |   |
| 5.6.6                 | Number of newsletters published for provincial departments   | N/A                              | 52                                | 1                | This is a demand driven service we deliver. Only one request from the Department of Social Development was received in the first quarter.   |
| 5.6.7                 | Number of Provincial Government Gazettes published (ordinary and extraordinary)  | N/A                              | 104                               | 104              | The production and publication of the Gazette is demand driven and all requests were delivered on.  |
| 5.6.8                 | Percentage of events arranged. Baseline: Total number of events requested by clients   | N/A                              | 100%                              | Nil              | Events arranged are done based on requests for them. None were received by Corporate Communication.   |
| 5.6.9                 | Percentage of advertising and marketing campaigns implemented for the provincial government. Baseline: Total number of campaigns requested by clients                            | N/A                              | 100%                              | 100%             | Prior to finalising the Western Cape Government brand and communication strategy, there was a moratorium on advertising hence none were executed. Since the implementation of the new brand, all requests were delivered on - two from the Department of the Premier and one from the Department of Health. This is a demand driven service we deliver. |
| 5.6.10                | Percentage of media and public relations campaigns successfully implemented. Baseline: Total number of campaigns requested by clients  | N/A                              | 100%                              | 100%             | This is a demand driven service we deliver. All requests received were delivered on once the new brand was finalised and signed-off for implementation. <ul style="list-style-type: none"> <li>• Department of the Premier: 3</li> <li>• DEDAT: 3</li> <li>• Transport: 1</li> <li>• Treasury: 1</li> </ul>   |
| 5.6.11                | Percentage of requests for the translation and editing of documents in all three official languages successfully completed. Baseline: Total number of pages requested by clients | N/A                              | 100%                              | 100%             | Corporate Communication is responsible for delivering translation and editing services to the Department of the Premier only. It is also a demand driven service. All requests were delivered on. Achievement of target dependent on client requests received.  |
| 5.6.12                | Estimated number of media hits recorded by way of the daily media monitoring service. Baseline: Average number of media hits during previous reporting cycle                     | N/A                              | 5 000                             | 4 337            | Media Monitoring only covers the stories that are in the newspaper and are not involved in any way in facilitating its presence in the newspaper. There is no control over what is and is not reported. That is the task of the Media Liaison Officers of the different Ministers. Over the last quarter there has been less stories reported on.       |

No changes were made to in-year targets.

N/A denotes that the indicator was new and did not exist prior to the 2011/12 financial year.

## PART 3: ANNUAL FINANCIAL STATEMENTS CONTENTS

### REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2012.

#### AUDIT COMMITTEE MEMBERS AND ATTENDANCE

In terms of Cabinet Resolution 55/2007, The Department of the Premier is served by the Governance & Administration Cluster Audit Committee. The Audit Committee consists of the members listed below and should meet at least 4 times per annum as per its approved terms of reference. During the current year 7 meetings were held.

| Name of member                                 | Number of meetings attended |
|--|-----------------------------|
| Mr A Amod (Chairperson up to 31 December 2011) | 6                           |
| Mr Z Hoosain (Chairperson from 1 January 2012) | 7                           |
| Ms J Gunter                                    | 7                           |
| Mr K Larkin                                    | 6                           |
| Mr L van der Merwe                             | 7                           |
| Mr M Burton (appointed 1 January 2012)         | 1                           |

Apologies were tendered and accepted for meetings not attended. A quorum of members was present at all meetings.

#### AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from **section 38(1)(a) of the PFMA** and **Treasury Regulation 3.1**.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

#### THE EFFECTIVENESS OF ENTERPRISE-WIDE RISK MANAGEMENT (ERM) AND INTERNAL CONTROL

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective. This is achieved by a risk-based Internal Audit Plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective action.

We have reviewed the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General of South Africa. Other than the matters reflected in the Auditor-General's Audit and Management Reports and the matters highlighted below, no material deficiencies in the system of internal control were noted.

#### Areas highlighted by Internal Audit for improvement

During the year, key control deficiencies were noted by Internal Audit in the following areas:

- Induction training and orientation
- Performance management

Corrective actions have been agreed by management and are being monitored by the Audit Committee.

#### Effectiveness and efficiency of risk management

During the year further progress has been made with the roll out of Enterprise Wide Risk management (ERM) and the alignment to the key risks of the Department. The Audit Committee will monitor further progress on a quarterly basis.

## **THE QUALITY OF IN-YEAR MANAGEMENT AND QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA AND THE DIVISION OF REVENUE ACT**

The Audit Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review.

### **EVALUATION OF FINANCIAL STATEMENTS**

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's Management Report and Management's response thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the Department's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report;
- reviewed and where appropriate, recommended changes to the interim financial statements as presented by the Department for the six months ending 30 September 2011; and
- reviewed adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's opinion regarding the Annual Financial Statements, and proposes that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

### **INTERNAL AUDIT**

The Audit Committee reports that reports for four of the six planned areas of the approved Internal Audit plan were tabled as at 31 March 2012. Two additional areas were approved by the Committee and included in the plan at the request of management during the year. Of the remaining reports, two were tabled after year end and the balance was carried over into the next reporting cycle.

As reported in the previous year, the Committee is of the view that further audit coverage is required and that there is a need for additional capacity to support the increased coverage of further high risk areas.

### **AUDITOR-GENERAL SOUTH AFRICA**

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings emanating from the current regulatory audit will continue to be monitored by the Audit Committee on a quarterly basis.

### **APPRECIATION**

The Audit Committee wishes to express its appreciation to the Officials of the Legislature, the Auditor-General South Africa, the Provincial Enterprise Risk Management Unit (PERMU) and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.



Chairperson of the Governance and Administration Cluster Audit Committee

6 August 2012



To the Executive Authority and the Provincial Parliament of the Western Cape Province.

## 1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The mid-term review of the Provincial Strategic Plan, supported by the Branch Provincial Strategic Management, confirmed that the Western Cape Government made significant strides in building state machinery that is better aligned and integrated with improved coordination of functions. More prudent, effective and efficient utilisation of government resources was institutionalised through measures such as the revamped Ministerial Handbook that curbed the privileges of the Provincial Cabinet.

The Western Cape Government's resolve to clean and transparent governance spurred us on to deal decisively with matters of administrative justice and fraud and corruption. We have increased capacity where needed and justified to make good on our commitments in this respect.

The development of uniform policies and standards and the institutionalisation of business processes and systems supporting the Corporate Services Centre required significant efforts, reviewing, rethinking and reorganising to make sure that it supported the rest of the provincial government by rendering support services on a shared services basis. Clear signs are emerging that the benefits and value-add sought with the establishment of the centre was worth the investment. A solid foundation was laid on which to build on in the next financial year.

Departmental governance responsibilities were managed from a central position in the Office of the Director-General, enhancing the interrelatedness of financial and non-financial management activities. The Department also received an unqualified audit for the 2010/11 financial year, with only one other matter being raised. This was an improvement on the preceding years. The percentage under-spending in the year under review is 0.22% (R1 573 million) which is an improvement on the 2010/11 and 2009/10 financial years (0.39% and 1.27% respectively).

### Significant events that have taken place during the year and major projects undertaken or completed during the year

The establishment of the Corporate Services Centre represented a pinnacle milestone delivery in the provincial modernisation programme. Although various components were fully corporatised with effect from 1 April 2010, others such as the Human Resource Practices and Administration were only incorporated with effect from November 2010. This meant that for the year under review the corporatised functions operated for a full financial year.

Six human rights projects aimed at strengthening the rights and responsibilities of citizens were pursued under the strategic guidance of the Premier. These projects related to the enforcement of payment of child maintenance, implementation of the provincial sexual harassment policy, a teenage pregnancy intervention plan, a disability access programme, human trafficking intervention and a campaign to encourage citizens to participate in voluntary HIV/Aids testing.

The provincial transversal management system served to ensure the integrated and across the board implementation of the provincial strategic plan. This system was reviewed and improved upon where required.

The Department spearheaded a mid-term review which was conducted in February 2012 and which informed the strategic planning for the rest of the term of government. A communication strategy was developed and implementation of the strategy commenced.

On request from the Department of Cultural Affairs and Sport, the second phase of the review of public entities, which includes the Language Committee, the Cultural Commission and Heritage Western Cape, is underway.

Focus was placed on the creation of a Strategic Projects Facilitation Unit geared to not only follow through on some of the achievements of the 2010 FIFA World Cup™ Unit, but also to align government support for building the events sector. Activities during the period under review included:

- The launch of "CapeAbility", a publication that reflects on the World Cup successes but also seeks to position the Western Cape positively for hosting more events, and increasing tourism, trade and investment.
- The submission to Cabinet and the Legislature of the Western Cape Government (WCG) Report on the 2010 FIFA World Cup™ that assesses the World Cup legacy in terms of the 2006 strategy.
- The adoption by Cabinet of an integrated 15-year Integrated Events Strategy for the Western Cape and Cape Town.
- The completion of an Association Database allowing for a more strategic approach to marketing the province as a business and convention destination.

The level of maturity was tested for Programme and Project Management in the Western Cape Government through the Department of the Premier. A level 2.1 maturity was achieved against the target of 2 set in the Annual Performance Plan.

The level of maturity tested for Results-Based Monitoring and Evaluation in the Western Cape Government as per implementation through the Department of the Premier achieved a level 2.4 maturity rating. The level of maturity tested for Spatial Information Management achieved a level 2.2 maturity rating. Phase 2 was completed of an automated and integrated Monitoring and Evaluation system for improving the measurement of provincial-wide performance. This delivered a Business Intelligence pilot for the implementation of the Provincial-Wide Monitoring and Evaluation System and Central Repository.

Strategic Communication has completed the brand strategy, the provincial communication strategy as well as a corporate identity manual for implementation. The unit has also submitted monthly media analysis synthesis reports to cabinet for consideration.

The provincial assessment centre became operational on 1 April 2011 and all new salary level 11 appointments are now assessed psychometrically to determine person-job fit. The second Barrett survey was conducted and the response rate improved to 18%. The leadership development intervention "9 Conversations in Leadership" (19 leadership cells) and the Senior Management Service and Middle Management Service Conversation Toolkits were rolled out throughout the Department of the Premier. In terms of employee health and wellness the following services were provided to the Department of the Premier: wellness screening sessions in the Central Business District (CBD); first level of care; and the promotion of healthy lifestyles. A new provincial transversal contract to deliver this service was concluded in the fourth quarter.

Progress was made with the development of an institutional model for the Provincial Training Institute to make it a more viable business unit. Progress was also made with the development of a People Strategy that is aimed at embedding modern human resource practices in the organisation. Training interventions to improve the capacity of line managers to deal with labour issues is continuous and the "Progressive Discipline" training is crucial in addressing this issue. A number of training workshops were conducted on the "Know your rights campaign". A need to do "Presiding Officer" training was identified to improve the quality of decisions made in this regard. A gap in the quality of the work performed by the staff matched and placed was identified and an urgent training intervention was required to deliver in terms of the annual performance plan. A training intervention by an external service provider as well as in-house training was done. The Employee Relations management team also attended training in the management of misconduct, grievances and disputes by the General Public Service

Sector Bargaining Council. Parallel to this process, was the skill that had to be contracted in over the short term while internal staff were being trained.

The performance agreements of all Heads of Department of the Western Cape Government for the 2011/12 performance cycle were concluded, evaluated for quality and compliance, noted by the Premier and submitted to the Public Service Commission before the due date of 30 June 2011.

Arrangements and planning also commenced for the evaluation of Heads of Department for the 2010/11 financial year and was concluded in October 2011. Measures were also implemented for the finalisation of the 2010/11 performance cycle for members of the Senior Management Service of all departments of the WCG.

The submission of financial disclosures by all members of the Senior Management Service, including the Departments of Education and Health, were successfully concluded and submitted to the Public Service Commission before the due date of 31 May 2011 (100% compliance).

The further development of the provincial government's performance management system (PERMIS), namely PERMIS Version 3 is in process with an implementation date of 1 April 2012. Internal staff have been trained as Departmental System Administrators for PERMIS, employees in departments have been trained to utilise PERMIS and the system was further aligned with policies and development.

The Centre for e-Innovation successfully managed to improve the ICT governance maturity in the Western Cape Government from a level 2 to a level 3 rating. A resolution rate of 98.42% was achieved against a planned performance of 80% in respect of all calls received at the Presidential Hotline for resolution by the Province.

Significant progress was made with the implementation of the modernisation blueprints as approved and prioritised by the provincial Cabinet. 7 548 of the user base (total 14 500) migrated to a new technology platform in terms of the IT Modernisation Plan.

The Department of the Premier plays a central role in making sure that good governance principles are adhered to across the Western Cape Government. In further pursuit of this goal strategic and operational enterprise risk management plans were driven in a much more strategic and focused manner. Continuous identification of emerging risks were embedded at the management level.

Internal capacity to ensure a greater coverage of high risks in audit plans remained a challenge and will require availing additional resources in the next financial year.

The forensic investigative function was outsourced in an attempt to strengthen investigative capacity. This resulted in a gradual decrease in investigation backlogs and an increase in the quality of investigations.

While eight functional interventions in areas such as the promotion of administrative justice and access to information, conclusion and management of contracts and the provincial legislative processes were planned, the Department managed to deliver 37 interventions within limited resources.

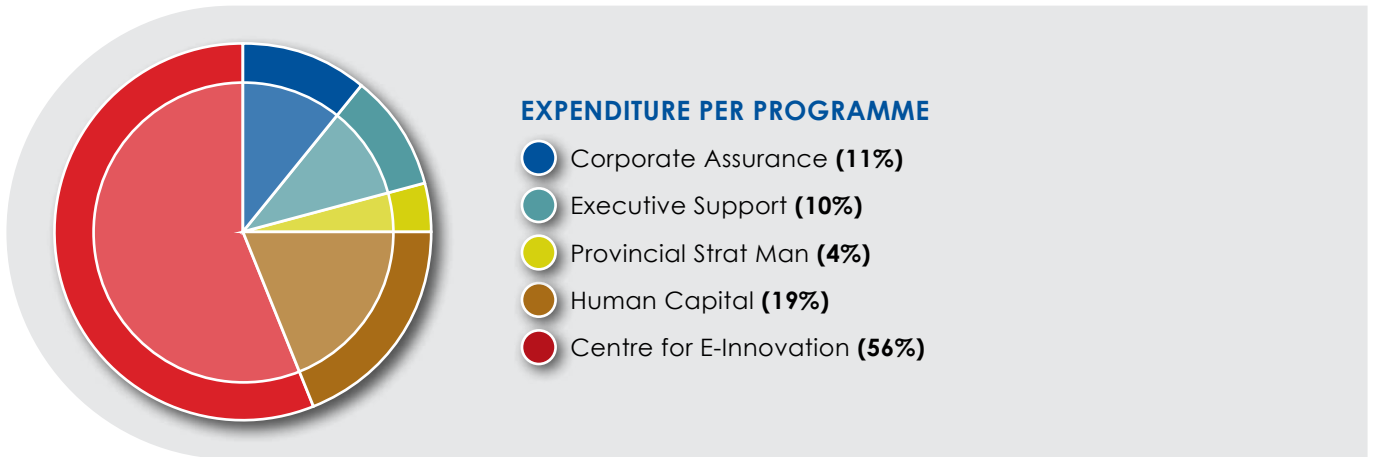
Fraud health check: Case backlogs were minimised; Enterprise Risk Management became more strategically driven with improved compliance; in-depth completion of strategic and operational risk management; continuous identification of potential risks and managing current risks.

The process in respect of the repeal of the Provincial Development Council (PDC) Act was finalised and the PDC was disestablished with effect from 5 December 2011.

## Spending trends

### Expenditure per programme

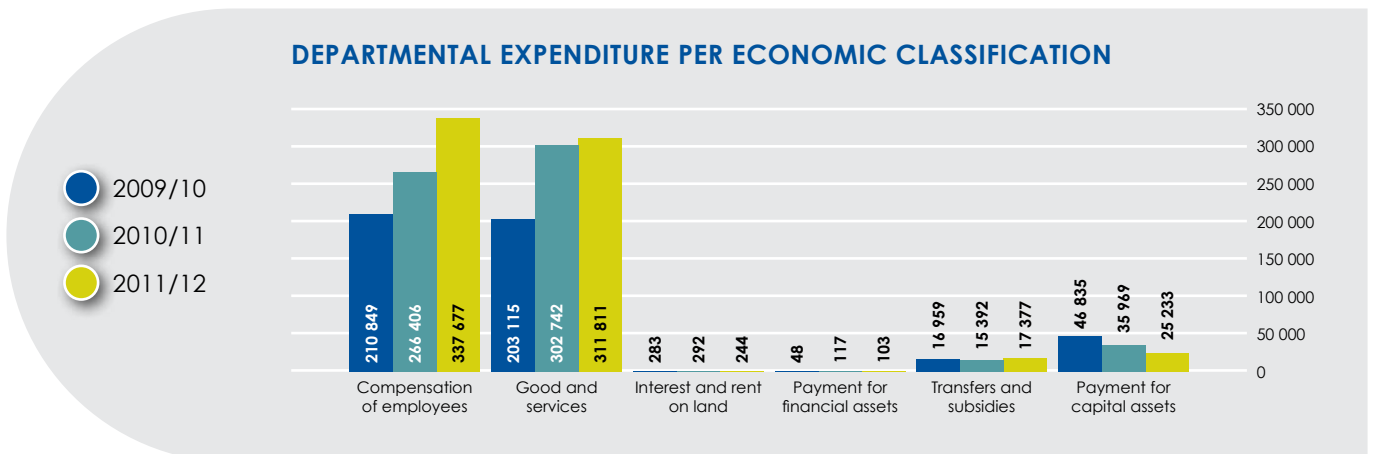
Due to the establishment of the Department, the standardised budget structure prescribed by National Treasury for Offices of Premiers was not adopted by the Department in the 2011/12 financial year.



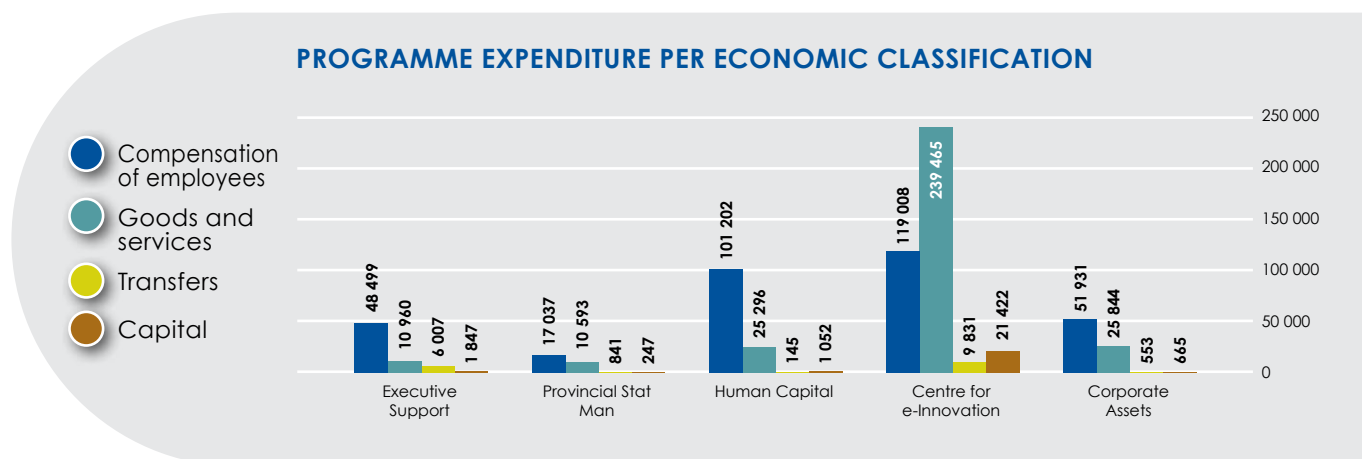
Programme 4: Centre for e-Innovation accounted for a major share of the Department's expenditure accounting for 56% in 2011/12. The sub-programme GITO Management Services accounted for 48.53% of total 2011/12 expenditure. The other programme in the Department that had a major impact on expenditure was Human Capital (19%).

### Spending per economic classification

The Department's spending during the 2011/12 financial year comprised mainly of compensation of employees (R337.677 million) and goods and services (R311.811 million). Current expenditure increased from R569.6 million in 2010/11 to R649.8 million in 2011/12, increasing from 90.99% to 93.84% in terms of its contribution to total departmental expenditure. This was as a result of capital expenditure decreasing from 6.52% in 2010/11 to 3.64% in 2011/12.



In the graph below, the programme Centre for e-Innovation shows a high level of spending (R370.9 million) on current expenditure which is attributed firstly to the large number of personnel whose compensation is paid from this programme, the State Information Technology Agency (SITA) expenditure, Microsoft expenditure and the amount paid to the City of Cape Town for the connectivity to the Broadband Fibre Optic infrastructure.



Programme 1, Executive Support and Programme 4, Centre for e-Innovation, accounted for the major share of the Department's expenditure on transfer payments, with transfers being made to the Provincial Development Council and Library Business Corners respectively.

### Analysis of current expenditure

Due to the significant percentage of expenditure which was incurred on goods and services, further analysis is considered prudent for a deeper understanding of the nature of the Department's expenditure. As reflected in the table below, 90% (2011/12: 90%) of the Department's total expenditure is attributed to five items.

| Expenditure                                   | 2008/09<br>R'000 | 2009/10<br>R'000 | 2010/11<br>R'000 | 2011/12<br>R'000 |
|---|------------------|------------------|------------------|------------------|
| Compensation of employees                     | 172.6            | 210.8            | 266.4            | 337.7            |
| Computer services                             | 102.5            | 119.4            | 216.5            | 226.0            |
| Consultants, contractors and special services | 40.6             | 25.5             | 35.7             | 33.4             |
| Advertising                                   | 14.3             | 11.1             | 8.3              | 14.9             |
| Travel and subsistence                        | 18.1             | 7.2              | 7.2              | 11.6             |
|   | <b>348.1</b>     | <b>374.0</b>     | <b>534.1</b>     | <b>623.6</b>     |
| <b>Total actual expenditure of Department</b> | <b>429.5</b>     | <b>478.1</b>     | <b>620.9</b>     | <b>692.4</b>     |
| % of total actual expenditure                 | 81%              | 78%              | 86%              | 90%              |

#### Compensation of employees

Expenditure on this item increased by 26.8% on the 2010/11 financial year. This was due to the first full year of the corporatisation of functions. Furthermore, the Department employed workers on temporary contracts in some vacant posts, whilst recruitment processes were underway.

### Computer services

The Department renders Information and Communication Technology (ICT) services for the entire provincial government. Of the R226.0 million spent on Computer Services, R92.4 million was paid to SITA in respect of networking, printing, processing and research and development costs, R64.8 million was paid to Microsoft in respect of specialised computer services and software licenses and R18.5 million was paid to the City of Cape Town in respect of the Fibre Optic Broadband.

### Consultants, contractors and special services

Compared to the 2010/11 financial year, expenditure decreased by 6.4%. Expenditure on this item includes payments in respect of service providers that render services such as performing research/diagnostic projects, events management, forensic outsourcing, members of audit committees, etc.

### Travel and subsistence

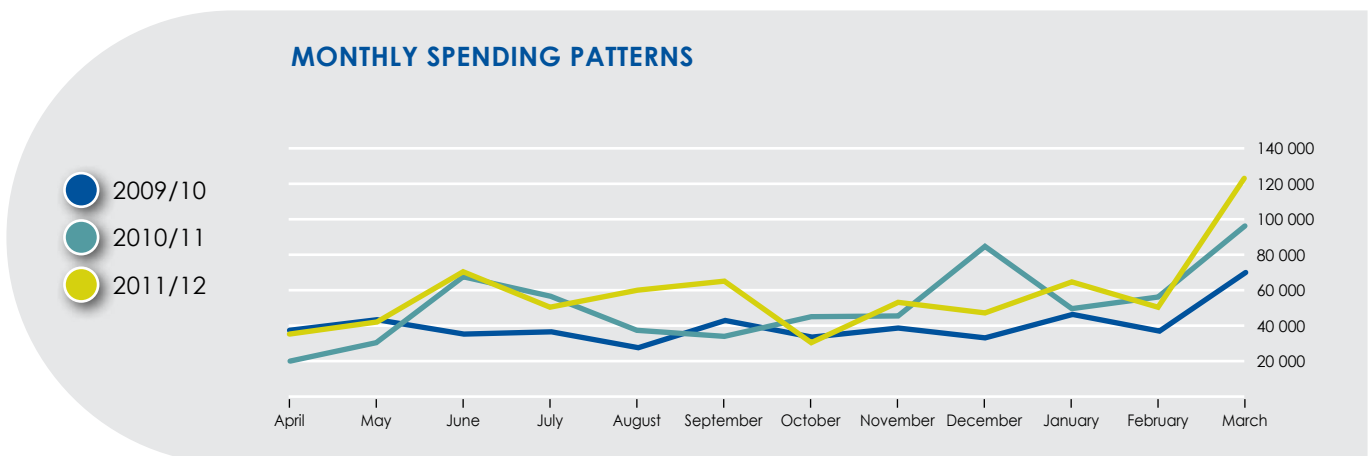
Expenditure on this item increased by 61.1% on the previous financial year. A major driver of this expenditure item is the kilometre tariff cost of Government Garage transport and domestic air travel. Being the centre of provincial government, a duty is imposed on the staff of this department to regularly attend meetings and conferences in Gauteng, convened by National government. International relations is a key responsibility of this department, requiring the Premier and officials to travel abroad as part of their official duties. Details of the Premier's overseas visits are provided in Part 1 of this Annual Report.

### Advertising

Compared to the 2010/11 financial year, spending on this item virtually doubled in the 2011/12 financial year from R7.201 million to R14.902 million. The bulk of the spending during the year under review can be attributed to full year recruitment advertisements for all the departments that were corporatised.

### Monthly spending trend

The graph below reflects departmental spending for 2009/10, 2010/11 and 2011/12.

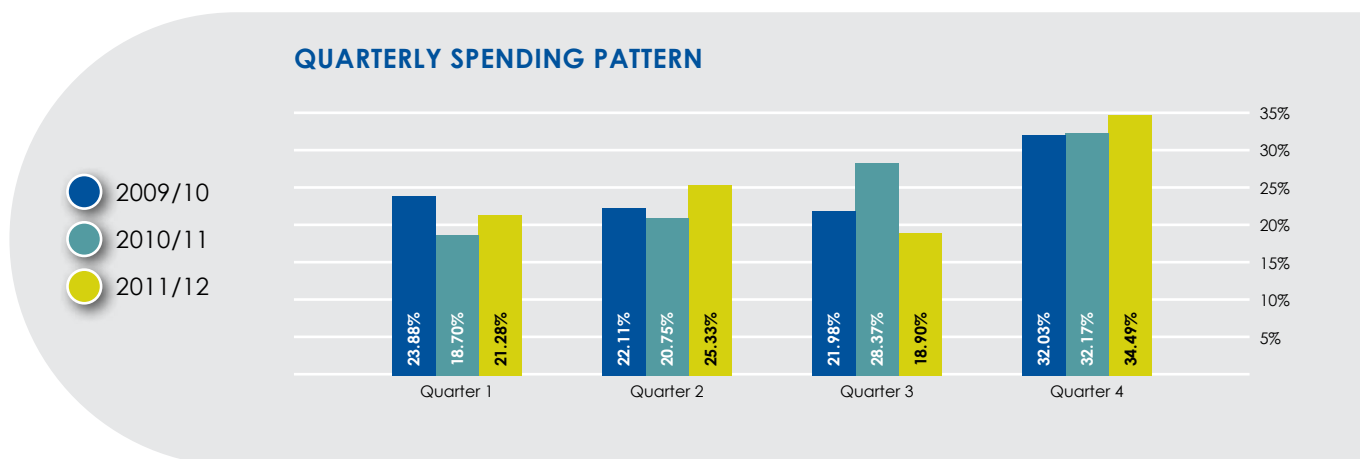


The Department's highest spending months were June 2011, September 2011, January 2012 and March 2012. In June 2011 software licenses were paid to Microsoft. During September 2011 payments were made to Library Business Corners, SITA for services rendered, the annual salary increases with effect from 1 April 2011 and performance bonuses were paid to staff. During January 2012 payments were made to SITA and External Computer Services

providers for services rendered. During March 2012, payments for computer services, the Fibre Optic Broadband to the City of Cape Town, Library Business Corners, Forensic outsourcing and contributions to various events in the Western Cape were made and this contributed to the spike in that month.

### Quarterly spending trend

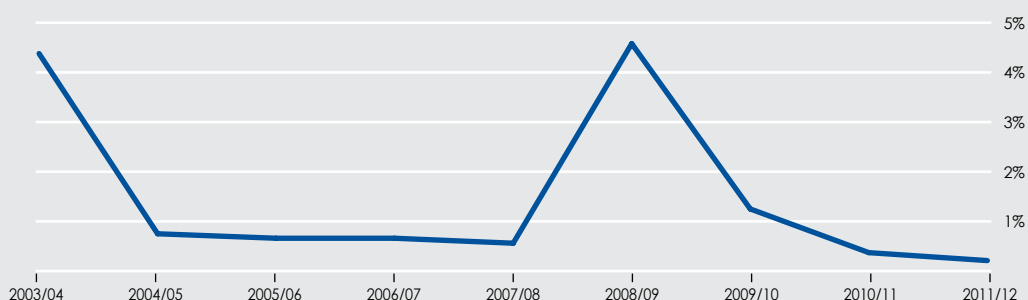
Expenditure, in terms of Rand value, for the first two quarters of 2011/12 increased in comparison with the 2010/11 financial year as a result of the full corporatisation of functions, the pay-out of annual salary increases and performance bonuses during the second quarter. The third quarter for 2011/12 also shows a significant decrease on the 2009/10 and 2010/11 financial years as a result of implementation of new procurement instructions. The fourth quarter shows a slight increase due to contracts being finalised (Forensic Outsourcing, Fibre Optic Broadband).



### Annual underspending trend

This Department once again implemented internal budget cost-saving measures during the financial year, to ensure that it remained within its allocated budget. No overspending occurred in this department since its inception in the 2000/01 financial year. As reflected in the graph below, the Department has consistently achieved an underspending of less than 1% over the previous four years prior to the 2008/09 financial year. During the 2008/09 financial year the Department received an amount of R20.5 million towards the upgrading of the Philippi Stadium as a potential 2010 FIFA World Cup practice venue. Due to slow progress on the project R16.592 million in respect of this project was rolled over to the next financial year. Had the Department not been responsible for this expenditure the underspending would have been R591 000 or 0.14%. The Department subsequently received R11 145 000 for this same project; although the project was supposed to be completed by December 2009 with only R500 000 being rolled over to the next year for the maintenance of the grass pitch, R5 000 000 was under-spent due to work not being completed by the end of the financial year as well as funds to be transferred to Health in the new financial year. This resulted in an underspending of R6 156 000 or 1.27%, in the 2009/10 financial year, instead of an underspending of R1 156 000. The Department continued with its fiscal discipline during the 2010/11 financial year with a 0.39% (R2 451 million) underspending and for the 2011/12 had an underspending of 0.22% (R1.573 million).

## % ANNUAL UNDERSPENDING



### Virements

In terms of section 43 (1) of the Public Finance Management Act, Act 1 of 1999 (PFMA), an Accounting Officer may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division within the same vote, unless the relevant treasury directs otherwise.

During the year under review the only main division (programme) that had an overexpenditure (R2 970 million) was Programme 3: Human Capital. This was mainly due to the excess staff being paid against this programme. The amount shifted was mainly from Programme 5: Corporate Assurance and Programme 4: Centre for e-Innovation.

## 2. SERVICES RENDERED BY THE DEPARTMENT

**2.1** Revenue of this department is generated from two major sources, namely training fees from the Provincial Training Institute (PTI) and the sale of Provincial Gazettes.

### 2.2 Tariff policy

The tariffs relating to the two above revenue items have to be reviewed annually and if tariffs are to be increased, they have to be submitted annually to the Provincial Treasury for approval. The tariffs for the PTI are based on competition in the market as well as cost effectiveness for the client departments. Gazette tariffs are based on stationery and printing costs. All costs pertaining to the training provided by the PTI and the publication costs of the Provincial Gazette are provided for under the Vote of the Department of the Premier. The tariffs for the PTI for the period under review were approved on 19 June 2009 for a period of two years whilst the submission for the increase in Gazette fees was compiled and submitted to the Provincial Treasury in April 2011 and approved. The submission for the review of the tariffs at the PTI is currently being compiled.

### Free services

This department renders no free services to the public.

### 2.3 Inventories

The Department does not render services that require high volumes of inventory. Except for Government Gazette inventories which are fairly minimal, no other revenue generating inventories are held with this department.



### **3. CAPACITY CONSTRAINTS**

The vacancies in the Department is its main capacity constraint, while the limited budget for ICT infrastructure renewal is another major constraint. In order to alleviate the capacity pressures, various vacant posts, especially in Finance, have been advertised with a further round to follow in the new financial year. Despite these constraints the Department has been able to deliver on the objectives set in the Annual Performance Plan.

### **4. UTILISATION OF DONOR FUNDS**

No donor funding was directly received from any source during the course of the 2011/12 financial year.

### **5. TRADING ENTITIES AND PUBLIC ENTITIES**

#### **Provincial Development Council**

The Provincial Development Council (PDC) was established in 1996 in terms of the Provincial Development Law of 1996, which was subsequently replaced with the Provincial Development Council Act (Act No 4 of 2004). The objective of the PDC was to serve as the platform for social dialogue in the province in order to generally promote an approach that integrates considerations of sustainable development, participation in the economy and social equity in order to redress the historical legacy in the province.

An amount of R2.9 million was transferred to the PDC in the 2011/12 financial year to fund its operations and programmes before it was disestablished. All the assets and liabilities of the PDC were transferred to the Department of the Premier.

### **6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE**

Total transfers to non-profit organisations amounted to R11.043 million (2010/11: R6.242 million) which included Library Business Corners (R9.8 million) and the Cape Higher Education Consortium (R500 000).

As mentioned in paragraph 5 of this report, transfer payments were also made to the Provincial Development Council.

### **7. PUBLIC PRIVATE PARTNERSHIPS (PPP)**

No public/private partnerships were entered into during the year under review.

### **8. CORPORATE GOVERNANCE ARRANGEMENTS**

The Department recognised the need to implement Enterprise Risk Management as a key governance element. The journey to embed Enterprise Risk Management in the Department commenced with a basic five-point Risk Management Implementation Plan to address the fundamentals of risk management, and resulted in basic compliance to regulatory requirements. A Risk Management Strategy and Policy was developed and approved for the Department and a risk champion was appointed. The departmental Executive Committee has assumed the responsibility of the Risk Management Committee, and the members have been formally appointed and their roles and responsibilities clarified. The Department is engaging vigorously with the risk management process to ensure better credible risk data.

The Governance and Administration Cluster Audit Committee provides an oversight function over the operations of the Department. The Audit Committee consists of five independent members, meets on a regular basis (at least quarterly), operates in terms of an approved Audit Committee charter, has an oversight responsibility relating to the Internal Audit activity and forms an integral component of the risk management process.

Internal Audit continued to be offered by the shared Internal Audit function that was also corporatised to the Corporate Services Centre. The engagement between the Department and Internal Audit has grown to the required level of maturity, living up to Internal Audit's mandate of objective assurance and providing value-added services that would result in improving the operations of the Department.

A Rolling Strategic Internal Audit and Annual Operational Internal Audit Plan was approved by the Audit Committee, and the Audit Committee monitored the execution of the operational plan. An area of concern is the low level of risk coverage in the Department on the internal audit plans, which necessitates significant prioritisation of internal audit resources on an ongoing basis. It is envisaged that in the near future the increased maturity in the risk management processes will further improve value-added services from Internal Audit, allowing Internal Audit to focus and apply its scarce resources on critical risks.

The Department has developed a Draft Fraud Prevention Plan which is intended to deal with a zero tolerance stance against fraud and corruption. In all outcomes indicating fraud and/or irregularity, corrective action is recommended, and includes reporting the matter to the South African Police Services if the actions are criminal in nature.

## **9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED**

As a result of a recommendation from the team appointed to conduct a governance and mandate framework review of all public entities operating at the provincial sphere of government, the Provincial Cabinet resolved to repeal the Provincial Development Council Law of 1996 and subsequent amendment Act 4 of 2004. The Repeal Act was assented to by the Premier on 5 December 2011 and the PDC was thus disestablished with effect from that date. All the assets and liabilities of the PDC were transferred to the Department of the Premier.

## **10. NEW/PROPOSED ACTIVITIES**

In the new financial year Department will stabilise new activities that were initiated and at the same time continue to improve on service delivery.

The replacement of PERSAL with SAP (Systems, Applications and Products) as enterprise resource planning system, is earmarked for rollout in the 2012/13 and 2013/14 medium term.

The Microsoft migration project will reach the next phase of implementation, placing increased service delivery demands on the Centre for e-Innovation. In addition, broadband will continue to be rolled out in an attempt to meet increased service delivery optimisation demands. Steps will also have to be put in place to improve the level of ICT governance maturity in the province.

Funding has been provided for increased capacity to ensure compliance with the Occupational Health and Safety Act and the Minimum Information Security Standards.

The aim of the Special Project Facilitation Unit is to strategically support the Executive in facilitating major events/projects with provincial growth and developmental potential at interdepartmental, intergovernmental and/or inter-sectoral level.

## **11. ASSET MANAGEMENT**

The Department has made tremendous strides in the management of its assets and is able to account for its assets with a greater level of accuracy than in past years. Unlike previous years where the Department utilised an external service provider to perform the annual asset count, the verification was conducted by departmental staff that were appointed in permanent positions during this financial year. This yielded significant benefits as the corporate knowledge of the location of all the assets has been vastly enhanced. The financial statements were submitted to the Auditor-General on 31 May 2012 and the Asset Register and reconciliation between the BAUD Asset Register and the BAS Financial Accounting system and notes on major assets in the annual financial statements were submitted on 7 June 2012.

## **12. EVENTS AFTER THE REPORTING DATE**

There are no significant events after the reporting date.

## **13. INFORMATION ON PREDETERMINED OBJECTIVES**

The Department played a pivotal role in creating management information tools in respect of departmentalised project information on critical programmes and projects directed at the 12 provincial strategic objectives of Cabinet. Service providers were appointed to assess the quality of the projects to be loaded on the Executive Projects Dashboard system for the 2011/12 financial year in an effort to implement a quality integrated programme and projects based planning and management approach throughout the Western Cape Government.

The Department utilises two performance management mechanisms which measure individual and organisational performance on a quarterly basis. The implementation of the PERMIS system has allowed the Department to maintain an electronic repository of all individual performance reviews and also allows for monitoring progress towards the finalisation of reviews. With effect from 1 April 2010, PERMIS 2 was implemented which is an updated version of the previous one. Departmental performance reviews on the progress towards targets stated in the Annual Performance Plan are submitted to Provincial Treasury on a quarterly basis. These quarterly reports are also discussed at the departmental management structure where measures are agreed upon to ensure delivery against the stated indicators and targets.

## 14. SCOPA RESOLUTIONS

| Reference to previous audit report and SCOPA resolutions   | Subject  | Findings on progress   |
|--|--|--|
| <b>1.1 The Committee resolve that:</b>   |  |  |
| (a) The Department urgently addresses the delays in finalising reports that are caused by staff shortages within the Forensic Investigative Unit (FIU)   | The Committee was briefed by the Unit which revealed that very few of the investigations were finalised (only three cases finalised) | Progress was made with reducing the case backlog. As at the end of the financial year only five cases relating to the 2009/10 and prior financial years were in progress. Matters are addressed on a progressive basis to achieve a 150-day turnaround in 2012/13.                               |
| (b) The Department to ensure that the dashboard system is accessible to the public and members of the Provincial Parliament at all times   |  | The dashboard system is accessible to the public and members of the Provincial Parliament. Progress with implementation of projects can be accessed on <a href="http://www.westerncape.gov.za">www.westerncape.gov.za</a> by clicking on Premier's Provincial Dashboard under "Important Links". |
| (c) The Department formulates a policy that will guide or give a clear instruction to the FIU on cases referred to the Unit, e.g. when the cases are referred to FIU, and the deadline of each case  |  | A process guiding departments on how to refer cases to the FIU was developed and distributed.  |
| (d) The implementation and restructuring of the FIU as well as the backlog should be finalised by 31 March 2012  |  | The FIU was abolished and outsourced with effect from 1 December 2011. The backlog has been addressed as previously indicated.   |
| (e) There must be a clear process between the FIU and the departments in ensuring that there is a flow of communication regarding referral of cases to the FIU. A record of completed cases should be kept and cases should be forwarded to departments immediately after completion |  | Departments receive regular statistical reports relating to its specific case load, and regular meetings take place with Heads of departments to discuss investigation progress.   |
| (f) The Department ensures that all the Practice Notes are implemented and that the Head of Department (HOD) takes responsibility to ensure compliance   |  | Audit report paragraph 16 re procurement and contract management. This relates to the lack of SBD 4 forms required in the SCM process  |
| (g) The Department provides the Committee with the Audit Protocol between the Corporate Service Centre (CSC) and the Auditor General by 30 June 2012   |  | The audit protocol was submitted to the Standing Committee.  |

| Reference to previous audit report and SCOPA resolutions   | Subject   | Findings on progress  |
|--|---|---|
| <b>1.2 The Committee expressed its concern on the following:</b>   |   |   |
| (a) The lack of additional funds regarding the Internal Audit services hampers the audit coverage. The Department is requested to approach Provincial and/or National Treasury and request more funds to strengthen the audit coverage |   | As part of the MTEF process a policy option for additional funds was submitted to Provincial Treasury. This was not approved and no additional funds were received. The Chief Directorate is again attempting to obtain additional funds.   |
| (b) The Department continues to assess the effect of centralisation Units under Human Resource Management (HRM), CSC, FIU, etc., which led to serious challenges faced by the Department   |   | The CSC undertook a review of the Service Level Agreements with its client departments. To this effect the related Service Schedules were amended to provide a better articulation of the services rendered by the CSC as well as setting the standards at which these services will be rendered. As a result, both the CSC and its client departments are now in a better position to assess the quality of services rendered. In support of these improvements, a dashboard was developed to manage, monitor and evaluate the standard of services rendered by the CSC. |
| (c) The closing down of the Western Cape Provincial Development Council (PDC)  |   | This was disestablished with effect from 5 December 2011.   |
| (d) The delays in the finalisation of the FIU cases including other cases referred to them   |   | This was previously addressed.  |
| (e) The Department did not comply with the Practice Notes as required by Treasury Regulations  | SCM as above  | Finance Circular issued in Department immediately to ensure compliance thereto.   |
| (f) The irregular expenditure of R3 352 000 as raised by the Auditor-General in its audit findings   | The amount of R3 352 000 relates to irregular expenditure as recorded in the balance sheet. Only R482 000 incurred during this year – R313 000 relates to SCM as above and was raised by the auditors as a compliance issue | An amount of R675 000 was investigated and condoned during the financial year.  |

| Provincial Development Council resolutions  | Progress  |
|---|---|
| The Committee expressed its grave concern regarding the financial status of the Entity from receiving a financial unqualified audit, to a financial disclaimer. | This is incorrect as the Entity received a financial unqualified audit with emphasis of matter and other matters. |

## 15. PROGRESS MADE WITH REGARD TO MATTERS REPORTED BY THE AUDITOR-GENERAL IN PRIOR PERIODS

| Nature of qualification, disclaimer, adverse opinion and matters of non-compliance   | Financial year in which it first arose | Progress made in clearing/resolving the matter   |
|--|--|--|
| <b>Emphasis of matter</b>  |  |  |
| <ul style="list-style-type: none"> <li>Irregular expenditure</li> </ul>  | 2007/08, 2008/09, 2009/10 and 2010/11  | New Accounting Officer's System approved, including delegations and training provided to all components in this regard.  |
| <ul style="list-style-type: none"> <li>Fruitless and wasteful expenditure</li> </ul>   | 2009/10                                | Related to obligations not being fulfilled by employees of the former Provincial Youth Commission and assets and liabilities transferred to Department. Still under investigation. |
| <b>Material impairments</b>  |  |  |
| <ul style="list-style-type: none"> <li>Assets were not found in the asset count and full investigations had not been conducted into these assets.</li> </ul>                                     | 2009/10 and 2010/11                    | Assets not found in the 2009/10 and 2010/11 were investigated and written off in the 2011/12 financial year.   |
| <b>Other matters – non-compliance</b>  |  |  |
| <ul style="list-style-type: none"> <li>Subsidies to other institutions were increased without the approval of the relevant treasury, resulting in irregular expenditure of R1 000 000</li> </ul> | 2009/10                                | Condoned by Provincial Treasury after 31 March 2012 but before 31 May 2012.  |

## 16. OTHER

During the year under review the Forensic Investigative Unit (FIU) finalised an investigation into payments made to Hip Hop Media during the period of the contract with them. The FIU's finding that the payments made were irregular, was referred to Legal Services for an opinion. The legal opinion was that due to a conflict of interest, the expenditure was indeed irregular and therefore the amount of R22.867 million is reported as such in disclosure note 24.1 of the 2011/12 Annual Financial Statements. A further amount of R1.938 million is reported as fruitless and wasteful expenditure in disclosure note 25.1.

Apart from the information provided in this report and under this section, there are no other material facts or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.

## 17. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

In terms of section 79 of the PFMA, the National Treasury approved a departure from the disclosure of amortisation tables for finance lease expenditure in respect of GG vehicles as required in terms of the Departmental Reporting Framework Guide. Steps are being implemented to ensure full disclosure of GG vehicle expenditure as finance leases, including amortisation tables, for the 2012/13 financial year.

In terms of section 66 of the PFMA, read with National Treasury Practice Note 5 of 2006/07, the Minister of Finance, Economic Development and Tourism in the Western Cape has granted approval for all finance lease commitments in respect of GG vehicle expenditure that has been entered into or will be entered into that exceeds 60 months.

The daily tariff expenditure for GG vehicles was disclosed as operating lease expenditure in the 2010/11 annual financial statements and in terms of a directive from the National Treasury this was disclosed as finance lease expenditure in the 2011/12 annual financial statements.

## 18. INTERIM FINANCIAL STATEMENTS

Interim financial statements were submitted on a quarterly basis to the Provincial Treasury as per their requirements and these statements were assessed by them with a formal assessment being issued for the quarter ending September 2011.

### APPROVAL

The Annual Financial Statements set out on pages 66 to 116 have been approved by the Accounting Officer.



**Adv Brent Gerber**  
Accounting Officer

10 July 2012

To the Western Cape Provincial Parliament on Vote No. 1: Western Cape Department of the Premier

## **REPORT ON THE FINANCIAL STATEMENTS**

### **Introduction**

1. I have audited the financial statements of the Western Cape Department of the Premier set out on pages 66 to 116, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### **Accounting Officer's responsibility for the financial statements**

2. The Accounting Officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the Public Finance Management Act, 1999 (Act No 1 of 1999) (PFMA), and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor-General's responsibility**

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of the Premier as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA.

### **Emphasis of matters**

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



### Significant uncertainties

8. With reference to note 18 to the financial statements, the Department is a defendant in the following lawsuits:
- An unfair labour practice allegation made relating to the Social Transformation Programme.
  - Alleged unfair labour practice and interpretation of collective agreement.

The ultimate outcome of these matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

### Material impairments

9. As disclosed in note 29 to the financial statements, assets valued at R3 762 739 (initial purchase cost value) in the asset register could not be located. The Department is investigating these assets to determine whether they can be written off in accordance with the prescribed thefts and losses process. The value of the assets has been correctly accounted for in the financial statements.

### Irregular expenditure

10. As disclosed in note 24 to the financial statements, irregular expenditure to the amount of R22 970 000 was incurred.

### Additional matters

11. I draw attention to the matters below. My opinion is not modified in respect of these matters:

### Unaudited supplementary schedules

12. The supplementary information set out on page 110 to 116 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

### Financial reporting framework

13. The financial reporting framework prescribed by the National Treasury and applied by the Department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they "present fairly". Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

### Predetermined objectives

15. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on page 12 to 44 of the annual report.
16. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it

is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

17. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

18. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

#### **Additional matter**

19. Although no material findings concerning the usefulness and reliability of the performance information was identified in the annual performance report, I draw attention to the following matter below:

#### **Achievement of planned targets**

20. Of the total number of planned targets, only 57 were achieved during the year under review. This represents 32% of total planned targets that were not achieved during the year under review.

This was mainly due to the following:

- One indicator and target was not suitably developed during the strategic planning process.
- The Department not considering relevant systems and evidential requirements during the annual strategic planning process, as some targets and indicators were set as demand driven and no demand was received to perform on, as well as some targets and indicators set to be achieved by another party.
- The Department did not have sufficient human resources available to deliver on the required targets/indicators.

#### **Compliance with laws and regulations**

21. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My finding on material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA is as follows:

#### **Annual financial statements, performance and annual reports**

22. The Accounting Officer submitted financial statements for auditing that were not prepared in all material aspects in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA. The material misstatements of non-current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified opinion.

#### **Internal control**

23. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the finding on compliance with laws and regulations included in this report.

## Financial and performance management

24. The financial statements submitted for audit on 31 May 2012 contained material misstatements that were subsequently corrected by management.

- This was mainly due to management and staff members not fully understanding the requirements of the financial reporting framework, resulting in an overstatement of irregular expenditure condoned and misstatements in accruals and commitments. Furthermore, the Department did not receive sufficient guidance on the accounting of GMT-related transactions in a timely manner from Provincial Treasury.
- Management did not implement adequate daily and monthly controls as designed for the entity's business processes as asset reconciliations were not properly prepared and reconciling items cleared in a timely manner during the financial year, resulting in the asset reconciliation not being prepared by 31 May 2012 to enable management to accurately and completely account for assets in the financial statements.

## OTHER REPORTS

### Investigations

25. One investigation was still in progress at year end. This related to alleged procurement fraud and irregularities relating to a communications contract which were reported to the Public Protector. The investigation was finalised subsequent to year-end and, except for possible fruitless and wasteful expenditure of R8 696, it did not reveal any unlawful or criminal conduct.

26. Two investigations were completed during the year under review. One involved an employee who accepted gifts from a supplier and allowed certain payments to be made that were not in terms of the contract and at incorrect rates. The employee involved has been suspended.

The second investigation resulted in irregular expenditure of R22 867 000 being disclosed as per note 24 to the financial statements. This was incurred due to the non-declaration of interest. Fruitless and wasteful expenditure of R1 948 000, as disclosed in note 25 to the financial statements, was also incurred as fees paid were not in line with the contract and duplicate payments and overpayments were made.

### Performance audit

27. During the year under review a performance audit was conducted on the readiness of government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The audit is currently in the reporting phase and the findings will be reported on in a separate report.

*Auditor-General*

**Auditor-General**

Cape Town  
31 July 2012



**APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012**

| Appropriation per programme   |                              |                         |                |                           |                          |                |   |                           |                          |
|---|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|   | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|   | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>1. Executive Support</b>   |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments  | 59 975                       | (1 473)                 | 995            | 59 497                    | 59 357                   | 140            | 99.8                                      | 57 591                    | 56 766                   |
| Transfers and subsidies   | 6 268                        | –                       | 153            | 6 421                     | 6 007                    | 414            | 93.6                                      | 7 593                     | 7 592                    |
| Payment for capital assets  | 481                          | 1 369                   | –              | 1 850                     | 1 846                    | 4              | 99.7                                      | 1 468                     | 1 458                    |
| Payments for financial assets   | –                            | 104                     | –              | 104                       | 103                      | 1              | 99.0                                      | 44                        | 43                       |
| <b>2. Provincial Strategic Management</b>                                 |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments  | 29 084                       | (38)                    | (1 393)        | 27 653                    | 27 630                   | 23             | 99.9                                      | 33 066                    | 32 247                   |
| Transfers and subsidies   | 1 061                        | –                       | (153)          | 908                       | 841                      | 67             | 92.6                                      | 570                       | 569                      |
| Payment for capital assets  | 211                          | 38                      | –              | 249                       | 247                      | 2              | 99.2                                      | 1 629                     | 1 624                    |
| <b>3. Human Capital (CSC)</b>   |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments  | 118 827                      | (809)                   | 8 523          | 126 541                   | 126 500                  | 41             | 100.0                                     | 83 992                    | 83 738                   |
| Transfers and subsidies   | 93                           | 54                      | –              | 147                       | 144                      | 3              | 98.0                                      | 889                       | 889                      |
| Payment for capital assets  | 291                          | 755                     | 7              | 1 053                     | 1 051                    | 2              | 99.8                                      | 986                       | 964                      |
| Payments for financial assets   | –                            | –                       | –              | –                         | –                        | –              | –   | 24                        | 23                       |
| <b>4. Centre for e-Innovation (CSC)</b>                                   |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments  | 368 553                      | (4 504)                 | (4 748)        | 359 301                   | 358 471                  | 830            | 99.8                                      | 322 283                   | 322 047                  |
| Transfers and subsidies   | 9 826                        | 6                       | –              | 9 832                     | 9 831                    | 1              | 100.0                                     | 5 600                     | 5 600                    |
| Payment for capital assets  | 16 444                       | 4 498                   | 489            | 21 431                    | 21 424                   | 7              | 100.0                                     | 35 824                    | 35 788                   |
| Payments for financial assets   | –                            | –                       | –              | –                         | –                        | –              | –   | 51                        | 51                       |
| <b>5. Corporate Assurance (CSC)</b>                                       |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments  | 81 264                       | (69)                    | (3 384)        | 77 811                    | 77 775                   | 36             | 100.0                                     | 70 359                    | 70 128                   |
| Transfers and subsidies   | 33                           | 520                     | –              | 553                       | 553                      | –              | 100.0                                     | 742                       | 742                      |
| Payment for capital assets  | 1 607                        | (451)                   | (489)          | 667                       | 665                      | 2              | 99.7                                      | 658                       | 649                      |
| Payments for financial assets   | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| <b>Total</b>  | <b>694 018</b>               | <b>–</b>                | <b>–</b>       | <b>694 018</b>            | <b>692 445</b>           | <b>1 573</b>   | <b>99.8</b>                               | <b>623 369</b>            | <b>620 918</b>           |
| <b>Reconciliation with statement of financial performance</b>             |                              |                         |                |                           |                          |                |   |                           |                          |
| Add:  |                              |                         |                |                           |                          |                |   |                           |                          |
| Departmental receipts   |                              |                         |                | 1 129                     |                          |                |   | 1 181                     |                          |
| Actual amounts per statement of financial performance (total revenue)     |                              |                         |                | 695 147                   |                          |                |   | 624 550                   |                          |
| Actual amounts per statement of financial performance (total expenditure) |                              |                         |                |                           | 692 445                  |                |   |                           | 620 918                  |

| Appropriation per economic classification          |                              |                         |                |                           |                          |                |   |                           |                          |
|--|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|  | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|  | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>Current payments</b>                            |                              |                         |                |                           |                          |                |   |                           |                          |
| Compensation of employees                          | 331 969                      | 2 929                   | 2 829          | 337 727                   | 337 677                  | 50             | 100.0                                     | 267 408                   | 266 406                  |
| Goods and services                                 | 328 509                      | (12 856)                | (2 836)        | 312 817                   | 311 811                  | 1 006          | 99.7                                      | 299 566                   | 298 193                  |
| Interest and rent on land                          | 52                           | 205                     | –              | 257                       | 244                      | 13             | 94.9                                      | 320                       | 292                      |
| <b>Transfers and subsidies</b>                     |                              |                         |                |                           |                          |                |   |                           |                          |
| Provinces and municipalities                       | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Departmental agencies and accounts                 | 6 000                        | (2 646)                 | –              | 3 354                     | 2 943                    | 411            | 87.7                                      | 7 529                     | 7 528                    |
| Universities and technikons                        | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Foreign government and international organisations | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Public corporations and private enterprises        | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Non-profit institutions                            | 11 111                       | (100)                   | (100)          | 10 911                    | 10 843                   | 68             | 99.4                                      | 6 242                     | 6 241                    |
| Households   | 170                          | 3 227                   | –              | 3 397                     | 3 391                    | 6              | 99.8                                      | 1 623                     | 1 623                    |
| Gifts and donations                                | –                            | 100                     | 100            | 200                       | 200                      | –              | 100.0                                     | –                         | –                        |
| <b>Payment for capital assets</b>                  |                              |                         |                |                           |                          |                |   |                           |                          |
| Buildings and other fixed structures               | –                            | –                       | –              | –                         | –                        | –              | –   | 835                       | 835                      |
| Machinery and equipment                            | 16 207                       | 9 023                   | 7              | 25 237                    | 25 220                   | 17             | 99.9                                      | 39 727                    | 39 683                   |
| Heritage assets                                    | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Specialised military assets                        | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Biological assets                                  | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Land and subsoil assets                            | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Software and other intangible assets               | –                            | 14                      | –              | 14                        | 13                       | 1              | 92.9                                      | –                         | –                        |
| <b>Payments for financial assets</b>               | –                            | 104                     | –              | 104                       | 103                      | 1              | 99.0                                      | 119                       | 117                      |
| <b>Total</b>                                       | <b>694 018</b>               | <b>–</b>                | <b>–</b>       | <b>694 018</b>            | <b>692 445</b>           | <b>1 573</b>   | <b>99.8</b>                               | <b>623 369</b>            | <b>620 918</b>           |

**PROGRAMME 1: EXECUTIVE SUPPORT**

| Appropriation per sub-programme           |                              |                         |                |                           |                          |                |   |                           |                          |
|---|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|   | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|   | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>1.1 Programme Support</b>              |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                          | 1 426                        | (132)                   | 275            | 1 569                     | 1 566                    | 3              | 99.8                                      | 1 576                     | 1 545                    |
| Transfers and subsidies                   | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Payments for capital assets               | 15                           | 20                      | –              | 35                        | 35                       | –              | 100.0                                     | 41                        | 40                       |
| <b>1.2 Office of the Premier</b>          |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                          | 11 992                       | 240                     | 310            | 12 542                    | 12 536                   | 6              | 100.0                                     | 10 378                    | 10 294                   |
| Transfers and subsidies                   | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Payments for capital assets               | 87                           | 340                     | –              | 427                       | 426                      | 1              | 99.8                                      | 373                       | 372                      |
| <b>1.3 Executive Secretariat</b>          |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                          | 14 232                       | (1 219)                 | (37)           | 12 976                    | 12 964                   | 12             | 99.9                                      | 18 086                    | 17 543                   |
| Transfers and subsidies                   | 6 210                        | –                       | 153            | 6 363                     | 5 950                    | 413            | 93.5                                      | 7 551                     | 7 550                    |
| Payments for capital assets               | 129                          | 531                     | –              | 660                       | 659                      | 1              | 99.8                                      | 368                       | 366                      |
| <b>1.4 Office of the Director-General</b> |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                          | 13 715                       | (36)                    | 519            | 14 198                    | 14 189                   | 9              | 99.9                                      | 10 801                    | 10 723                   |
| Transfers and subsidies                   | 58                           | –                       | –              | 58                        | 57                       | 1              | 98.3                                      | –                         | –                        |
| Payments for capital assets               | 86                           | 160                     | –              | 246                       | 245                      | 1              | 99.6                                      | 246                       | 243                      |
| <b>1.5 Financial Management</b>           |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                          | 18 610                       | (326)                   | (72)           | 18 212                    | 18 102                   | 110            | 99.4                                      | 16 750                    | 16 661                   |
| Transfers and subsidies                   | –                            | –                       | –              | –                         | –                        | –              | –   | 42                        | 42                       |
| Payments for capital assets               | 164                          | 318                     | –              | 482                       | 481                      | 1              | 99.8                                      | 440                       | 437                      |
| Payments for financial assets             | –                            | 104                     | –              | 104                       | 103                      | 1              | 100.0                                     | 44                        | 43                       |
| <b>Total</b>                              | <b>66 724</b>                | <b>–</b>                | <b>1 148</b>   | <b>67 872</b>             | <b>67 313</b>            | <b>559</b>     | <b>99.2</b>                               | <b>66 696</b>             | <b>65 859</b>            |

| Statutory appropriation per economic classification |                              |                         |                |                           |                          |                |   |                           |                          |
|---|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|   | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|   | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>Current payments</b>                             |                              |                         |                |                           |                          |                |   |                           |                          |
| Compensation of employees                           | 47 001                       | –                       | 1 507          | 48 508                    | 48 499                   | 9              | 100.0                                     | 42 644                    | 42 537                   |
| Goods and services                                  | 13 395                       | (1 946)                 | (512)          | 10 937                    | 10 808                   | 129            | 98.8                                      | 14 856                    | 14 149                   |
| Interest and rent on land                           | 38                           | 14                      | –              | 52                        | 49                       | 3              | 94.2                                      | 86                        | 79                       |
| <b>Transfers and subsidies</b>                      |                              |                         |                |                           |                          |                |   |                           |                          |
| Departmental agencies and accounts                  | 6 000                        | (2 646)                 | –              | 3 354                     | 2 943                    | 411            | 87.7                                      | 7 500                     | 7 500                    |
| Non-profit institutions                             | 250                          | –                       | 53             | 303                       | 302                      | 1              | 99.7                                      | 51                        | 50                       |
| Households  | 18                           | 2 646                   | –              | 2 664                     | 2 662                    | 2              | 99.9                                      | 42                        | 42                       |
| Gifts and donations                                 | –                            | –                       | 100            | 100                       | 100                      | –              | 100.0                                     | –                         | –                        |
| <b>Payments for capital assets</b>                  |                              |                         |                |                           |                          |                |   |                           |                          |
| Machinery and equipment                             | 22                           | 1 828                   | –              | 1 850                     | 1 847                    | 3              | 99.8                                      | 1 473                     | 1 459                    |
| <b>Payments for financial assets</b>                | –                            | 104                     | –              | 104                       | 103                      | 1              | 99.0                                      | 44                        | 43                       |
| <b>Total</b>  | <b>66 724</b>                | <b>–</b>                | <b>1 148</b>   | <b>67 872</b>             | <b>67 313</b>            | <b>559</b>     | <b>99.2</b>                               | <b>66 696</b>             | <b>65 859</b>            |

**PROGRAMME 2: PROVINCIAL STRATEGIC MANAGEMENT**

| Appropriation per sub-programme             |                              |                         |                |                           |                          |                |   |                           |                          |
|---|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|   | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|   | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>2.1 Programme Support</b>                |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                            | 2 698                        | 90                      | 241            | 3 029                     | 3 024                    | 5              | 99.8                                      | 1 794                     | 1 780                    |
| Transfers and subsidies                     | 40                           | 50                      | –              | 90                        | 90                       | –              | 100.0                                     | –                         | –                        |
| Payments for capital assets                 | 13                           | 22                      | –              | 35                        | 35                       | –              | 100.0                                     | 15                        | 14                       |
| <b>2.2 Policy and Strategy</b>              |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                            | 9 379                        | (364)                   | (578)          | 8 437                     | 8 433                    | 4              | 100.0                                     | 9 726                     | 9 698                    |
| Transfers and subsidies                     | 590                          | –                       | (23)           | 567                       | 500                      | 67             | 88.2                                      | 500                       | 500                      |
| Payments for capital assets                 | 40                           | 19                      | –              | 59                        | 59                       | –              | 100.0                                     | 112                       | 111                      |
| <b>2.3 Strategic Management Information</b> |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                            | 9 861                        | 323                     | (1 228)        | 8 956                     | 8 945                    | 11             | 99.9                                      | 8 802                     | 8 749                    |
| Payments for capital assets                 | 123                          | 22                      | –              | 145                       | 144                      | 1              | 99.3                                      | 471                       | 469                      |
| <b>2.4 Strategic Communication</b>          |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                            | 7 146                        | (87)                    | 172            | 7 231                     | 7 228                    | 3              | 100.0                                     | 2 273                     | 2 266                    |
| Transfers and subsidies                     | 431                          | (50)                    | (130)          | 251                       | 251                      | –              | 100.0                                     | 41                        | 41                       |
| Payments for capital assets                 | 35                           | (25)                    | –              | 10                        | 9                        | 1              | 90.0                                      | 6                         | 6                        |
| <b>2.5 FIFA World Cup</b>                   |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                            | –                            | –                       | –              | –                         | –                        | –              | –   | 10 471                    | 9 754                    |
| Transfers and subsidies                     | –                            | –                       | –              | –                         | –                        | –              | –   | 29                        | 28                       |
| Payments for capital assets                 | –                            | –                       | –              | –                         | –                        | –              | –   | 1 025                     | 1 024                    |
| <b>Total</b>                                | <b>30 356</b>                | <b>–</b>                | <b>(1 546)</b> | <b>28 810</b>             | <b>28 718</b>            | <b>92</b>      | <b>99.7</b>                               | <b>35 265</b>             | <b>34 440</b>            |



| Statutory appropriation per economic classification |                              |                         |                |                           |                          |                |   |                           |                          |
|---|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|   | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|   | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>Current payments</b>                             |                              |                         |                |                           |                          |                |   |                           |                          |
| Compensation of employees                           | 18 731                       | –                       | (1 686)        | 17 045                    | 17 037                   | 8              | 100.0                                     | 18 520                    | 17 808                   |
| Goods and services                                  | 10 513                       | (215)                   | 293            | 10 591                    | 10 580                   | 11             | 99.9                                      | 14 513                    | 14 411                   |
| Interest and rent on land                           | 2                            | 14                      | –              | 16                        | 13                       | 3              | 81.3                                      | 33                        | 30                       |
| <b>Transfers and subsidies</b>                      |                              |                         |                |                           |                          |                |   |                           |                          |
| Provinces and municipalities                        | –                            | –                       | –              | –                         | –                        | –              | –   | 29                        | 28                       |
| Departmental agencies and accounts                  | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Non-profit institutions                             | 1 061                        | (100)                   | (153)          | 808                       | 741                      | 67             | 91.7                                      | 541                       | 541                      |
| Gifts and donations                                 | –                            | 100                     | –              | 100                       | 100                      | –              | 100.0                                     | –                         | –                        |
| <b>Payments for capital assets</b>                  |                              |                         |                |                           |                          |                |   |                           |                          |
| Buildings and other fixed structures                | –                            | –                       | –              | –                         | –                        | –              | –   | 835                       | 835                      |
| Machinery and equipment                             | 49                           | 201                     | –              | 250                       | 247                      | 3              | 98.8                                      | 794                       | 787                      |
| <b>Total</b>  | <b>30 356</b>                | <b>–</b>                | <b>(1 546)</b> | <b>28 810</b>             | <b>28 718</b>            | <b>92</b>      | <b>99.7</b>                               | <b>35 265</b>             | <b>34 440</b>            |

**PROGRAMME 3: HUMAN CAPITAL (CSC)**

| Appropriation per sub-programme          |                              |                         |                |                           |                          |                |   |                           |                          |
|--|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|  | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|  | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>3.1 Programme Support</b>             |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                         | 1 653                        | 37                      | –              | 1 690                     | 1 688                    | 2              | 99.9                                      | 1 561                     | 1 539                    |
| Payments for capital assets              | 20                           | (13)                    | –              | 7                         | 7                        | –              | 100.0                                     | 78                        | 78                       |
| <b>3.2 Organisation Development</b>      |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                         | 31 590                       | (2 738)                 | –              | 28 852                    | 28 846                   | 6              | 100.0                                     | 26 393                    | 26 312                   |
| Transfers and subsidies                  | 82                           | 18                      | –              | 100                       | 99                       | 1              | 99.0                                      | –                         | –                        |
| Payments for capital assets              | 112                          | 74                      | –              | 186                       | 185                      | 1              | 99.5                                      | 367                       | 363                      |
| <b>3.3 Provincial Training Institute</b> |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                         | 17 765                       | (224)                   | –              | 17 541                    | 17 521                   | 20             | 99.9                                      | 16 194                    | 16 133                   |
| Transfers and subsidies                  | 11                           | –                       | –              | 11                        | 11                       | –              | 100.0                                     | –                         | –                        |
| Payments for capital assets              | 75                           | 148                     | 7              | 230                       | 229                      | 1              | 99.6                                      | 179                       | 176                      |
| Payment for financial assets             | –                            | –                       | –              | –                         | –                        | –              | –   | 2                         | 1                        |
| <b>3.4 Human Resource Management</b>     |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                         | 67 819                       | 2 116                   | 8 523          | 78 458                    | 78 445                   | 13             | 100.0                                     | 39 844                    | 39 754                   |
| Transfers and subsidies                  | –                            | 36                      | –              | 36                        | 34                       | 2              | 94.4                                      | 889                       | 889                      |
| Payments for capital assets              | 84                           | 546                     | –              | 630                       | 630                      | –              | 100.0                                     | 362                       | 347                      |
| Payment for financial assets             | –                            | –                       | –              | –                         | –                        | –              | –   | 22                        | 22                       |
| <b>Total</b>                             | <b>119 211</b>               | <b>–</b>                | <b>8 530</b>   | <b>127 741</b>            | <b>127 695</b>           | <b>46</b>      | <b>100.0</b>                              | <b>85 891</b>             | <b>85 614</b>            |

| Statutory appropriation per economic classification |                              |                         |                |                           |                          |                |   |                           |                          |
|---|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|   | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|   | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>Current payments</b>                             |                              |                         |                |                           |                          |                |   |                           |                          |
| Compensation of employees                           | 96 571                       | –                       | 4 639          | 101 210                   | 101 202                  | 8              | 100.0                                     | 65 591                    | 65 534                   |
| Goods and services                                  | 22 514                       | (1 120)                 | 3 884          | 25 278                    | 25 244                   | 34             | 99.9                                      | 18 255                    | 18 045                   |
| Interest and rent on land                           | 12                           | 41                      | –              | 53                        | 52                       | 1              | 98.1                                      | 36                        | 30                       |
| <b>Transfers and subsidies</b>                      |                              |                         |                |                           |                          |                |   |                           |                          |
| Non-profit institutions                             | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Households  | 93                           | 54                      | –              | 147                       | 145                      | 2              | 98.6                                      | 889                       | 889                      |
| <b>Payments for capital assets</b>                  |                              |                         |                |                           |                          |                |   |                           |                          |
| Machinery and equipment                             | 21                           | 1 025                   | 7              | 1 053                     | 1 052                    | 1              | 99.9                                      | 1 096                     | 1 093                    |
| <b>Payments for financial assets</b>                | –                            | –                       | –              | –                         | –                        | –              | –   | 24                        | 23                       |
| <b>Total</b>  | <b>119 211</b>               | <b>–</b>                | <b>8 530</b>   | <b>127 741</b>            | <b>127 695</b>           | <b>46</b>      | <b>100.0</b>                              | <b>85 891</b>             | <b>85 614</b>            |

**PROGRAMME 4: CENTRE FOR E-INNOVATION (CSC)**

| Appropriation per sub-programme     |                              |                         |                |                           |                          |                |   |                           |                          |
|-------------------------------------|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|                                     | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|                                     | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>4.1 Programme Support</b>        |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                    | 11 858                       | (6 699)                 | –              | 5 159                     | 5 153                    | 6              | 99.9                                      | 5 702                     | 5 677                    |
| Transfers and subsidies             | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Payments for capital assets         | 49                           | 4 419                   | 489            | 4 957                     | 4 956                    | 1              | 100.0                                     | 678                       | 676                      |
| <b>4.2 Strategic ICT Services</b>   |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                    | 41 682                       | (9 577)                 | –              | 32 105                    | 32 091                   | 14             | 100.0                                     | 24 994                    | 24 921                   |
| Transfers and subsidies             | 9 800                        | –                       | –              | 9 800                     | 9 800                    | –              | 100.0                                     | 5 600                     | 5 600                    |
| Payments for capital assets         | 680                          | 248                     | –              | 928                       | 926                      | 2              | 99.8                                      | 1 048                     | 1 023                    |
| Payment for financial assets        | –                            | –                       | –              | –                         | –                        | –              | –   | 51                        | 51                       |
| <b>4.3 GITO Management Services</b> |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                    | 315 013                      | 11 772                  | (4 748)        | 322 037                   | 321 227                  | 810            | 99.7                                      | 291 587                   | 291 449                  |
| Transfers and subsidies             | 26                           | 6                       | –              | 32                        | 31                       | 1              | 96.9                                      | –                         | –                        |
| Payments for capital assets         | 15 715                       | (169)                   | –              | 15 546                    | 15 542                   | 4              | 100.0                                     | 34 098                    | 34 089                   |
| <b>Total</b>                        | <b>394 823</b>               | <b>–</b>                | <b>(4 259)</b> | <b>390 564</b>            | <b>389 726</b>           | <b>838</b>     | <b>99.8</b>                               | <b>363 758</b>            | <b>363 486</b>           |

| Statutory appropriation per economic classification |                              |                         |                |                           |                          |                |   |                           |                          |
|---|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|   | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|   | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>Current payments</b>                             |                              |                         |                |                           |                          |                |   |                           |                          |
| Compensation of employees                           | 116 090                      | 2 929                   | –              | 119 019                   | 119 008                  | 11             | 100.0                                     | 93 365                    | 93 313                   |
| Goods and services                                  | 253 357                      | (8 411)                 | (4 748)        | 240 198                   | 239 385                  | 813            | 99.7                                      | 228 780                   | 228 582                  |
| Interest and rent on land                           | –                            | 83                      | –              | 83                        | 80                       | 3              | 96.4                                      | 138                       | 134                      |
| <b>Transfers and subsidies</b>                      |                              |                         |                |                           |                          |                |   |                           |                          |
| Non-profit institutions                             | 9 800                        | –                       | –              | 9 800                     | 9 800                    | –              | 100.0                                     | 5 600                     | 5 600                    |
| Households  | 26                           | 6                       | –              | 32                        | 31                       | 1              | 96.9                                      | –                         | –                        |
| <b>Payments for capital assets</b>                  |                              |                         |                |                           |                          |                |   |                           |                          |
| Machinery and equipment                             | 15 550                       | 5 379                   | 489            | 21 418                    | 21 409                   | 9              | 100.0                                     | 35 824                    | 35 806                   |
| Software and other intangible assets                | –                            | 14                      | –              | 14                        | 13                       | 1              | 92.9                                      | –                         | –                        |
| <b>Payments for financial assets</b>                | –                            | –                       | –              | –                         | –                        | –              | –   | 51                        | 51                       |
| <b>Total</b>  | <b>394 823</b>               | <b>–</b>                | <b>(4 259)</b> | <b>390 564</b>            | <b>389 726</b>           | <b>838</b>     | <b>99.8</b>                               | <b>363 758</b>            | <b>363 486</b>           |

**PROGRAMME 5: CORPORATE ASSURANCE (CSC)**

| Appropriation per sub-programme       |                              |                         |                |                           |                          |                |   |                           |                          |
|---------------------------------------|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|                                       | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|                                       | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>5.1 Programme Support</b>          |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                      | 1 712                        | (134)                   | (169)          | 1 409                     | 1 407                    | 2              | 99.9                                      | 942                       | 933                      |
| Payments for capital assets           | –                            | 8                       | –              | 8                         | 8                        | –              | 100.0                                     | 2                         | 1                        |
| <b>5.2 Enterprise Risk Management</b> |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                      | 5 532                        | (485)                   | (198)          | 4 849                     | 4 847                    | 2              | 100.0                                     | 4 306                     | 4 293                    |
| Payments for capital assets           | 4                            | 2                       | –              | 6                         | 5                        | 1              | 83.3                                      | 4                         | 3                        |
| <b>5.3 Internal Audit</b>             |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                      | 31 507                       | 169                     | (1 875)        | 29 801                    | 29 789                   | 12             | 100.0                                     | 25 496                    | 25 415                   |
| Transfers and subsidies               | –                            | –                       | –              | –                         | –                        | –              | –   | –                         | –                        |
| Payments for capital assets           | 1 166                        | (600)                   | (489)          | 77                        | 77                       | –              | 100.0                                     | 280                       | 278                      |
| <b>5.4 Forensic Investigation</b>     |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                      | 14 963                       | 1 588                   | (135)          | 16 416                    | 16 412                   | 4              | 100.0                                     | 13 153                    | 13 133                   |
| Transfers and subsidies               | –                            | 476                     | –              | 476                       | 476                      | –              | 100.0                                     | –                         | –                        |
| Payments for capital assets           | 10                           | 65                      | –              | 75                        | 75                       | –              | 100.0                                     | 77                        | 77                       |
| <b>5.5 Legal Services</b>             |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                      | 19 099                       | (444)                   | (59)           | 18 596                    | 18 583                   | 13             | 99.9                                      | 16 429                    | 16 364                   |
| Transfers and subsidies               | –                            | –                       | –              | –                         | –                        | –              | –   | 692                       | 692                      |
| Payments for capital assets           | 53                           | (12)                    | –              | 41                        | 41                       | –              | 100.0                                     | 54                        | 52                       |
| <b>5.6 Corporate Communication</b>    |                              |                         |                |                           |                          |                |   |                           |                          |
| Current payments                      | 8 451                        | (763)                   | (948)          | 6 740                     | 6 737                    | 3              | 100.0                                     | 10 033                    | 9 990                    |
| Transfers and subsidies               | 33                           | 44                      | –              | 77                        | 77                       | –              | 100.0                                     | 50                        | 50                       |
| Payments for capital assets           | 374                          | 86                      | –              | 460                       | 459                      | 1              | 99.8                                      | 241                       | 238                      |
| <b>Total</b>                          | <b>82 904</b>                | <b>–</b>                | <b>(3 873)</b> | <b>79 031</b>             | <b>78 993</b>            | <b>38</b>      | <b>100.0</b>                              | <b>71 759</b>             | <b>71 519</b>            |

| Statutory appropriation per economic classification |                              |                         |                |                           |                          |                |   |                           |                          |
|---|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
|   | 2011/12                      |                         |                |                           |                          |                |   | 2010/11                   |                          |
|   | Adjusted appropriation R'000 | Shifting of funds R'000 | Virement R'000 | Final appropriation R'000 | Actual expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final appropriation R'000 | Actual expenditure R'000 |
| <b>Current payments</b>                             |                              |                         |                |                           |                          |                |   |                           |                          |
| Compensation of employees                           | 53 576                       | –                       | (1 631)        | 51 945                    | 51 931                   | 14             | 100.0                                     | 47 288                    | 47 214                   |
| Goods and services                                  | 28 730                       | (1 164)                 | (1 753)        | 25 813                    | 25 794                   | 19             | 99.9                                      | 23 162                    | 23 006                   |
| Interest and rent on land                           | –                            | 53                      | –              | 53                        | 50                       | 3              | 94.3                                      | 27                        | 19                       |
| <b>Transfers and subsidies</b>                      |                              |                         |                |                           |                          |                |   |                           |                          |
| Non-profit institutions                             | –                            | –                       | –              | –                         | –                        | –              | –   | 50                        | 50                       |
| Households  | 33                           | 521                     | –              | 554                       | 553                      | 1              | 99.8                                      | 692                       | 692                      |
| <b>Payments for capital assets</b>                  |                              |                         |                |                           |                          |                |   |                           |                          |
| Machinery and equipment                             | 565                          | 590                     | (489)          | 666                       | 665                      | 1              | 99.8                                      | 540                       | 538                      |
| <b>Total</b>  | <b>82 904</b>                | <b>–</b>                | <b>(3 873)</b> | <b>79 031</b>             | <b>78 993</b>            | <b>38</b>      | <b>100.0</b>                              | <b>71 759</b>             | <b>71 519</b>            |

**1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT)**

Detail of these transactions can be viewed in note 6 (Transfers and subsidies), and Annexures 1 – 5 to the Annual Financial Statements.

**2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT)**

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

**3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS**

Detail of these transactions per programme can be viewed in note 8 (Payments for financial assets) to the Annual Financial Statements.

**4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT)**

**4.1 Per programme**

|                                    | Final appropriation<br>R'000 | Actual expenditure<br>R'000 | Variance<br>R'000 | Variance as a % of final appropriation<br>% |
|------------------------------------|------------------------------|-----------------------------|-------------------|---|
| 1. Executive Support               | 67 872                       | 67 313                      | 559               | 0.82  |
| 2. Provincial Strategic Management | 28 810                       | 28 718                      | 92                | 0.32  |
| 3. Human Capital (CSC)             | 127 741                      | 127 695                     | 46                | 0.04  |
| 4. Centre for e-Innovation (CSC)   | 390 564                      | 389 726                     | 838               | 0.21  |
| 5. Corporate Assurance (CSC)       | 79 031                       | 78 993                      | 38                | 0.05  |
| <b>Total</b>                       | <b>694 018</b>               | <b>692 445</b>              | <b>1 573</b>      | <b>0.23</b>                                 |



4.2 Per economic classification

|                                      | Final appropriation<br>R'000 | Actual expenditure<br>R'000 | Variance<br>R'000 | Variance as a % of final appropriation<br>% |
|--------------------------------------|------------------------------|-----------------------------|-------------------|---|
| <b>Current payments</b>              |                              |                             |                   |   |
| Compensation of employees            | 337 727                      | 337 677                     | 50                | 0.01  |
| Goods and services                   | 312 817                      | 311 811                     | 1 006             | 0.32  |
| Interest and rent on land            | 257                          | 244                         | 13                | 5.06  |
| <b>Transfers and subsidies</b>       |                              |                             |                   |   |
| Departmental agencies and accounts   | 3 354                        | 2 943                       | 411               | 12.25                                       |
| Non-profit institutions              | 10 911                       | 10 843                      | 68                | 0.62  |
| Households                           | 3 397                        | 3 391                       | 6                 | 0.18  |
| Gifts and donations                  | 200                          | 200                         | –                 | –   |
| <b>Payments for capital assets</b>   |                              |                             |                   |   |
| Machinery and equipment              | 25 237                       | 25 220                      | 17                | 0.07  |
| Software and other intangible assets | 14                           | 13                          | 1                 | 7.14  |
| <b>Payments for financial assets</b> |                              |                             |                   |   |
|                                      | 104                          | 103                         | –                 | 0.96  |
| <b>Total</b>                         | <b>694 018</b>               | <b>692 445</b>              | <b>1 573</b>      | <b>0.23</b>                                 |

Current payments

Underspending on departmental agencies and accounts is due to the finalisation of the Provincial Development Council Repeal Bill. Underspending on software and other intangible assets is due to rounding of virements.

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2012

|   | Note | 2011/12<br>R'000 | 2010/11<br>R'000 |
|---|------|------------------|------------------|
| <b>REVENUE</b>                                    |      |                  |                  |
| Annual appropriation                              | 1    | 694 018          | 623 369          |
| Departmental revenue                              | 2    | 1 129            | 1 181            |
| <b>Total revenue</b>                              |      | <b>695 147</b>   | <b>624 550</b>   |
| <b>EXPENDITURE</b>                                |      |                  |                  |
| <b>Current expenditure</b>                        |      |                  |                  |
| Compensation of employees                         | 3    | 337 677          | 266 406          |
| Goods and services                                | 4    | 311 811          | 298 193          |
| Interest and rent on land                         | 5    | 244              | 292              |
| <b>Total current expenditure</b>                  |      | <b>649 732</b>   | <b>564 891</b>   |
| <b>Transfers and subsidies</b>                    |      |                  |                  |
| Transfers and subsidies                           | 6    | 17 377           | 15 392           |
| <b>Expenditure for capital assets</b>             |      |                  |                  |
| Tangible capital assets                           | 7    | 25 220           | 40 518           |
| Software and other intangible assets              | 7    | 13               | –                |
| <b>Total expenditure for capital assets</b>       |      | <b>25 233</b>    | <b>40 518</b>    |
| Payments for financial assets                     | 8    | 103              | 117              |
| <b>Total expenditure</b>                          |      | <b>692 445</b>   | <b>620 918</b>   |
| <b>Surplus for the year</b>                       |      | <b>2 702</b>     | <b>3 632</b>     |
| <b>Reconciliation of net surplus for the year</b> |      |                  |                  |
| Voted funds                                       | 12   | 1 573            | 2 451            |
| Departmental revenue                              | 13   | 1 129            | 1 181            |
| <b>Surplus for the year</b>                       |      | <b>2 702</b>     | <b>3 632</b>     |

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2012

|  | Note | 2011/12<br>R'000 | 2010/11<br>R'000 |
|--|------|------------------|------------------|
| <b>ASSETS</b>  |      |                  |                  |
| <b>Current assets</b>                                      |      | <b>3 265</b>     | <b>5 703</b>     |
| Cash and cash equivalents                                  | 9    | 23               | 4 148            |
| Prepayments and advances                                   | 10   | 166              | 7                |
| Receivables  | 11   | 3 076            | 1 548            |
| <b>Total assets</b>  |      | <b>3 265</b>     | <b>5 703</b>     |
| <b>LIABILITIES</b>   |      |                  |                  |
| <b>Current liabilities</b>                                 |      | <b>3 164</b>     | <b>5 589</b>     |
| Voted funds to be surrendered to the Revenue Fund          | 12   | 1 573            | 2 451            |
| Departmental revenue to be surrendered to the Revenue Fund | 13   | 295              | 626              |
| Bank overdraft   | 14   | 1 251            | 2 135            |
| Payables   | 15   | 45               | 377              |
| <b>Total liabilities</b>                                   |      | <b>3 164</b>     | <b>5 589</b>     |
| <b>Net assets</b>  |      | <b>101</b>       | <b>114</b>       |
| <b>Represented by:</b>                                     |      |                  |                  |
| Recoverable revenue  |      | 101              | 114              |
| <b>Total</b>   |      | <b>101</b>       | <b>114</b>       |

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2012

|   | 2011/12<br>R'000 | 2010/11<br>R'000 |
|---|------------------|------------------|
| <b>Recoverable revenue</b>                          |                  |                  |
| Opening balance                                     | 114              | 135              |
| Transfers:  | (13)             | (21)             |
| Debts recovered (included in departmental receipts) | (13)             | (21)             |
| <b>Closing balance</b>                              | <b>101</b>       | <b>114</b>       |

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

|  | Note | 2011/12<br>R'000 | 2010/11<br>R'000 |
|--|------|------------------|------------------|
| <b>Cash flows from operating activities</b>              |      |                  |                  |
| Receipts   |      | 695 738          | 625 113          |
| Annual appropriated funds received                       | 1.1  | 694 018          | 623 369          |
| Departmental revenue received                            | 2    | 1 720            | 1 744            |
| Net (increase)/decrease in working capital               |      | (2 019)          | 3 473            |
| Surrendered to Revenue Fund                              |      | (4 502)          | (7 425)          |
| Current payments   |      | (649 732)        | (564 891)        |
| Payments for financial assets                            |      | (103)            | (117)            |
| Transfers and subsidies paid                             |      | (17 377)         | (15 392)         |
| <b>Net cash flow available from operating activities</b> | 16   | <b>22 005</b>    | <b>40 761</b>    |
| <b>Cash flows from investing activities</b>              |      |                  |                  |
| Payments for capital assets                              | 7    | (25 233)         | (40 518)         |
| <b>Net cash flows from investing activities</b>          |      | <b>(25 233)</b>  | <b>(40 518)</b>  |
| <b>Cash flows from financing activities</b>              |      |                  |                  |
| Increase/(decrease) in net assets                        |      | (13)             | (21)             |
| <b>Net cash flows from financing activities</b>          |      | <b>(13)</b>      | <b>(21)</b>      |
| Net increase/(decrease) in cash and cash equivalents     |      | (3 241)          | 222              |
| Cash and cash equivalents at beginning of period         |      | 2 013            | 1 791            |
| <b>Cash and cash equivalents at end of period</b>        | 17   | <b>(1 228)</b>   | <b>2 013</b>     |

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

## **1. PRESENTATION OF THE FINANCIAL STATEMENTS**

### **1.1 Basis of preparation**

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

### **1.2 Presentation currency**

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

### **1.3 Rounding**

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

### **1.4 Comparative figures**

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

### **1.5 Comparative figures – Appropriation Statement**

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

## **2. REVENUE**

### **2.1 Appropriated funds**

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

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

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

### **2.2 Departmental revenue**

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

### 3. EXPENDITURE

#### 3.1 Compensation of employees

##### 3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee cost are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time in the project. These payments form part of expenditure for capital assets in the statement of financial performance.

##### 3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the Department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

#### 3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

#### 3.3 Interest and rent on land

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

#### 3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

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

### **3.5 Transfers and subsidies**

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

### **3.6 Unauthorised expenditure**

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

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

### **3.7 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

### **3.8 Irregular expenditure**

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

## **4. ASSETS**

### **4.1 Cash and cash equivalents**

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

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

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

### **4.2 Other financial assets**

Other financial assets are carried in the statement of financial position at cost.

### **4.3 Prepayments and advances**

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and where the goods and services have not been received by year-end.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

### **4.4 Receivables**

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentials irrecoverable are included in the disclosure notes.



## 4.5 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

## 4.6 Capital assets

### 4.6.1 Movable assets

#### *Initial recognition*

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register at R1.

#### *Subsequent recognition*

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the Department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

### 4.6.2 Immovable assets

#### *Initial recognition*

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

#### *Subsequent recognition*

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

### 4.6.3 Intangible assets

#### *Initial recognition*

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is refined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.

#### *Subsequent expenditure*

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the Department.

Maintenance is expensed as current "goods and services" in the statement of financial performance.

## **5. LIABILITIES**

### **5.1 Payables**

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

### **5.2 Contingent liabilities**

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the Department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

### **5.3 Contingent assets**

Contingent assets are included in the disclosure notes to the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

### **5.4 Commitments**

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

### **5.5 Accruals**

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

### **5.6 Employee benefits**

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

### **5.7 Lease commitments**

#### *Finance lease*

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

#### *Operating lease*

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

### **5.8 Provisions**

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

## **6. RECEIVABLES FOR DEPARTMENTAL REVENUE**

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

## 7. NET ASSETS

### 7.1 Recoverable revenue

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

## 8. RELATED PARTY TRANSACTIONS

Specific information with regards to related party transactions is included in the disclosure notes.

## 9. KEY MANAGEMENT PERSONNEL

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

## 10. GG VEHICLE EXPENDITURE AND COMMITMENTS

The National Treasury approved a departure from the disclosure of apportioning finance lease expenditure and future financial commitments between capital and interest as prescribed by the accounting policy in paragraph 5.7 above, due to the late finalisation of the disagreement on the accounting treatment for the GG vehicles. Future finance lease commitments have been disclosed using the CPIX rate as the basis for annual increments.

## 1. ANNUAL APPROPRIATION

### 1.1 Annual Appropriation

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

| Programmes                      | Final appropriation<br>2011/12<br>R'000 | Actual funds<br>received<br>2011/12<br>R'000 | Funds not<br>requested/<br>received<br>2011/12<br>R'000 | Appropriation<br>received<br>2010/11<br>R'000 |
|---------------------------------|---|--|---|---|
| Executive Support               | 67 872                                  | 67 872                                       | –   | 66 696  |
| Provincial Strategic Management | 28 810                                  | 28 810                                       | –   | 35 265  |
| Human Capital (CSC)             | 127 741                                 | 127 741                                      | –   | 85 891  |
| Centre for e-Innovation (CSC)   | 390 564                                 | 390 564                                      | –   | 363 758                                       |
| Corporate Assurance (CSC)       | 79 031                                  | 79 031                                       | –   | 71 759  |
| <b>Total</b>                    | <b>694 018</b>                          | <b>694 018</b>                               | <b>–</b>  | <b>623 369</b>                                |

|   | Note | 2011/12<br>R'000 | 2010/11<br>R'000 |
|---|------|------------------|------------------|
| <b>2. DEPARTMENTAL REVENUE</b>                        |      |                  |                  |
| Sales of goods and services other than capital assets | 2.1  | 526              | 661              |
| Interest, dividends and rent on land                  | 2.2  | 38               | 16               |
| Financial transactions in assets and liabilities      | 2.3  | 1 156            | 1 067            |
| <b>Total revenue collected</b>                        |      | <b>1 720</b>     | <b>1 744</b>     |
| Less: Own revenue included in appropriation           | 13   | 591              | 563              |
| <b>Departmental revenue collected</b>                 |      | <b>1 129</b>     | <b>1 181</b>     |

#### 2.1 Sales of goods and services other than capital assets

|  |  |            |            |
|--|--|------------|------------|
| Sales of goods and services produced by the department |  | 524        | 661        |
| Sales by market establishment                          |  | –          | –          |
| Other sales  |  | 524        | 661        |
| Sales of scrap, waste and other used current goods     |  | 2          | –          |
| <b>Total</b>   |  | <b>526</b> | <b>661</b> |

#### 2.2 Interest, dividends and rent on land

|              |  |           |           |
|--------------|--|-----------|-----------|
| Interest     |  | 38        | 16        |
| <b>Total</b> |  | <b>38</b> | <b>16</b> |

#### 2.3 Financial transactions in assets and liabilities

|  |  |              |              |
|--|--|--------------|--------------|
| Receivables                                  |  | –            | 32           |
| Other receipts including recoverable revenue |  | 1 156        | 1 035        |
| <b>Total</b>                                 |  | <b>1 156</b> | <b>1 067</b> |

|  | Note | 2011/12<br>R'000 | 2010/11<br>R'000 |
|--|------|------------------|------------------|
| <b>3. COMPENSATION OF EMPLOYEES</b>    |      |                  |                  |
| <b>3.1 Salaries and wages</b>          |      |                  |                  |
| Basic salary                           |      | 235 263          | 186 012          |
| Performance award                      |      | 3 813            | 2 973            |
| Service based                          |      | 371              | 397              |
| Compensative/circumstantial            |      | 6 859            | 4 803            |
| Periodic payments                      |      | 644              | 311              |
| Other non-pensionable allowances       |      | 53 047           | 40 233           |
| <b>Total</b>                           |      | <b>299 997</b>   | <b>234 729</b>   |
| <b>3.2 Social contributions</b>        |      |                  |                  |
| <b>Employer contributions</b>          |      |                  |                  |
| Pension                                |      | 26 349           | 22 611           |
| Medical                                |      | 11 277           | 9 021            |
| UIF                                    |      | –                | 1                |
| Bargaining Council                     |      | 54               | 44               |
| <b>Total</b>                           |      | <b>37 680</b>    | <b>31 677</b>    |
| <b>Total compensation of employees</b> |      | <b>337 677</b>   | <b>266 406</b>   |
| Average number of employees            |      | 979              | 823              |

**4. GOODS AND SERVICES**

|   |     |                |                |
|---|-----|----------------|----------------|
| Administrative fees                                     |     | 35             | 234            |
| Advertising   |     | 14 902         | 7 201          |
| Assets less than R5 000                                 | 4.1 | 1 469          | 2 904          |
| Bursaries (employees)                                   |     | 642            | 603            |
| Catering  |     | 1 062          | 1 440          |
| Communication   |     | 4 916          | 4 932          |
| Computer services                                       | 4.2 | 226 041        | 216 502        |
| Consultants, contractors and agency/outsourced services | 4.3 | 33 257         | 35 741         |
| Entertainment   |     | 72             | 68             |
| Audit cost – external                                   | 4.4 | 3 357          | 3 775          |
| Inventory   | 4.5 | 5 001          | 5 844          |
| Operating leases  |     | 644            | 847            |
| Owned and leasehold property expenditure                | 4.6 | 1 357          | 1 682          |
| Rental and hiring                                       |     | 17             | –              |
| Travel and subsistence                                  | 4.7 | 11 575         | 8 329          |
| Venues and facilities                                   |     | 2 372          | 1 495          |
| Training and staff development                          |     | 3 313          | 2 923          |
| Other operating expenditure                             | 4.8 | 1 779          | 3 673          |
| <b>Total</b>  |     | <b>311 811</b> | <b>298 193</b> |

|                                    | 2011/12<br>R'000 | 2010/11<br>R'000 |
|------------------------------------|------------------|------------------|
| <b>4.1 Assets less than R5 000</b> |                  |                  |
| Tangible assets                    | 1 094            | 2 884            |
| Machinery and equipment            | 1 094            | 2 884            |
| Intangible assets                  | 375              | 20               |
| <b>Total</b>                       | <b>1 469</b>     | <b>2 904</b>     |

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| <b>4.2 Computer services</b>        |                |                |
| SITA computer services              | 92 406         | 140 886        |
| External computer service providers | 133 635        | 75 616         |
| <b>Total</b>                        | <b>226 041</b> | <b>216 502</b> |

|  |               |               |
|--|---------------|---------------|
| <b>4.3 Consultants, contractors and agency/outsourced services</b> |               |               |
| Business and advisory services                                     | 10 172        | 18 684        |
| Infrastructure and planning  | –             | 43            |
| Laboratory services  | 1             | –             |
| Legal costs  | 1 794         | 2 282         |
| Contractors  | 1 189         | 5 505         |
| Agency and support/outsourced services                             | 20 101        | 9 227         |
| <b>Total</b>   | <b>33 257</b> | <b>35 741</b> |

|                                  |              |              |
|----------------------------------|--------------|--------------|
| <b>4.4 Audit cost – external</b> |              |              |
| Regularity audits                | 3 357        | 3 775        |
| <b>Total</b>                     | <b>3 357</b> | <b>3 775</b> |

|  |              |              |
|--|--------------|--------------|
| <b>4.5 Inventory</b>                   |              |              |
| Learning and teaching support material | 206          | 146          |
| Food and food supplies                 | 332          | 322          |
| Fuel, oil and gas                      | 25           | 20           |
| Other consumable materials             | 261          | 268          |
| Maintenance material                   | 88           | 77           |
| Stationery and printing                | 4 089        | 5 010        |
| Medical supplies                       | –            | 1            |
| <b>Total</b>                           | <b>5 001</b> | <b>5 844</b> |

|   |              |              |
|---|--------------|--------------|
| <b>4.6 Owned and leasehold property expenditure</b> |              |              |
| Other*  | 1 357        | 1 682        |
| <b>Total</b>  | <b>1 357</b> | <b>1 682</b> |

\* Included in this disclosure note is expenditure for security services at the Provincial Training Institute (R572 000), management fees for management of cafeterias at Kromme Rhee and 4 Dorp Street (R383 000) and cleaning services utilised at the Provincial Training Institute (R225 000).

|                                   | Note | 2011/12<br>R'000 | 2010/11<br>R'000 |
|-----------------------------------|------|------------------|------------------|
| <b>4.7 Travel and subsistence</b> |      |                  |                  |
| Employee costs                    |      | 11 565           | 8 329            |
| Domestic travel costs             |      | 10 255           | 7 623            |
| International travel costs        |      | 1 310            | 706              |
| Non-employee costs                |      | 10               | –                |
| Domestic travel costs             |      | 10               | –                |
| <b>Total</b>                      |      | <b>11 575</b>    | <b>8 329</b>     |

|   |  |              |              |
|---|--|--------------|--------------|
| <b>4.8 Other operating expenditure</b>                |  |              |              |
| Professional bodies, membership and subscription fees |  | 600          | 1 186        |
| Resettlement costs                                    |  | 156          | 217          |
| Gifts   |  | 68           | –            |
| Other*  |  | 955          | 2 270        |
| <b>Total</b>  |  | <b>1 779</b> | <b>3 673</b> |

\* Included in the disclosure for "Other" is an amount of R824 000 paid for the printing of the Provincial Government Gazette.

#### 5. INTEREST AND RENT ON LAND

|               |  |            |            |
|---------------|--|------------|------------|
| Interest paid |  | 244        | 292        |
| <b>Total</b>  |  | <b>244</b> | <b>292</b> |

#### 6. TRANSFERS AND SUBSIDIES

|  |         |               |               |
|--|---------|---------------|---------------|
| Departmental agencies and accounts     | Annex 1 | 2 943         | 7 528         |
| Non-profit institutions                | Annex 2 | 10 300        | 6 100         |
| Households                             | Annex 3 | 3 391         | 931           |
| Gifts, donations and sponsorships made | Annex 5 | 743           | 833           |
| <b>Total</b>                           |         | <b>17 377</b> | <b>15 392</b> |

#### 7. EXPENDITURE FOR CAPITAL ASSETS

|                                      |      |               |               |
|--------------------------------------|------|---------------|---------------|
| Tangible assets                      |      | 25 220        | 40 518        |
| Buildings and other fixed structures |      | –             | 835           |
| Machinery and equipment              | 31.1 | 25 220        | 39 683        |
| Software and other intangible assets |      | 13            | –             |
| Computer software                    |      | 13            | –             |
| <b>Total</b>                         |      | <b>25 233</b> | <b>40 518</b> |

**Note:** GG vehicle daily tariff expenditure was reclassified from operating lease expenditure to finance lease expenditure in the 2011/12 Annual Financial Statements and hence restated for the 2010/11 comparatives.

|   | Voted funds<br>R'000 | Aid assistance<br>R'000 | Total<br>R'000 |
|---|----------------------|-------------------------|----------------|
| <b>7.1 Analysis of funds utilised to acquire capital assets – 2011/12</b> |                      |                         |                |
| Tangible assets   | 25 220               | –                       | 25 220         |
| Machinery and equipment   | 25 220               | –                       | 25 220         |
| Software and other intangible assets                                      | 13                   | –                       | 13             |
| Computer software   | 13                   | –                       | 13             |
| <b>Total</b>  | <b>25 233</b>        | <b>–</b>                | <b>25 233</b>  |

|   |               |          |               |
|---|---------------|----------|---------------|
| <b>7.2 Analysis of funds utilised to acquire capital assets – 2010/11</b> |               |          |               |
| Tangible assets   | 40 518        | –        | 40 518        |
| Buildings and other fixed structures                                      | 835           | –        | 835           |
| Machinery and equipment   | 39 683        | –        | 39 683        |
| <b>Total</b>  | <b>40 518</b> | <b>–</b> | <b>40 518</b> |

**Note:** Buildings and other fixed structures represent expenditure for the Philippi stadium for work that was not completed in the previous financial year.

|   | Note | 2011/12<br>R'000 | 2010/11<br>R'000 |
|---|------|------------------|------------------|
| <b>8. PAYMENTS FOR FINANCIAL ASSETS</b> |      |                  |                  |
| Other material losses written off       | 8.1  | 5                | 74               |
| Debts written off                       | 8.2  | 98               | 43               |
| <b>Total</b>                            |      | <b>103</b>       | <b>117</b>       |

#### 8.1 Other material losses written off

##### Nature of losses

|   |  |          |           |
|---|--|----------|-----------|
| Damages to Government vehicles – one case |  | 5        | 74        |
| <b>Total</b>                              |  | <b>5</b> | <b>74</b> |

#### 8.2 Debts written off

##### Nature of debts written off

|  |  |           |           |
|--|--|-----------|-----------|
| Irrecoverable staff debt written off – two cases |  | –         | 43        |
| State guarantee debt written off – one case      |  | 69        | –         |
| Tax and salary debts written off – 33 cases      |  | 29        | –         |
| <b>Total</b>                                     |  | <b>98</b> | <b>43</b> |



|                                     | 2011/12<br>R'000 | 2010/11<br>R'000 |
|-------------------------------------|------------------|------------------|
| <b>9. CASH AND CASH EQUIVALENTS</b> |                  |                  |
| Cash on hand                        | 23               | 22               |
| Cash with commercial banks (Local)  | –                | 4 126            |
| <b>Total</b>                        | <b>23</b>        | <b>4 148</b>     |

|                                     |            |          |
|-------------------------------------|------------|----------|
| <b>10. PREPAYMENTS AND ADVANCES</b> |            |          |
| Travel and subsistence              | 166        | 7        |
| <b>Total</b>                        | <b>166</b> | <b>7</b> |

|                        | Note    | Less than<br>one year<br>R'000 | One to<br>three years<br>R'000 | Older than<br>three years<br>R'000 | Total<br>2011/12<br>R'000 | Total<br>2010/11<br>R'000 |
|------------------------|---------|--------------------------------|--------------------------------|------------------------------------|---------------------------|---------------------------|
| <b>11. RECEIVABLES</b> |         |                                |                                |                                    |                           |                           |
| Claims recoverable     | 11.1    |                                |                                |                                    |                           |                           |
|                        | Annex 8 | 958                            | 23                             | –                                  | 981                       | 893                       |
| Staff debt             | 11.2    | 258                            | 248                            | 197                                | 703                       | 521                       |
| Other debtors          | 11.3    | 1 296                          | 96                             | –                                  | 1 392                     | 134                       |
| <b>Total</b>           |         | <b>2 512</b>                   | <b>367</b>                     | <b>197</b>                         | <b>3 076</b>              | <b>1 548</b>              |

|                                | 2011/12<br>R'000 | 2010/11<br>R'000 |
|--------------------------------|------------------|------------------|
| <b>11.1 Claims recoverable</b> |                  |                  |
| National departments           | 69               | 36               |
| Provincial departments         | 508              | 857              |
| Public entities                | 17               | –                |
| Local governments              | 387              | –                |
| <b>Total</b>                   | <b>981</b>       | <b>893</b>       |

|                                      |            |            |
|--------------------------------------|------------|------------|
| <b>11.2 Staff debt</b>               |            |            |
| Damage to government garage vehicles | 108        | 135        |
| Income tax and site debt             | 23         | 28         |
| Salary suspense account              | 118        | 43         |
| Departmental debt account            | 454        | 315        |
| <b>Total</b>                         | <b>703</b> | <b>521</b> |

|                            |              |            |
|----------------------------|--------------|------------|
| <b>11.3 Other debtors</b>  |              |            |
| Disallowance miscellaneous | 1 392        | 134        |
| <b>Total</b>               | <b>1 392</b> | <b>134</b> |

|  | Note | 2011/12<br>R'000 | 2010/11<br>R'000 |
|--|------|------------------|------------------|
| <b>12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND</b> |      |                  |                  |
| Opening balance  |      | 2 451            | 6 156            |
| Transfer from statement of financial performance             |      | 1 573            | 2 451            |
| Paid during the year   |      | (2 451)          | (6 156)          |
| <b>Closing balance</b>                                       |      | <b>1 573</b>     | <b>2 451</b>     |

|   |  |            |            |
|---|--|------------|------------|
| <b>13. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND</b> |  |            |            |
| Opening balance   |  | 626        | 151        |
| Transfer from statement of financial performance                      |  | 1 129      | 1 181      |
| Own revenue included in appropriation                                 |  | 591        | 563        |
| Paid during the year  |  | (2 051)    | (1 269)    |
| <b>Closing balance</b>  |  | <b>295</b> | <b>626</b> |

|  |  |              |              |
|--|--|--------------|--------------|
| <b>14. BANK OVERDRAFT</b>              |  |              |              |
| Consolidated paymaster general account |  | 1 251        | 2 135        |
| <b>Total</b>                           |  | <b>1 251</b> | <b>2 135</b> |

|                               |      |           |            |
|-------------------------------|------|-----------|------------|
| <b>15. PAYABLES – CURRENT</b> |      |           |            |
| Clearing accounts             | 15.1 | 45        | 356        |
| Other payables                | 15.2 | –         | 21         |
| <b>Total</b>                  |      | <b>45</b> | <b>377</b> |

|                               |  |           |            |
|-------------------------------|--|-----------|------------|
| <b>15.1 Clearing accounts</b> |  |           |            |
| Salary: Income tax            |  | 39        | 356        |
| Salary: Bargaining Council    |  | 6         | –          |
| <b>Total</b>                  |  | <b>45</b> | <b>356</b> |

|                             |  |          |           |
|-----------------------------|--|----------|-----------|
| <b>15.2 Other payables</b>  |  |          |           |
| Salary disallowance account |  | –        | 3         |
| GRV suspense                |  | –        | 18        |
| <b>Total</b>                |  | <b>–</b> | <b>21</b> |

|  | 2011/12<br>R'000 | 2010/11<br>R'000 |
|--|------------------|------------------|
| <b>16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES</b>     |                  |                  |
| Net surplus as per Statement of Financial Performance            | 2 702            | 3 632            |
| Add back non-cash/cash movements not deemed operating activities | 19 303           | 37 129           |
| (Increase)/Decrease in receivables – current                     | (1 528)          | 3 122            |
| (Increase)/Decrease in prepayments and advances                  | (159)            | 28               |
| Increase/(Decrease) in payables – current                        | (332)            | 323              |
| Expenditure on capital assets                                    | 25 233           | 40 518           |
| Surrenders to Revenue Fund                                       | (4 502)          | (7 425)          |
| Own revenue included in appropriation                            | 591              | 563              |
| <b>Net cash flow generated by operating activities</b>           | <b>22 005</b>    | <b>40 761</b>    |

**17. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES**

|  |                |              |
|--|----------------|--------------|
| Consolidated paymaster general account | (1 251)        | (2 135)      |
| Cash on hand                           | 23             | 22           |
| Cash with commercial banks (local)     | –              | 4 126        |
| <b>Total</b>                           | <b>(1 228)</b> | <b>2 013</b> |

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

|  |         | 2011/12<br>R'000 | 2010/11<br>R'000 |
|--|---------|------------------|------------------|
| <b>18. CONTINGENT LIABILITIES</b>                          |         |                  |                  |
| Housing loan guarantees – employees                        | Annex 6 | 65               | –                |
| Claims against the Department                              | Annex 7 | 8 866            | 8 438            |
| Other departments (interdepartmental unconfirmed balances) | Annex 9 | 679              | 213              |
| <b>Total</b>   |         | <b>9 610</b>     | <b>8 651</b>     |

### 19. COMMITMENTS

#### Current expenditure

|                                 |  |                |               |
|---------------------------------|--|----------------|---------------|
| Approved and contracted         |  | 102 193        | 31 215        |
| Approved but not yet contracted |  | –              | 274           |
|                                 |  | <b>102 193</b> | <b>31 489</b> |

#### Capital expenditure

|                                 |  |                |               |
|---------------------------------|--|----------------|---------------|
| Approved and contracted         |  | 4 161          | 1 278         |
| Approved but not yet contracted |  | –              | –             |
|                                 |  | <b>4 161</b>   | <b>1 278</b>  |
| <b>Total commitments</b>        |  | <b>106 354</b> | <b>32 767</b> |

**Note:** The following commitments are mainly due to the:

- Information Communication Technology advisory consulting services from SITA – R6.42 million
- Outsourcing of Forensic services over a three-year period – R45.578 million
- Information Communication Technology advisory consulting services External Computer Services – R24.03 million
- Information Communication Technology software licences for the 2012/13 financial year – R11.4 million

|  | 30 Days<br>R'000 | 30+ Days<br>R'000 | 2011/12<br>Total<br>R'000 | 2010/11<br>Total<br>R'000 |
|--|------------------|-------------------|---------------------------|---------------------------|
| <b>20. ACCRUALS</b>                      |                  |                   |                           |                           |
| <b>Listed by economic classification</b> |                  |                   |                           |                           |
| Goods and services                       | 15 144           | 3 643             | 18 787                    | 12 038                    |
| Transfers and subsidies                  | –                | –                 | –                         | 62                        |
| Capital assets                           | 12 300           | 1 681             | 13 981                    | 729                       |
| <b>Total</b>                             | <b>27 444</b>    | <b>5 324</b>      | <b>32 768</b>             | <b>12 829</b>             |

|                                    | Note | 2011/12<br>R'000 | 2010/11<br>R'000 |
|------------------------------------|------|------------------|------------------|
| <b>Listed by programme level</b>   |      |                  |                  |
| 1. Executive Support               |      | 1 843            | 770              |
| 2. Provincial Strategic Management |      | 202              | 630              |
| 3. Human Capital (CSC)             |      | 2 308            | 1 794            |
| 4. Centre for e-Innovation (CSC)   |      | 25 606           | 9 635            |
| 5. Corporate Assurance (CSC)       |      | 2 809            | –                |
| <b>Total</b>                       |      | <b>32 768</b>    | <b>12 829</b>    |

*Includes:*

|   |         |              |              |
|---|---------|--------------|--------------|
| Forensic Advisory Services i.r.o. March 2012      |         | 1 914        |              |
| Server hardware equipment received in March       |         | 9 589        |              |
| SITA computer services for March                  |         | 6 273        |              |
| SITA server hardware ICT equipment                |         | 437          |              |
| Upgrade of IT office accommodation at Tygerberg   |         | 3 084        |              |
| Confirmed balances with other departments         | Annex 9 | 1 201        | 291          |
| Confirmed balances with other government entities | Annex 9 | 688          | 1 079        |
| <b>Total</b>                                      |         | <b>1 889</b> | <b>1 370</b> |

**21. EMPLOYEE BENEFITS**

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| Leave entitlement                 | 9 898         | 7 539         |
| Service bonus (thirteenth cheque) | 7 994         | 7 205         |
| Performance awards                | 3 792         | 4 127         |
| Capped leave commitments          | 7 704         | 7 229         |
| Other                             | 31            | 13            |
| <b>Total</b>                      | <b>29 419</b> | <b>26 113</b> |

**Note:** A debit balance of R742 208.85 was included in the leave entitlement amount.

Annual Leave cycles run from January to December of each year. Leave cycles do not run concurrently with financial year-end cycle. Annual leave credits are accrued in January of each year, for the entire 12-month period. As a result, when reports are drawn at the end of March for the financial reporting, leave credits in some instances reflect a negative balance since it calculates the pro-rata leave due to an individual as at 31 March of the respective year.

## 22. LEASE COMMITMENTS

## 22.1 Operating leases expenditure

|  | Specialised<br>military<br>equipment<br>R'000 | Land<br>R'000 | Buildings and<br>other fixed<br>structures<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Total<br>R'000 |
|--|---|---------------|---|--|----------------|
| <b>(Office rental lease – PDC)</b>                   |   |               |   |  |                |
| <b>2011/12</b>                                       |   |               |   |  |                |
| Not later than one year                              | –   | –             | 153   | –                                      | 153            |
| Later than one year and not later<br>than five years | –   | –             | –   | –                                      | –              |
| Later than five years                                | –   | –             | –   | –                                      | –              |
| <b>Total lease commitments</b>                       | <b>–</b>                                      | <b>–</b>      | <b>153</b>  | <b>–</b>                               | <b>153</b>     |
| <b>(Photocopy lease charges – PDC)</b>               |   |               |   |  |                |
| <b>2011/12</b>                                       |   |               |   |  |                |
| Not later than one year                              | –   | –             | –   | 105                                    | 105            |
| Later than one year and not later<br>than five years | –   | –             | –   | –                                      | –              |
| Later than five years                                | –   | –             | –   | 143                                    | 143            |
| <b>Total lease commitments</b>                       | <b>–</b>                                      | <b>–</b>      | <b>–</b>  | <b>248</b>                             | <b>248</b>     |

## 22.2 Finance leases expenditure (Government Motor Transport)

As determined by the National Accountant General, the arrangement between the Department of the Premier and Government Motor transport (GMT) constitutes finance leases. The obligation in respect of the finance leases are presented below:

|   | Specialised<br>military<br>equipment<br>R'000 | Land<br>R'000 | Buildings and<br>other fixed<br>structures<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Total<br>R'000 |
|---|---|---------------|---|--|----------------|
| <b>2011/12</b>                                    |   |               |   |  |                |
| Not later than one year                           | –   | –             | –   | 3 747                                  | 3 747          |
| Later than one year and not later than five years | –   | –             | –   | 10 120                                 | 10 120         |
| Later than five years                             | –   | –             | –   | 2 645                                  | 2 645          |
| <b>Total lease commitments</b>                    |   |               |   | <b>16 512</b>                          | <b>16 512</b>  |
| Less: Finance costs                               | –   | –             | –   | –                                      | –              |
| <b>Total present value of lease liabilities</b>   | <b>–</b>                                      | <b>–</b>      | <b>–</b>  | <b>16 512</b>                          | <b>16 512</b>  |

**Note:** GG vehicle daily tariff commitments were reclassified from operating lease commitments to finance lease commitments in the 2011/12 Annual Financial Statements and hence restated for the 2010/11 comparatives.

|   |          |          |          |              |              |
|---|----------|----------|----------|--------------|--------------|
| <b>2010/11</b>                                    |          |          |          |              |              |
| Not later than one year                           | –        | –        | –        | 2 229        | 2 229        |
| Later than one year and not later than five years | –        | –        | –        | 5 673        | 5 673        |
| Later than five years                             | –        | –        | –        | 1 237        | 1 237        |
| <b>Total lease commitments</b>                    |          |          |          | <b>9 139</b> | <b>9 139</b> |
| Less: Finance costs                               | –        | –        | –        | –            | –            |
| <b>Total present value of lease liabilities</b>   | <b>–</b> | <b>–</b> | <b>–</b> | <b>9 139</b> | <b>9 139</b> |

The Department of the Premier leased 108 vehicles from GMT since its creation. Daily tariffs are payable on a monthly basis, covering the operational costs and capital costs towards the replacement of vehicles.

22.2 Finance leases expenditure

|   | Specialised military equipment R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000  |
|---|--------------------------------------|------------|--|-------------------------------|--------------|
| <b>2011/12</b>                                    |                                      |            |  |                               |              |
| Not later than one year                           | –                                    | –          | –  | 2 531                         | 2 531        |
| Later than one year and not later than five years | –                                    | –          | –  | 1 500                         | 1 500        |
| Later than five years                             | –                                    | –          | –  | –                             | –            |
| <b>Total lease commitments</b>                    |                                      |            |  | <b>4 031</b>                  | <b>4 031</b> |
| Less: Finance costs                               | –                                    | –          | –  | 239                           | 239          |
| <b>Total present value of lease liabilities</b>   | <b>–</b>                             | <b>–</b>   | <b>–</b>                                   | <b>3 792</b>                  | <b>3 792</b> |
| <b>2010/11</b>                                    |                                      |            |  |                               |              |
| Not later than one year                           | –                                    | –          | –  | 3 137                         | 3 137        |
| Later than one year and not later than five years | –                                    | –          | –  | 1 900                         | 1 900        |
| Later than five years                             | –                                    | –          | –  | –                             | –            |
| <b>Total lease commitments</b>                    |                                      |            |  | <b>5 037</b>                  | <b>5 037</b> |
| Less: Finance costs                               | –                                    | –          | –  | 323                           | 323          |
| <b>Total present value of lease liabilities</b>   | <b>–</b>                             | <b>–</b>   | <b>–</b>                                   | <b>4 714</b>                  | <b>4 714</b> |

|   | 2011/12 R'000 | 2010/11 R'000 |
|---|---------------|---------------|
| <b>23. RECEIVABLES FOR DEPARTMENTAL REVENUE</b>       |               |               |
| Sales of goods and services other than capital assets | 7             | 140           |
| <b>Total</b>  | <b>7</b>      | <b>140</b>    |

23.1 Analysis of receivables for departmental revenue

|   |          |            |
|---|----------|------------|
| Opening balance                                     | 140      | 1 061      |
| Less: Amounts received                              | (140)    | (1 049)    |
| Add: Amounts recognised                             | 7        | 128        |
| Less: Amounts written-off/reversed as irrecoverable | –        | –          |
| <b>Closing balance</b>                              | <b>7</b> | <b>140</b> |



|   | 2011/12<br>R'000 | 2010/11<br>R'000 |
|---|------------------|------------------|
| <b>24. IRREGULAR EXPENDITURE</b>                      |                  |                  |
| <b>24.1 Reconciliation of irregular expenditure</b>   |                  |                  |
| Opening balance                                       | 3 352            | 4 172            |
| Add: Irregular expenditure – relating to prior year   | 22 867           | –                |
| Add: Irregular expenditure – relating to current year | 103              | 482              |
| Less: Amounts condoned                                | (675)            | (1 302)          |
| Less: Amounts recoverable (not condoned)              | –                | –                |
| Less: Amounts not recoverable (not condoned)          | –                | –                |
| <b>Irregular expenditure awaiting condonation</b>     | <b>25 647</b>    | <b>3 352</b>     |

**Analysis of awaiting condonation per age classification**

|              |               |              |
|--------------|---------------|--------------|
| Current year | 49            | 442          |
| Prior years  | 25 598        | 2 910        |
| <b>Total</b> | <b>25 647</b> | <b>3 352</b> |

**Note:** See explanation in paragraph 16 of the Accounting Officer's report with regard to irregular expenditure relating to prior year.

**24.2 Details of irregular expenditure – current year**

| Incident   | Disciplinary steps taken/criminal proceedings |            |
|--|---|------------|
| Non-compliance to AO System  | No actions taken, amount condoned             | 54         |
| Non-compliance to AO System  | No actions taken, amount condoned             | 12         |
| Non-compliance to HR Circular 6 of 2009 paragraph 1.2 – exceeding the per capita amount per official | Case still under investigation                | 35         |
| Non-compliance to AO System  | Case still under investigation                | 2          |
| <b>Total</b>   |   | <b>103</b> |

**24.3 Details of irregular expenditure condoned**

| Incident                                      | Condoned by        |            |
|---|--------------------|------------|
| Non-compliance with Accounting Officer system | Accounting Officer | 492        |
| Non-compliance with Accounting Officer system | Accounting Officer | 129        |
| Non-compliance with Accounting Officer system | Accounting Officer | 54         |
| <b>Total</b>                                  |                    | <b>675</b> |

**Note:** Irregular expenditure to the value of R1 364 million has been condoned after 31 March 2012 but before 31 May 2012.

**24.4 Details of irregular expenditures under investigation**

|  |               |
|--|---------------|
| Various – relating to prior years      | 25 598        |
| Various – current year (see note 24.2) | 49            |
| <b>Total</b>                           | <b>25 647</b> |

2011/12  
R'0002010/11  
R'000**25. FRUITLESS AND WASTEFUL EXPENDITURE****25.1 Reconciliation of fruitless and wasteful expenditure**

|  |              |            |
|--|--------------|------------|
| Opening balance  | 312          | 281        |
| Fruitless and wasteful expenditure – relating to prior year    | 1 948        | 14         |
| Fruitless and wasteful expenditure – relating to current year  | 60           | 17         |
| Less: Amounts condoned   | –            | –          |
| Less: Amounts transferred to receivables for recovery          | (1)          | –          |
| <b>Fruitless and wasteful expenditure awaiting condonation</b> | <b>2 319</b> | <b>312</b> |

**Analysis of awaiting condonation per economic classification**

|                         |              |            |
|-------------------------|--------------|------------|
| Current                 | 2 319        | 312        |
| Capital                 | –            | –          |
| Transfers and subsidies | –            | –          |
| <b>Total</b>            | <b>2 319</b> | <b>312</b> |

2011/12  
R'000**25.2 Analysis of Current year's fruitless and wasteful expenditure**

| <b>Incident</b>  | <b>Disciplinary steps taken/criminal proceedings</b>             |           |
|--|--|-----------|
| Bank charges paid when official's salary was paid into the wrong account | None. In the process of being investigated                       | 1         |
| Costs related to non-attendance of a paid training course – one case     | None. In the process of being investigated                       | 12        |
| Accrued interest paid on pension funds – one case                        | None. In the process of being followed-up with National Treasury | 46        |
| Interest on bank overdraft – PDC   | None. In the process of being investigated                       | 1         |
| <b>Total</b>   |  | <b>60</b> |

**26. RELATED PARTY TRANSACTIONS**

1. This department occupies buildings provided by the Department of Transport and Public Works free of charge.
2. A related party relationship exists between the Department and Government Motor Transport (GMT) with regard to the management of government motor vehicles of the Department. This relationship is based on an arm's length transaction in terms of tariffs approved by the Provincial Treasury.
3. The Department of the Premier rendered corporate services to all provincial departments in the Western Cape via the Corporate Services Centre with effect from 1 April 2010 in respect of the following service areas:
  - Information Technology related infrastructure and services
  - Human Resource Management services
  - Organisational Development services
  - Transversal Provincial Training
  - Enterprise Risk Management support
  - Internal Audit services
  - Forensic Investigative services
  - Legal Services
  - Corporate Communication services

With regard to the Departments of Health and Education all the above services were rendered excluding Human Resource Management Services.
4. The department had one schedule 3C Public Entity that resided under it, namely the Provincial Development Council. As a result of the repeal of the Provincial Development Council Act, the entity was disestablished during December 2011.
5. The Department of the Premier received Security Advisory Services and Security Operations from the Department of Community Services in the Western Cape Province excluding the Provincial Training Institute at Kromme Rhee where the services were outsourced and the Legislature Building where the South African Police Services renders the Service.

|                                     | Number of<br>individuals | 2011/12<br>R'000 | 2010/11<br>R'000 |
|-------------------------------------|--------------------------|------------------|------------------|
| <b>27. KEY MANAGEMENT PERSONNEL</b> |                          |                  |                  |
| Political office bearers            | 1                        | 1 790            | 1 705            |
| Officials:                          |                          |                  |                  |
| Level 15 to 16                      | 9                        | 10 392           | 7 941            |
| Level 14                            | 14                       | 12 405           | 11 576           |
| <b>Total</b>                        |                          | <b>24 587</b>    | <b>21 222</b>    |

**Note:** Responsible Executive Authority - Premier Helen Zille.

**28. PROVISIONS**

|                                       |  |           |           |
|---------------------------------------|--|-----------|-----------|
| Other provisions                      |  |           |           |
| Ex-employee debts                     |  | 39        | 70        |
| Supplier debts                        |  | 35        | -         |
| Loss and replacement of stolen laptop |  | 14        | -         |
| <b>Total</b>                          |  | <b>88</b> | <b>70</b> |

## 29. MOVABLE TANGIBLE CAPITAL ASSETS

## Movement in movable tangible capital assets per asset register for the year ended 31 March 2012

|  | Opening<br>balance<br>Cost<br>R'000 | Current year<br>adjustments<br>to prior year<br>balances<br>Cost<br>R'000 | Additions<br>Cost<br>R'000 | Disposals<br>Cost<br>R'000 | Closing<br>balance<br>Cost<br>R'000 |
|--|-------------------------------------|---|----------------------------|----------------------------|-------------------------------------|
| <b>Heritage assets</b>                       | <b>28</b>                           | <b>34</b>   | <b>-</b>                   | <b>9</b>                   | <b>53</b>                           |
| Heritage assets                              | 28                                  | 34  | -                          | 9                          | 53                                  |
| <b>Machinery and equipment</b>               | <b>161 652</b>                      | <b>(1 230)</b>  | <b>29 413</b>              | <b>11 840</b>              | <b>177 995</b>                      |
| Computer equipment                           | 154 673                             | (9 420)   | 23 710                     | 10 247                     | 158 716                             |
| Furniture and office equipment               | 6 548                               | 181   | 440                        | 396                        | 6 773                               |
| Other machinery and equipment                | 431                                 | (41)  | 164                        | 352                        | 202                                 |
| GG Motor vehicles                            | -                                   | 8 050   | 5 099                      | 845                        | 12 304                              |
| <b>Total movable tangible capital assets</b> | <b>161 680</b>                      | <b>(1 196)</b>  | <b>29 413</b>              | <b>11 849</b>              | <b>178 048</b>                      |

**Note:** 209 assets to the value of R3 762 739.33 (initial purchase cost value) were not found during the annual departmental stock take of assets. This has been reported to Loss Control and is still under investigation and therefore the process has not been completed yet. This amount is included in the total disposal figure in the above table.

## 29.1 Additions

## Additions to movable tangible capital assets per asset register for the year ended 31 March 2012

|   | Cash<br>Cost<br>R'000 | Non-cash<br>Fair value/R1<br>R'000 | (Capital<br>work in<br>progress<br>current<br>costs and<br>finance lease<br>payments)<br>Cost<br>R'000 | Received<br>current, not<br>paid (paid<br>current year,<br>received<br>prior year)<br>Cost<br>R'000 | Total<br>Cost<br>R'000 |
|---|-----------------------|------------------------------------|--|---|------------------------|
| <b>Heritage assets</b>                                    | <b>-</b>              | <b>-</b>                           | <b>-</b>   | <b>-</b>  | <b>-</b>               |
| Heritage assets   | -                     | -                                  | -  | -   | -                      |
| <b>Machinery and equipment</b>                            | <b>29 901</b>         | <b>5 099</b>                       | <b>(5 587)</b>   | <b>-</b>  | <b>29 413</b>          |
| Computer equipment  | 23 710                | -                                  | -  | -   | 23 710                 |
| Furniture and office equipment                            | 440                   | -                                  | -  | -   | 440                    |
| Other machinery and equipment                             | 3 127                 | -                                  | (2 963)  | -   | 164                    |
| GG Motor vehicles   | 2 624                 | 5 099                              | (2 624)  | -   | 5 099                  |
| <b>Total additions to movable tangible capital assets</b> | <b>29 901</b>         | <b>5 099</b>                       | <b>(5 587)</b>   | <b>-</b>  | <b>29 413</b>          |

\* The difference of R4 180 million between Note 7: Expenditure for Capital Assets (R25 233 million) and the total additions of movable assets (R29 413 million) above is due to the fact that there are assets that are included in the current year asset register but only paid in the next financial year (R7 480 million), assets paid this financial year and included in the previous financial year's asset register (-R1 525 million) and assets paid in previous financial year and included in this current financial year's asset register (R3 362 million) as well as finance lease costs of (R5 587 million) included in note 7. Furthermore, included in the current asset register are assets taken over from the disestablished Provincial Development Council (R0.664 million).

29.2 Disposals

Disposals of movable tangible capital assets per asset register for the year ended 31 March 2012

|  | Sold for cash<br>R'000 | Transfer out<br>or destroyed<br>or scrapped<br>R'000 | Total<br>disposals<br>R'000 | Cash<br>received<br>actual<br>R'000 |
|--|------------------------|--|-----------------------------|-------------------------------------|
| <b>Heritage assets</b>                                   | -                      | 9  | 9                           | -                                   |
| Heritage assets  | -                      | 9  | 9                           | -                                   |
| <b>Machinery and equipment</b>                           | -                      | 11 840   | 11 840                      | -                                   |
| Computer equipment                                       | -                      | 10 247   | 10 247                      | -                                   |
| Furniture and office equipment                           | -                      | 396  | 396                         | -                                   |
| Other machinery and equipment                            | -                      | 352  | 352                         | -                                   |
| GG motor vehicles  | -                      | 845  | 845                         | -                                   |
| <b>Total disposal of movable tangible capital assets</b> | -                      | 11 849   | 11 849                      | -                                   |

29.3 Movement for 2010/11

Movement in movable tangible capital assets per asset register for the year ended 31 March 2011

|  | Opening<br>balance<br>Cost<br>R'000 | Additions<br>Cost<br>R'000 | Disposals<br>Cost<br>R'000 | Closing<br>balance<br>Cost<br>R'000 |
|--|-------------------------------------|----------------------------|----------------------------|-------------------------------------|
| <b>Heritage assets</b>                       | 62                                  | -                          | 34                         | 28                                  |
| Heritage assets                              | 62                                  | -                          | 34                         | 28                                  |
| <b>Machinery and equipment</b>               | 146 031                             | 33 921                     | 18 300                     | 161 652                             |
| Computer equipment                           | 138 929                             | 32 571                     | 16 827                     | 154 673                             |
| Furniture and office equipment               | 6 382                               | 735                        | 569                        | 6 548                               |
| Other machinery and equipment                | 720                                 | 615                        | 904                        | 431                                 |
| <b>Total movable tangible capital assets</b> | 146 093                             | 33 921                     | 18 334                     | 161 680                             |

## 29.4 Minor assets

## Movement in minor assets per the asset register for the year ended 31 March 2012

|  | Intangible<br>assets<br>R'000 | Heritage<br>assets<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Biological<br>assets<br>R'000 | Total<br>R'000 |
|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| Opening balance                                    | –                             | 20                          | 21 780                                 | –                             | 21 800         |
| Current year adjustments to prior year<br>balances | –                             | (3)                         | (3 738)                                | –                             | (3 741)        |
| Additions  | –                             | –                           | 1 115                                  | –                             | 1 115          |
| Disposals  | –                             | –                           | (533)                                  | –                             | (533)          |
| <b>Total</b>                                       | <b>–</b>                      | <b>17</b>                   | <b>18 624</b>                          | <b>–</b>                      | <b>18 641</b>  |
| Number of minor assets at cost                     | –                             | 16                          | 9 714                                  | –                             | 9 730          |
| <b>Total number of minor assets</b>                | <b>–</b>                      | <b>16</b>                   | <b>9 714</b>                           | <b>–</b>                      | <b>9 730</b>   |

## Movement in minor assets per the asset register for the year ended 31 March 2011

|  | Intangible<br>assets<br>R'000 | Heritage<br>assets<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Biological<br>assets<br>R'000 | Total<br>R'000 |
|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| Opening balance                                    | –                             | 20                          | 20 594                                 | –                             | 20 614         |
| Current year adjustments to prior year<br>balances | –                             | –                           | 175                                    | –                             | 175            |
| Additions  | –                             | –                           | 2 538                                  | –                             | 2 538          |
| Disposals  | –                             | –                           | 1 527                                  | –                             | 1 527          |
| <b>Total</b>                                       | <b>–</b>                      | <b>20</b>                   | <b>21 780</b>                          | <b>–</b>                      | <b>21 800</b>  |
| Number of minor assets at cost                     | –                             | 16                          | 12 109                                 | –                             | 12 125         |
| <b>Total number of minor assets</b>                | <b>–</b>                      | <b>16</b>                   | <b>12 109</b>                          | <b>–</b>                      | <b>12 125</b>  |

## 30. INTANGIBLE CAPITAL ASSETS

Movement in intangible capital assets per asset register for the year ended 31 March 2012

|  | Opening balance<br>R'000 | Current year adjustments<br>to prior year<br>balances<br>R'000 | Additions<br>R'000 | Disposals<br>R'000 | Closing balance<br>R'000 |
|--|--------------------------|--|--------------------|--------------------|--------------------------|
| Computer software                      | 1 286                    | –  | 13                 | –                  | 1 299                    |
| <b>Total intangible capital assets</b> | <b>1 286</b>             | <b>–</b>   | <b>13</b>          | <b>–</b>           | <b>1 299</b>             |

## 30.1 Movement for 2010/11

Movement in intangible capital assets per asset register for the year ended 31 March 2011

|  | Opening balance<br>R'000 | Additions<br>R'000 | Disposals<br>R'000 | Closing balance<br>R'000 |
|--|--------------------------|--------------------|--------------------|--------------------------|
| Capitalised development costs          | 1 286                    | –                  | –                  | 1 286                    |
| <b>Total intangible capital assets</b> | <b>1 286</b>             | <b>–</b>           | <b>–</b>           | <b>1 286</b>             |

## 31. IMMOVABLE TANGIBLE CAPITAL ASSETS

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2012

|  | Opening balance<br>Cost<br>R'000 | Current year adjustments<br>to prior year<br>balances<br>Cost<br>R'000 | Additions<br>Cost<br>R'000 | Disposals<br>Cost<br>R'000 | Closing balance<br>Cost<br>R'000 |
|--|----------------------------------|--|----------------------------|----------------------------|----------------------------------|
| <b>Buildings and other fixed structures</b>    | <b>28</b>                        | <b>–</b>   | <b>–</b>                   | <b>–</b>                   | <b>28</b>                        |
| Other fixed structures                         | 28                               | –  | –                          | –                          | 28                               |
| <b>Total immovable tangible capital assets</b> | <b>28</b>                        | <b>–</b>   | <b>–</b>                   | <b>–</b>                   | <b>28</b>                        |

## 31.1 Movement for 2010/11

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2011

|   | Opening balance<br>Cost<br>R'000 | Additions<br>Cost<br>R'000 | Disposals<br>Cost<br>R'000 | Closing balance<br>Cost<br>R'000 |
|---|----------------------------------|----------------------------|----------------------------|----------------------------------|
| <b>Buildings and other fixed structures</b> | <b>28</b>                        | <b>–</b>                   | <b>–</b>                   | <b>28</b>                        |
| Other fixed structures                      | 28                               | –                          | –                          | 28                               |
| <b>Total immovable tangible assets</b>      | <b>28</b>                        | <b>–</b>                   | <b>–</b>                   | <b>28</b>                        |

## ANNEXURE 1

## Statement of transfers to departmental agencies and accounts

| Agency                            | Transfer allocation             |                     |                      |                             | Transfer                    |  | 2010/11<br>Final<br>appropriation<br>Act<br>R'000 |
|-----------------------------------|---------------------------------|---------------------|----------------------|-----------------------------|-----------------------------|--|---|
|                                   | Adjusted appropriation<br>R'000 | Roll-overs<br>R'000 | Adjustments<br>R'000 | Total<br>available<br>R'000 | Actual<br>transfer<br>R'000 | % of<br>available<br>funds<br>transferred<br>% |   |
| WC Provincial Development Council | 6 000                           | –                   | (2 646)              | 3 354                       | 2 943                       | 88   | 7 500   |
| WESGRO                            | –                               | –                   | –                    | –                           | –                           | –  | 28  |
|                                   | <b>6 000</b>                    | <b>–</b>            | <b>(2 646)</b>       | <b>3 354</b>                | <b>2 943</b>                | <b>88</b>                                      | <b>7 528</b>                                      |

## ANNEXURE 2

## Statement of transfers to non-profit institutions

| Non-profit institutions          | Transfer allocation             |                     |                      |                             | Expenditure                 |  | 2010/11<br>Final<br>appropriation<br>Act<br>R'000 |
|----------------------------------|---------------------------------|---------------------|----------------------|-----------------------------|-----------------------------|--|---|
|                                  | Adjusted appropriation<br>R'000 | Roll-overs<br>R'000 | Adjustments<br>R'000 | Total<br>available<br>R'000 | Actual<br>transfer<br>R'000 | % of<br>available<br>funds<br>transferred<br>% |   |
| <b>Transfers</b>                 |                                 |                     |                      |                             |                             |  |   |
| Library Business Corners         | 8 600                           | –                   | 1 200                | 9 800                       | 9 800                       | 100  | 5 600   |
| Cape Higher Education Consortium | 500                             | –                   | –                    | 500                         | 500                         | 100  | 500   |
| <b>Total</b>                     | <b>9 100</b>                    | <b>–</b>            | <b>1 200</b>         | <b>10 300</b>               | <b>10 300</b>               | <b>100</b>                                     | <b>6 100</b>                                      |



## ANNEXURE 3

## Statement of transfers to households

| Households                   | Transfer allocation                |                         |                           |                             | Expenditure                 |  | 2010/11<br>Final<br>appropriation<br>Act<br>R'000 |
|------------------------------|------------------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------|--|---|
|                              | Adjusted<br>appropriation<br>R'000 | Roll-<br>overs<br>R'000 | Adjust-<br>ments<br>R'000 | Total<br>available<br>R'000 | Actual<br>transfer<br>R'000 | % of<br>available<br>funds<br>transferred<br>% |   |
| <b>Transfers</b>             |                                    |                         |                           |                             |                             |  |   |
| Employees – leave gratuities | 170                                | –                       | 99                        | 269                         | 264                         | 98   | 42  |
| Claims against the State     | –                                  | –                       | –                         | –                           | –                           | –  | 889   |
| Severance packages           | –                                  | –                       | 3 122                     | 3 122                       | 3 122                       | 100  | –   |
| Injury on duty               | –                                  | –                       | 6                         | 6                           | 5                           | 83   | –   |
| <b>Total</b>                 | <b>170</b>                         | <b>–</b>                | <b>3 227</b>              | <b>3 397</b>                | <b>3 391</b>                | <b>99</b>                                      | <b>931</b>  |

## ANNEXURE 4

## Statement of gifts, donations and sponsorships received

| Name of organisation    | Nature of gift, donation or sponsorship   | 2011/12<br>R'000 | 2010/11<br>R'000 |
|-------------------------|---|------------------|------------------|
| <b>Received in kind</b> |   |                  |                  |
| Nedbank Group           | Donation to assist the Western Cape Government to conduct a values survey across all provincial departments | –                | 169              |
| <b>Total</b>            |   | <b>–</b>         | <b>169</b>       |

## ANNEXURE 5

**Statement of gifts, donations and sponsorships made and remissions, refunds and payments made as an act of grace for the year ended 31 March 2012**

| Nature of gift, donation or sponsorship  | 2011/12<br>R'000 | 2010/11<br>R'000 |
|--|------------------|------------------|
| <b>Paid in cash</b>  |                  |                  |
| DEAF Federation of SA – Sponsorship to support the 5th World Federation of DEAF Youth Camp   | 20               | –                |
| Artscape – Donation towards Africa Day Celebrations to strengthen cultural, economic and trade relations with the African region   | 32               | –                |
| Radio Zibonele – Donation towards the radio station's fundraising dinner event   | 1                | –                |
| Zeekoevlei Sailing Centre – Sponsorship to assist with the launching of the Zeekoevlei Sailing Centre's 4th summer programme at local schools  | 30               | –                |
| Cape Town Partnership – Sponsor the programme of the adjudicators of Cape Town's bid to be the World Design Capital in 2014  | 40               | –                |
| Cape of Good Hope SPCA – Donation towards the SPCA to address the dog over-population crisis in Sweet Home Farm and adjacent areas   | 100              | –                |
| Orion Organisation – Donation to the Orion Organisation and Carel du Toit Charity Ball Dinner  | 10               | –                |
| University of the Western Cape – Donation to assist in the development and implementation of a communications and media strategy in support of the Hangberg Peace and Mediation Accord | 100              | –                |
| Cape Higher Education Consortium - Sponsorship in the form of a bursary to nine female students as part of a positive behaviour programme  | 90               | –                |
| Various FET Colleges – Sponsorship in the form of a bursary to two female students as part of a positive behaviour programme   | 20               | –                |
| Beyond Sport Summit and Awards (Pty) Ltd – sponsorship to the Beyond Sport Summit 2011 as host partner by the Western Cape Government  | 100              | –                |
| Various individuals – Prize money of the 16 Days of Activism for no violence against women and children – “Get tested to win” campaign   | 100              | –                |
| Stretch Experimental Marketing – Sponsorship towards the Ultimate X Extreme Games  | 50               | –                |
| Servinet 43 CC T/A Valiant Media – Sponsorship of a chapter in the book “The World's Greatest Cycle Tour”  | 50               | –                |
| Animal Issues Matter Organisation – Donation towards a Mobile Animal Sterilisation Unit  | –                | 50               |
| Artscape Theatre – Donation towards the “Bavaria meets Western Cape Expo 2010”   | –                | 50               |
| International Ministers Association – Donation towards the International Ministers Association's Khayelitsha Youth Day event   | –                | 41               |
| <b>Subtotal</b>  | <b>743</b>       | <b>141</b>       |
| <b>Remissions, refunds and payments made as an act of grace</b>  |                  |                  |
| Ex gratia payment – settlement of legal costs relating to ex-Premier Mr G Morkel   | –                | 452              |
| Ex gratia payment – settlement of legal costs relating to ex-Premier Mr P Marais   | –                | 240              |
| <b>Subtotal</b>  | <b>–</b>         | <b>692</b>       |
| <b>Total</b>   | <b>743</b>       | <b>833</b>       |

ANNEXURE 6

Statement of financial guarantees issued as at 31 March 2012 – local

| Guarantor institution | Guarantee in respect of 1 April 2011 R'000 | Original guaranteed capital amount R'000 | Opening balance 1 April 2011 R'000 | Guarantees draw-downs during the year R'000 | Guaranteed repayments/cancelled/reduced/released during the year R'000 | Revaluations R'000 | Closing balance 31 March 2012 R'000 | Guaranteed interest for year ended 31 March 2012 R'000 | Realised losses not recoverable i.e. claims paid out R'000 |
|-----------------------|--|--|------------------------------------|---|--|--------------------|-------------------------------------|--|--|
| <b>Standard Bank</b>  | <b>Housing</b>                             | -  | -                                  | 65  | -  | -                  | 65                                  | -  | -  |

ANNEXURE 7

Statement of contingent liabilities as at 31 March 2012

| Nature of liability  | Opening balance 1 April 2011 R'000 | Liabilities incurred during the year R'000 | Liabilities paid/cancelled/reduced during the year R'000 | Liabilities recoverable R'000 | Closing balance 31 March 2012 R'000 |
|--|------------------------------------|--|--|-------------------------------|-------------------------------------|
| <b>Claims against the Department</b>   |                                    |  |  |                               |                                     |
| Ntinga Technologies CC – Claim for services rendered   | 557                                | -  | -  | -                             | 557                                 |
| Ambius – Claim for services rendered   | 14                                 | -  | -  | -                             | 14                                  |
| WC Youth Commission – Litigation costs for goods delivered.                                      | 117                                | -  | -  | -                             | 117                                 |
| Government Employees Pension Fund – Legal opinion regarding the charging of interest             | 42                                 | -  | -  | -                             | 42                                  |
| Social Transformation Programme – Unfair labour practice   | 4 708                              | -  | -  | -                             | 4 708                               |
| Legal Services – Alleged unfair labour practice and interpretation of collective agreement (OSD) | 3 000                              | -  | -  | -                             | 3 000                               |
| Ex-employee of the Provincial Development Council – Labour dispute                               | -                                  | 428  | -  | -                             | 428                                 |
| <b>Total</b>   | <b>8 438</b>                       | <b>428</b>                                 | <b>-</b>   | <b>-</b>                      | <b>8 866</b>                        |

**ANNEXURE 8**
**Claims recoverable**

| Government entity                                 | Confirmed balance outstanding |                     | Unconfirmed balance outstanding |                     | Total               |                     |
|---|-------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
|   | 31/03/2012<br>R'000           | 31/03/2011<br>R'000 | 31/03/2012<br>R'000             | 31/03/2011<br>R'000 | 31/03/2012<br>R'000 | 31/03/2011<br>R'000 |
| <b>Department</b>                                 |                               |                     |                                 |                     |                     |                     |
| WC Cultural Affairs and Sport                     | –                             | –                   | –                               | 3                   | –                   | 3                   |
| WC Health   | –                             | 181                 | 19                              | –                   | 19                  | 181                 |
| WC Education                                      | 15                            | 88                  | –                               | –                   | 15                  | 88                  |
| WC Local Government                               | –                             | 68                  | 115                             | –                   | 115                 | 68                  |
| WC Provincial Treasury                            | 38                            | –                   | –                               | 17                  | 38                  | 17                  |
| WC Social Development                             | –                             | –                   | 2                               | 9                   | 2                   | 9                   |
| WC Transport and Public Works                     | –                             | 41                  | 240                             | –                   | 240                 | 41                  |
| WC Provincial Parliament                          | 12                            | –                   | –                               | 2                   | 12                  | 2                   |
| WC Environmental Affairs and Development Planning | 13                            | 13                  | –                               | –                   | 13                  | 13                  |
| WC Economic Development and Tourism               | 1                             | 63                  | –                               | –                   | 1                   | 63                  |
| Department of Home Affairs                        | –                             | –                   | 2                               | 2                   | 2                   | 2                   |
| NC Agriculture, Land Reform and Rural Development | –                             | –                   | 1                               | 1                   | 1                   | 1                   |
| Department of Mineral Resources                   | 20                            | –                   | –                               | –                   | 20                  | –                   |
| WC Human Settlements                              | –                             | 257                 | 12                              | 57                  | 12                  | 314                 |
| <b>Subtotal</b>                                   | <b>99</b>                     | <b>711</b>          | <b>391</b>                      | <b>91</b>           | <b>490</b>          | <b>802</b>          |
| <b>Other government entities</b>                  |                               |                     |                                 |                     |                     |                     |
| South African Social Security Agency              | –                             | 21                  | 3                               | 8                   | 3                   | 29                  |
| Public Service Bargaining Council                 | –                             | –                   | 1                               | 1                   | 1                   | 1                   |
| PALAMA  | –                             | –                   | 12                              | 12                  | 12                  | 12                  |
| Eden District Municipality                        | –                             | –                   | 12                              | 12                  | 12                  | 12                  |
| Overberg Municipality                             | –                             | –                   | –                               | 37                  | –                   | 37                  |
| City of Cape Town Municipality                    | –                             | –                   | 375                             | –                   | 375                 | –                   |
| Delft South Primary School                        | –                             | –                   | 19                              | –                   | 19                  | –                   |
| Government Motor Transport                        | –                             | –                   | 2                               | –                   | 2                   | –                   |
| Independent Electoral Commission                  | –                             | –                   | 2                               | –                   | 2                   | –                   |
| Sikelela Imizamo Primary School                   | –                             | –                   | 17                              | –                   | 17                  | –                   |
| Western Cape Gambling Board                       | –                             | –                   | 5                               | –                   | 5                   | –                   |
| <b>Subtotal</b>                                   | <b>–</b>                      | <b>21</b>           | <b>448</b>                      | <b>70</b>           | <b>448</b>          | <b>91</b>           |
| <b>Total</b>                                      | <b>99</b>                     | <b>732</b>          | <b>839</b>                      | <b>161</b>          | <b>938</b>          | <b>893</b>          |

## ANNEXURE 9

## Inter-government payables

| Government entity                                    | Confirmed balance outstanding |                     | Unconfirmed balance outstanding |                     | Total               |                     |
|--|-------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
|  | 31/03/2012<br>R'000           | 31/03/2011<br>R'000 | 31/03/2012<br>R'000             | 31/03/2011<br>R'000 | 31/03/2012<br>R'000 | 31/03/2011<br>R'000 |
| <b>Department</b>                                    |                               |                     |                                 |                     |                     |                     |
| Current  |                               |                     |                                 |                     |                     |                     |
| Department of Justice and Constitutional Development | –                             | 136                 | 634                             | 197                 | 634                 | 333                 |
| WC Health  | 2                             | 19                  | –                               | –                   | 2                   | 19                  |
| WC Provincial Treasury                               | –                             | 16                  | –                               | –                   | –                   | 16                  |
| WC Education   | –                             | –                   | –                               | 11                  | –                   | 11                  |
| WC Provincial Parliament                             | –                             | 28                  | –                               | –                   | –                   | 28                  |
| The Presidency                                       | 22                            | 67                  | –                               | 5                   | 22                  | 72                  |
| Department of Water Affairs                          | –                             | 25                  | –                               | –                   | –                   | 25                  |
| WC Economic Development and Tourism                  | 498                           | –                   | –                               | –                   | 498                 | –                   |
| WC Transport and Public Works                        | 587                           | –                   | –                               | –                   | 587                 | –                   |
| Government Printing Works                            | 1                             | –                   | –                               | –                   | 1                   | –                   |
| WC Social Development                                | 90                            | –                   | –                               | –                   | 90                  | –                   |
| Department of Science and Technology                 | 1                             | –                   | –                               | –                   | 1                   | –                   |
| <b>Subtotal</b>                                      | <b>1 201</b>                  | <b>291</b>          | <b>634</b>                      | <b>213</b>          | <b>1 835</b>        | <b>504</b>          |
| <b>Other government entity</b>                       |                               |                     |                                 |                     |                     |                     |
| Current  |                               |                     |                                 |                     |                     |                     |
| Government motor transport                           | 688                           | 1 079               | –                               | –                   | 688                 | 1 079               |
| <b>Subtotal</b>                                      | <b>688</b>                    | <b>1 079</b>        | <b>–</b>                        | <b>–</b>            | <b>688</b>          | <b>1 079</b>        |
| <b>Non-current</b>                                   |                               |                     |                                 |                     |                     |                     |
| PALAMA   | –                             | –                   | 45                              | –                   | 45                  | –                   |
| <b>Subtotal</b>                                      | <b>–</b>                      | <b>–</b>            | <b>45</b>                       | <b>–</b>            | <b>45</b>           | <b>–</b>            |
| <b>Total</b>   | <b>1 889</b>                  | <b>1 370</b>        | <b>679</b>                      | <b>213</b>          | <b>2 568</b>        | <b>1 583</b>        |

## ANNEXURE 10

## Inventory

| Inventory                                     | 2011/12       |            | 2010/11       |            |
|---|---------------|------------|---------------|------------|
|   | Quantity      | R'000      | Quantity      | R'000      |
| Opening balance                               | 16 225        | 290        | 24 750        | 402        |
| Add/(Less): Adjustments to prior year balance | -             | -          | -             | -          |
| Add: Additions/Purchases – Cash               | 139 797       | 11 677     | 181 620       | 25 369     |
| Add: Additions - Non-cash                     | 830           | 25         | -             | -          |
| (Less): Disposals                             | (54)          | (27)       | -             | -          |
| (Less): Issues                                | (138 161)     | (11 799)   | (190 145)     | (25 481)   |
| Add/(Less): Adjustments                       | 2             | (5)        | -             | -          |
| <b>Closing balance</b>                        | <b>18 639</b> | <b>161</b> | <b>16 225</b> | <b>290</b> |

## PART 4: HUMAN RESOURCE MANAGEMENT

### 4.1 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 4.1.1: Main services and service standards provided in terms of the Service Delivery Improvement plan, 1 April 2011 to 31 March 2012**

| Main services   | Actual service beneficiaries   | Additional beneficiaries | Standard of service  | Actual achievement against standards  |
|---|--|--------------------------|--|---|
| The rendering of integrated e-Government information, communication and technology services | Citizens within communities with a special focus on semi-urban areas, which are identified as priority areas within the Western Cape | None                     | <ul style="list-style-type: none"> <li>a) Cape Access: six (approved annual performance plan target) Cape Access centres launched</li> <li>b) Cape Access: Basic ICT training to 1 500 citizens (approved annual performance plan target) at e-Community Centres (4.2.12)</li> <li>c) Accreditation of 10 Cape Access training centres</li> <li>d) 70 000 visits (approved annual performance plan target) to e-Community centres</li> <li>e) One broadband infrastructure rollout to rural communities (4.2.18)</li> <li>f) e-Government for Citizen Portal: 3 million hits (annual performance plan target 4.2.6)</li> <li>g) Presidential Hotline Resolution rate: 75%</li> </ul> | <ul style="list-style-type: none"> <li>a) Cape Access: six Cape Access centres established in: Dusseldorp; Tembalethu; Swellendam; Riversdale; Prince Albert and Waboomskraal.</li> <li>b) Cape Access: Basic ICT training to 1 662 citizens at e-Community centres.</li> <li>c) Accreditation of 19 Cape Access training centres</li> <li>d) 75 517 visits to e-Community centres</li> <li>e) This project has been put on hold as it was incorporated as a key deliverable in the Provincial Broadband Strategy that was recently approved by the Provincial Executive Committee.</li> <li>f) e-Government for Citizen Portal: 4 699 516 million hits</li> <li>g) Presidential Hotline Resolution rate: 98.42%</li> </ul> |

| Main services  | Actual service beneficiaries   | Additional beneficiaries | Standard of service  | Actual achievement against standards   |
|--|--|--------------------------|--|--|
| The inculcation of the Batho Pele Principles within the Western Cape | Internal and external clients consisting of Citizens within communities, identified as priority areas, and departments within the Western Cape | None                     | <p>a) Rollout of interventions at three front office sites</p> <p>b) 10 Service Delivery Outreach Programmes (integration with all three spheres, improved access)</p> <p>c) Allocated Principle: Current state, implementation plan and guidelines for Western Cape Government</p> <p>d) Refine assessment methodology for assessing the implementation of Batho Pele</p> <p>e) Report on the implementation of the allocated Principle (Quarterly and Western Cape Government "case study" to National Provincial Batho Pele Impact Assessment Network in November)</p> <p>f) Integration of the Provincial Batho Pele Impact Assessment Network to ensure representivity on all three spheres levels, with the focus on<br/> – Provincial level (13 provincial departments)<br/> – National level (total seven national departments)<br/> – Local level (representative of the Regional Coordinators Forum for feedback to six District Municipalities)</p> <p>g) 12 Service Delivery Intervention Assessment Reports (SDI Plans 2011-2012)</p> | <p>a) Development of a Batho Pele and infrastructure checklist to conduct assessments at front offices. Front office assessments to determine status of front office reform and quality of service delivery conducted during Public Service Week (20-24 June 2011) at Department of Agriculture at i.e. reception areas, counter services, helpdesks, student affairs; Department of Education to evaluate the Client Service and SASSA local offices in Cape Town, Mitchells Plain and Wynberg to evaluate the front office environment to which citizens are exposed.</p> <p>b) Integrated Community Outreach Programme was transferred to the Department of Local Government on 1 April 2011, the Outreach Programme is now referred to as Thusong Mobile.</p> <p>c) Allocated Principle 2011/12: Redress aligned to National Strategic Outcome 12. Implementation Plan developed for departments.</p> <p>d) Development of a Batho Pele and Infrastructure checklist to conduct assessments at front offices. In collaboration with the Department of Performance Management and Evaluation (National) piloted Assessment tool at Bonteheuwel Thusong Centre which included Client Satisfaction form.</p> <p>e) The submission of report on the implementation of the allocated principle was postponed by National Department of Public Service and Administration to November 2012.</p> <p>f) Integration of the Provincial Batho Pele Impact Assessment Network with representivity on all three spheres levels – Provincial level (13 provincial departments); National level (six national departments- GCIS, Rural Development and Land Reform, SAPS, Justice, Correctional Services and SASSA); Local level (two municipalities: Knysna and Langeberg).</p> <p>g) Coordination and facilitation of reporting on actual achievement against standards for 12 Service Delivery Improvement Plans 2011-2012.</p> |



**Table 4.1.2: Consultation arrangements with service beneficiaries, 1 April 2011 to 31 March 2012**

| Type of arrangement   | Actual achievements  | Comments (possible deviation) |
|---|--|-------------------------------|
| <b>The rendering of integrated e-Government information, communication and technology services</b>  |  |                               |
| a) E-Community Forum<br>b) Quarterly feedback meetings to community members<br>c) Client satisfaction survey<br>d) Electronic client satisfaction survey<br>e) Annual general meetings of Forums<br>f) Door-to-door survey (Community researcher)<br>g) Community newspaper<br>h) Cape Access Website   | a) Monthly e-Community Forum<br>b) Feedback meetings to community members conducted by e-Community Forum<br>c) Perception survey conducted (electronic client assessment tool)<br>d) User requirement survey conducted<br>e) Cape Access Chairperson Forum meetings convened (3)<br>f) User requirement surveys conducted<br>g) Community newspapers covered various Cape Access graduations<br>h) Cape Access and WCG Website   | None                          |
| <b>The inculcation of the Batho Pele Principles within the Western Cape</b>   |  |                               |
| a) Modernisation Steering Committee<br>b) Infrastructure and Batho Pele Steering Committee<br>c) Project Khaedu Steering Committee<br>d) National Batho Pele Coordinators Forum<br>e) Batho Pele Impact Assessment Network<br>f) On-site visits<br>g) Meetings with representative of municipalities, PISSC- Provincial Intersectoral Steering Committee, TAU- Technical Assistance Unit: National Treasury, GCIS-Government Communication Information Services, Public Service Commission, DPSA- Department of Public Service and Administration<br>h) Client Satisfaction form/survey | a) Through the Face of the Province Steering Committee consultation takes place with the Modernisation Steering Committee<br>b) Face of the Province Steering Committee (previously known as Infrastructure and Batho Pele Steering Committee)<br>c) Batho Pele Impact Assessment Network utilised to address Project Khaedu related matters<br>d) National Batho Pele Coordinators Forum in place and attended four meetings.<br>e) Batho Pele Impact Assessment Network in place and conducted six meetings<br>f-g) Integrated Community Outreach Programme was transferred to the Department of Local Government on 1 April 2011. The Outreach Programme is now referred to as Thusong Mobile<br>h) Conducted as part of Integrated Community Outreach Programme transferred to the Department of Local Government:<br>– In collaboration with the Department of Performance Management and Evaluation (National) piloted assessment tool at Thusong Centre which included Client Satisfaction form | None                          |

**Table 4.1.3: Service delivery access strategy, 1 April 2011 to 31 March 2012**

| Access strategy  | Actual achievements  |
|--|--|
| <b>The rendering of integrated e-Government information, communication and technology services</b>   |  |
| <p>a) e-Government for Citizens, Second Floor, 142 Long Street, Cape Town</p> <p>b) 19 e-Centres in Bitterfontein, Vanrhynsdorp, Elim, Struisbaai, Bongeletu Library-Oudtshoorn, Conville Primary School, Library-George, Genadendal, Klaver, Doringbaai, Vredenburg, Paternoster, Toekomsrus-Oudtshoorn, Thembaletu-George, Beaufort West, Ladismith, Mossel Bay, Murraysburg, Ceres and Gugulethu</p> <p>c) +five centres established in 2011/12</p> | <p>a) e-Government for Citizens, 142 Long Street, Cape Town</p> <ul style="list-style-type: none"> <li>• WCG Internet Portal: 4 699 516 citizens</li> <li>• WCG Intranet Portal: 1 394 627 citizens</li> <li>• WCG Call Centre: 102 964 citizens</li> <li>• WCG Walk-in Centre: 3 283 citizens</li> <li>• WCG e-mail Centre: 7 241 citizens</li> <li>• Western Cape Presidential Hotline: 281 citizens</li> <li>• cape&gt;access: 75,517 citizens</li> </ul> <p>b) 19 e-Centres in Bitterfontein, Vanrhynsdorp, Elim, Struisbaai, Bongeletu Library-Oudtshoorn, Conville Primary School-George, Genadendal, Klaver, Doringbaai, Vredenburg, Paternoster, Toekomsrus-Oudtshoorn, Thembaletu-George, Beaufort West, Ladismith, Mossel Bay, Murraysburg, Ceres and Gugulethu</p> <p>c) six centres established. Dysseisdorp, Tembalethu, Swellendam, Riversdale, Prince Albert and Waboomskraal</p> |
| <b>The inculcation of the Batho Pele Principles within the Western Cape</b>  |  |
| <p>a) 11th Floor, Sanlam Building, Golden Acre, Adderley Street, Cape Town</p>   | <p>a) 11th Floor, Sanlam Building, Golden Acre, Adderley Street, Cape Town</p>   |

**Table 4.1.4: Service information tool, 1 April 2011 to 31 March 2012**

| Type of information tool   | Actual achievements  |
|--|--|
| <b>The rendering of integrated e-government information, communication and technology services</b>   |  |
| <ul style="list-style-type: none"> <li>a) e-Community Forum</li> <li>b) Quarterly feedback meetings to community members</li> <li>c) Annual general meetings of Forums</li> <li>d) Quarterly Chairpersons Forum (Chaired by DDG: CEI)</li> <li>e) Community newspaper</li> <li>f) Cape Access Website</li> <li>g) Community notice boards</li> <li>h) Word of mouth</li> <li>i) Annual Performance Plan</li> <li>j) Annual Performance Report</li> </ul> | <ul style="list-style-type: none"> <li>a) Monthly e-Community Forum</li> <li>b) Meeting to community members conducted by e-Community Forum</li> <li>c-d) Cape Access Chairperson Forum meetings convened (3)</li> <li>e) Community newspapers covered Cape Access graduations</li> <li>f) Cape Access and WCG Websites utilised as information tools</li> <li>g) Community notice boards utilised</li> <li>h) Word of mouth</li> <li>i) Annual Performance Plan available on WCG Portal</li> <li>j) Annual Performance Report available on WCG Portal</li> </ul>  |
| <b>The inculcation of the Batho Pele Principles within the Western Cape</b>  |  |
| <ul style="list-style-type: none"> <li>a) Batho Pele compliant, e.g. Service Charters, organisation structures and contact details and working hours</li> <li>b) Posters and pamphlets</li> <li>c) Community radio</li> <li>d) Community newspapers</li> <li>e) Annual report</li> <li>f) Website</li> <li>g) Assessment reports</li> <li>h) Presentations</li> </ul>  | <ul style="list-style-type: none"> <li>a) Development of a Batho Pele and Infrastructure checklist to conduct assessments at front offices:                             <ul style="list-style-type: none"> <li>- In collaboration with the Department of Performance Management and Evaluation (National) piloted Assessment tool at Thusong Centre which included Client Satisfaction form</li> </ul> </li> <li>b-d) Posters and pamphlets developed as part of Integrated Community Outreach Programme, transferred to Department of Local Government from 1 April 2011</li> <li>e) Annual Report</li> <li>f) Batho Pele Impact Assessment Network framework published on WCG Blue Pages</li> <li>g) Findings of Batho Pele and Infrastructure front office assessments discussed at Batho Pele Impact Assessment Network</li> <li>h) Presentations conducted at Batho Pele Impact Assessment Network</li> </ul> |

**Table 4.1.5: Redress mechanism, 1 April 2011 to 31 March 2012**

| Redress mechanism  | Actual achievements   |
|--|---|
| <b>The rendering of integrated e-Government information, communication and technology services</b>   |   |
| <ul style="list-style-type: none"> <li>a) Monthly meetings with Forum members</li> <li>b) Suggestion boxes</li> <li>c) Client Satisfaction survey</li> <li>d) Electronic client satisfaction survey</li> <li>e) Contact with Supervisor or Manager</li> <li>f) Departmental Helpdesk (48-hour turnaround time standard)</li> <li>g) e-Government for Citizens Call Centre</li> <li>h) Walk-in Centre</li> <li>i) Communication (written, verbal)</li> <li>j) Issue handling system</li> <li>k) Presidential hotline</li> </ul> | <ul style="list-style-type: none"> <li>a) Monthly e-Community Forum meetings</li> <li>b) Suggestion box and electronic client assessment tool</li> <li>c) Perception survey</li> <li>d) Electronic client assessment tool</li> <li>e) Contact with Supervisor or Manager</li> <li>f) Information desk at Walk-in Centre</li> <li>g) e-Government for Citizens Call Centre</li> <li>h) Walk-in Centre</li> <li>i) Communication (written, verbal)</li> <li>j) Issue handling system</li> <li>k) Presidential hotline (Western Cape)</li> </ul> |
| <b>The inculcation of the Batho Pele Principles within the Western Cape</b>  |   |
| <ul style="list-style-type: none"> <li>a) WCG Call Centre</li> <li>b) Walk-in Centre</li> <li>c) Communication (written and verbal)</li> <li>d) Batho Pele Impact Assessment Network</li> <li>e) Issue handling system</li> <li>f) Website</li> <li>g) Client Satisfaction form/survey</li> <li>h) Suggestion box</li> <li>i) Presidential hotline</li> </ul>  | <ul style="list-style-type: none"> <li>a) WCG Call Centre</li> <li>b) WCG Walk-in Centre</li> <li>c) Communication (written, verbal)</li> <li>d) Batho Pele Impact Assessment Network</li> <li>e) Issue handling system</li> <li>f) Website</li> <li>g) Batho Pele and Infrastructure checklist</li> <li>h) Suggestion box</li> <li>i) Presidential hotline (Western Cape)</li> </ul>   |

## 4.2. EXPENDITURE

Department's budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 4.2.1) and by salary bands (Table 4.2.2). In particular, it provides an indication of the amount spent on personnel expenditure in terms of each of the programmes or salary bands within the Department.

**Table 4.2.1: Personnel expenditure by programme, 2011/12**

| Programme                       | Total expenditure (R'000) | Personnel expenditure (R'000) | Training expenditure (R'000) | Goods and services (R'000) | Personnel expenditure as a % of total expenditure | Average personnel expenditure per employee (R'000) | Number of employees |
|---------------------------------|---------------------------|-------------------------------|------------------------------|----------------------------|---|--|---------------------|
| Executive Support               | 67 313                    | 48 499                        | 162                          | 11 692                     | 72.0  | 315  | 154                 |
| Provincial Strategic Management | 28 718                    | 17 037                        | 51                           | 10 778                     | 59.3  | 304  | 56                  |
| Human Capital (CSC)             | 127 695                   | 101 202                       | 1 129                        | 25 905                     | 79.3  | 224  | 451                 |
| Centre for e-Innovation (CSC)   | 389 726                   | 119 008                       | 1 799                        | 240 932                    | 30.5  | 314  | 378                 |
| Corporate Assurance (CSC)       | 78 993                    | 51 931                        | 172                          | 26 328                     | 65.7  | 331  | 157                 |
| <b>Total</b>                    | <b>692 445</b>            | <b>337 677</b>                | <b>3 313</b>                 | <b>315 635</b>             | <b>48.8</b>                                       | <b>282</b>   | <b>1 196</b>        |

**Note:** The figures include compensation of employee costs of the Premier.

**Table 4.2.2: Personnel expenditure by salary bands, 2011/12**

| Salary bands                               | Personnel expenditure (R'000) | % of total personnel expenditure | Average personnel expenditure per employee (R'000) | Number of employees |
|--|-------------------------------|----------------------------------|--|---------------------|
| Lower skilled (levels 1 – 2)               | 2 374                         | 0.7                              | 35   | 67                  |
| Skilled (levels 3 – 5)                     | 21 749                        | 6.4                              | 123  | 177                 |
| Highly skilled production (levels 6 – 8)   | 68 292                        | 20.2                             | 192  | 355                 |
| Highly skilled supervision (levels 9 – 12) | 191 083                       | 56.6                             | 364  | 525                 |
| Senior management (levels 13 – 16)         | 54 272                        | 16.1                             | 764  | 71                  |
| <b>Total</b>                               | <b>337 770*</b>               | <b>100</b>                       | <b>283</b>   | <b>1 195**</b>      |

**Note:** \* The figures in **Table 4.2.1** are as per the Basic Accounting System and **Table 4.2.2** are as per the PERSAL system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. Accordingly, there may be a difference in total expenditure reflected on these systems.

\*\* This figure refers to all individuals remunerated during the reporting period, excluding the Premier.

The following tables provide a summary per programme (Table 4.2.3) and salary bands (Table 4.2.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

**Table 4.2.3: Salaries, overtime, housing allowance and medical assistance by programme, 2011/12**

| Programme                       | Salaries       |  | Overtime       |  | Housing allowance |   | Medical assistance |  |
|---------------------------------|----------------|--|----------------|--|-------------------|---|--------------------|--|
|                                 | Amount (R'000) | Salaries as a % of personnel expenditure | Amount (R'000) | Overtime as a % of personnel expenditure | Amount (R'000)    | Housing allowance as a % of personnel expenditure | Amount (R'000)     | Medical assistance as a % of personnel expenditure |
| Executive support               | 30 364         | 9  | 147            | 0.04                                     | 649               | 0.2   | 1 438              | 0.4  |
| Provincial strategic management | 11 288         | 3.3                                      | –              | –  | 285               | 0.1   | 320                | 0.1  |
| Human Capital (CSC)             | 70 126         | 20.8                                     | 2 563          | 0.8                                      | 2 107             | 0.6   | 4 526              | 1.3  |
| Centre for e-Innovation (CSC)   | 86 232         | 25.5                                     | 1 083          | 0.3                                      | 1 346             | 0.4   | 3 640              | 1.1  |
| Corporate Assurance (CSC)       | 36 652         | 10.9                                     | 1              | 0.01                                     | 600               | 0.2   | 1 373              | 0.4  |
| <b>Total</b>                    | <b>234 662</b> | <b>69.5</b>                              | <b>3 794</b>   | <b>1.1</b>                               | <b>4 987</b>      | <b>1.5</b>  | <b>11 297</b>      | <b>3.3</b>   |

**Note:** Salaries, overtime, housing allowance and medical assistance are calculated as a % of the total personnel expenditure mentioned in **Table 4.2.2**.

**Table 4.2.4: Salaries, overtime, housing allowance and medical assistance by salary bands, 2011/12**

| Salary bands                               | Salaries       |  | Overtime       |  | Housing allowance |   | Medical assistance |  |
|--|----------------|--|----------------|--|-------------------|---|--------------------|--|
|  | Amount (R'000) | Salaries as a % of personnel expenditure | Amount (R'000) | Overtime as a % of personnel expenditure | Amount (R'000)    | Housing allowance as a % of personnel expenditure | Amount (R'000)     | Medical assistance as a % of personnel expenditure |
| Lower skilled (levels 1 – 2)               | 1 102          | 0.3                                      | 36             | 0.1                                      | 70                | 0.02  | 93                 | 0.02   |
| Skilled (levels 3 – 5)                     | 14 251         | 4.2                                      | 1 022          | 0.3                                      | 667               | 0.2   | 1 317              | 0.4  |
| Highly skilled production (levels 6 – 8)   | 49 164         | 14.6                                     | 1 134          | 0.3                                      | 1 556             | 0.5   | 3 173              | 0.9  |
| Highly skilled supervision (levels 9 – 12) | 138 365        | 41.0                                     | 1 602          | 0.5                                      | 2 205             | 0.7   | 6 036              | 1.8  |
| Senior management (levels 13 – 16)         | 31 780         | 9.4                                      | –              | –  | 489               | 0.1   | 678                | 0.2  |
| <b>Total</b>                               | <b>234 662</b> | <b>69.5</b>                              | <b>3 794</b>   | <b>1.1</b>                               | <b>4 987</b>      | <b>1.5</b>  | <b>11 297</b>      | <b>3.3</b>   |

**Note:** Salaries, overtime, housing allowance and medical assistance are calculated as a % of the total personnel expenditure mentioned in **Table 4.2.2**.

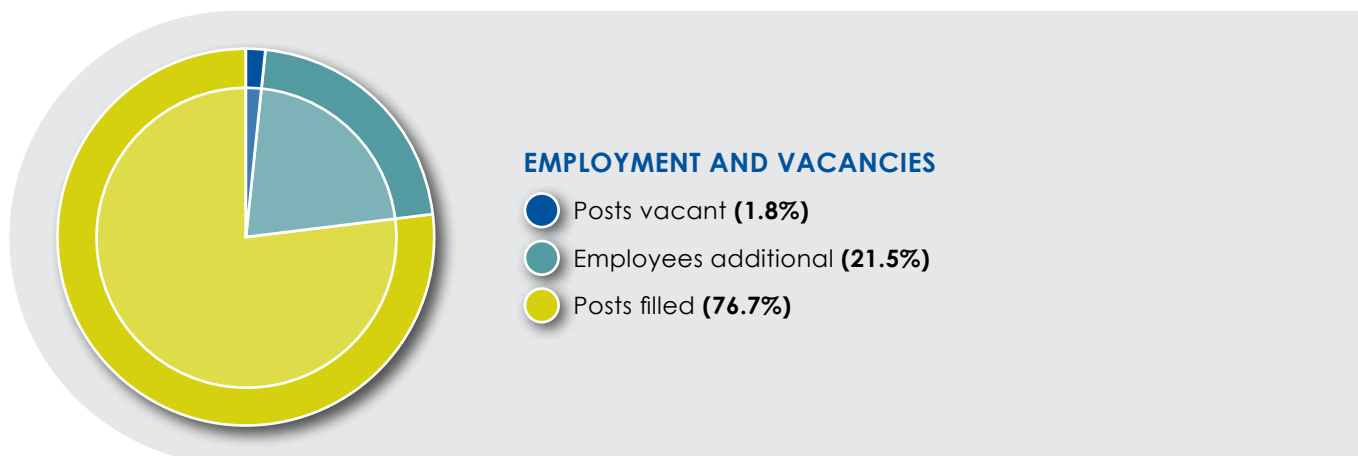
### 4.3. EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts on the establishment, the number of employees, the percentage posts vacant, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme (Table 4.3.1), salary band (Table 4.3.2) and critical occupations (Table 4.3.3). Departments have identified critical occupations that need to be monitored. Table 4.3.3 provides establishment and vacancy information for the key critical occupations of the Department.

**Table 4.3.1: Employment and vacancies by programme, as at 31 March 2012**

| Programme                       | Number of funded posts | Number of posts filled | Vacancy rate % | Persons additional to the establishment | Persons additional as a % of number of funded posts |
|---------------------------------|------------------------|------------------------|----------------|---|---|
| Executive Support               | 166                    | 118                    | 28.9           | 26                                      | 15.7  |
| Provincial Strategic Management | 47                     | 34                     | 27.7           | 9                                       | 19.1  |
| Human Capital (CSC)             | 360                    | 276                    | 23.3           | 90                                      | 25  |
| Centre for e-Innovation (CSC)   | 346                    | 267                    | 22.8           | 92                                      | 26.6  |
| Corporate Assurance (CSC)       | 153                    | 127                    | 17             | 13                                      | 8.5   |
| <b>Total</b>                    | <b>1 072</b>           | <b>822</b>             | <b>23.3</b>    | <b>230</b>                              | <b>21.5</b>   |

**Note:** Although the Department has a vacancy rate of 23.3%, it should be noted that 21.5% of these posts are being used for staff appointed on short and medium-term contracts, special projects, staff not yet suitably placed, and staff additional to the approved establishment. This results in 1.8% of the posts being vacant.



**Table 4.3.2: Employment and vacancies by salary bands, as at 31 March 2012**

| Programme                                  | Number of funded posts | Number of posts filled | Vacancy rate % | Persons additional to the establishment | Persons additional as a % of number of funded posts |
|--|------------------------|------------------------|----------------|---|---|
| Lower skilled (levels 1 – 2)               | 26                     | 20                     | 23.1           | 6                                       | 23.1  |
| Skilled (levels 3 – 5)                     | 153                    | 99                     | 35.3           | 64                                      | 41.8  |
| Highly skilled production (levels 6 – 8)   | 233                    | 170                    | 27             | 39                                      | 16.7  |
| Highly skilled supervision (levels 9 – 12) | 602                    | 478                    | 20.6           | 110                                     | 18.3  |
| Senior management (levels 13 – 16)         | 58                     | 55                     | 5.2            | 11                                      | 19  |
| <b>Total</b>                               | <b>1 072</b>           | <b>822</b>             | <b>23.3</b>    | <b>230</b>                              | <b>21.5</b>   |

**Note:** The information in each case reflects the situation as at 31 March 2012. For an indication of changes in staffing patterns over the year under review, please refer to **section 4.5** of this report.

**Table 4.3.3: Employment and vacancies by critical occupation, as at 31 March 2012**

| Critical occupations   | Number of funded posts | Number of posts filled | Vacancy rate % | Persons additional to the establishment | Persons additional as a % of number of funded posts |
|------------------------|------------------------|------------------------|----------------|---|---|
| Analyst developer      | 78                     | 53                     | 32.1           | 1                                       | 1.3   |
| Legal advisor          | 25                     | 19                     | 24             | 4                                       | 16  |
| Network technologist   | 108                    | 99                     | 8.3            | 22                                      | 20.4  |
| Procurement specialist | 2                      | 2                      | –              | –                                       | –   |
| <b>Total</b>           | <b>213</b>             | <b>173</b>             | <b>18.8</b>    | <b>27</b>                               | <b>12.7</b>   |



#### 4.4. JOB EVALUATION

The Public Service Regulations, 2001 as amended, introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or reevaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.4.1) summarises the number of posts that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 4.4.1: Job evaluation, 1 April 2011 to 31 March 2012**

| Salary band                                 | Total number of posts | Number of posts evaluated | % of posts evaluated | Posts upgraded |                      | Posts downgraded |                      |
|---|-----------------------|---------------------------|----------------------|----------------|----------------------|------------------|----------------------|
|   |                       |                           |                      | Number         | % of number of posts | Number           | % of number of posts |
| Lower skilled (levels 1 – 2)                | 26                    | –                         | –                    | –              | –                    | –                | –                    |
| Skilled (levels 3 – 5)                      | 153                   | 5                         | 0.5                  | –              | –                    | –                | –                    |
| Highly skilled production (levels 6 – 8)    | 233                   | –                         | –                    | –              | –                    | –                | –                    |
| Highly skilled supervision (levels 9 – 12)  | 602                   | 7                         | 0.7                  | –              | –                    | –                | –                    |
| Senior management service band A (level 13) | 39                    | –                         | –                    | –              | –                    | –                | –                    |
| Senior management service band B (level 14) | 12                    | –                         | –                    | –              | –                    | –                | –                    |
| Senior management service band C (level 15) | 5                     | –                         | –                    | –              | –                    | –                | –                    |
| Senior management service band D (level 16) | 2                     | –                         | –                    | –              | –                    | –                | –                    |
| <b>Total</b>                                | <b>1 072</b>          | <b>12</b>                 | <b>1.1</b>           | <b>–</b>       | <b>–</b>             | <b>–</b>         | <b>–</b>             |

**Note:** Existing Public Service policy requires of departments to subject specifically identified posts (excluding Educator and Occupation Specific Dispensation posts) to a formal job evaluation process. These include newly created posts, as well as posts where the job content has changed significantly (i.e. affected posts). This job evaluation process determines the grading and salary level of a post.

The evaluated posts in **Table 4.4.1** therefore only represent newly created and affected posts where job evaluation results were approved by the executing authority during the current reporting period. Furthermore, the majority of posts on the approved establishment were evaluated during previous reporting years, and the job evaluation results are thus still applicable.

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded.

**Table 4.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2011 to 31 March 2012**

| Beneficiaries               | African   | Indian   | Coloured  | White    | Total     |
|-----------------------------|-----------|----------|-----------|----------|-----------|
| Female                      | 9         | –        | 22        | 1        | 32        |
| Male                        | 3         | –        | 3         | 1        | 7         |
| <b>Total</b>                | <b>12</b> | <b>–</b> | <b>25</b> | <b>2</b> | <b>39</b> |
| Employees with a disability |           |          |           |          | –         |

**Note:** The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the upgraded posts and some of the posts upgraded could also be vacant.

The 39 employees whose salary positions were upgraded due to their posts being upgraded, were due to job evaluation processes completed in the previous reporting period of 2010/11.

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

**Table 4.4.3: Employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)**

| Major occupation  | Number of employees | Job evaluation level | Remuneration on a higher salary level | Remuneration on a higher notch of the same salary level | Reason for deviation |
|---|---------------------|----------------------|---------------------------------------|---|----------------------|
| Chief analyst developer   | 1                   | 9                    | 10                                    | 10th notch increment                                    | Retention            |
| Technology manager  | 1                   | 11                   | 12                                    | –   | Retention            |
| <b>Total number of employees whose salaries exceeded the level determined by job evaluation (including awarding of higher notches) in 2011/2012</b> |                     |                      |                                       |   | <b>2</b>             |
| <b>Percentage of total employment</b>   |                     |                      |                                       |   | <b>0.2</b>           |

**Table 4.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)**

| Beneficiaries               | African  | Indian   | Coloured | White    | Total    |
|-----------------------------|----------|----------|----------|----------|----------|
| Female                      | –        | –        | –        | –        | –        |
| Male                        | –        | –        | 2        | –        | 2        |
| <b>Total</b>                | <b>–</b> | <b>–</b> | <b>2</b> | <b>–</b> | <b>2</b> |
| Employees with a disability |          |          |          |          | –        |

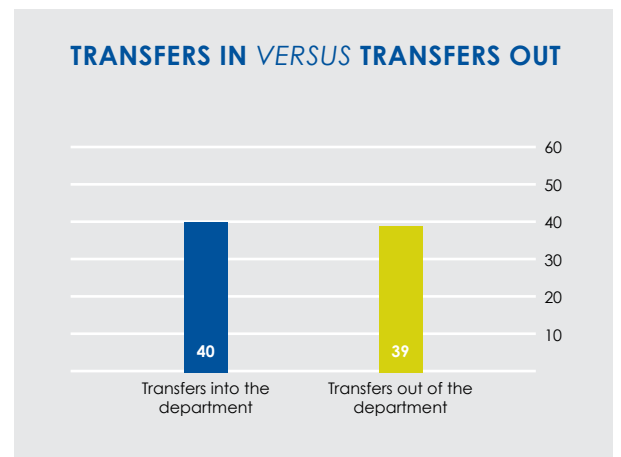
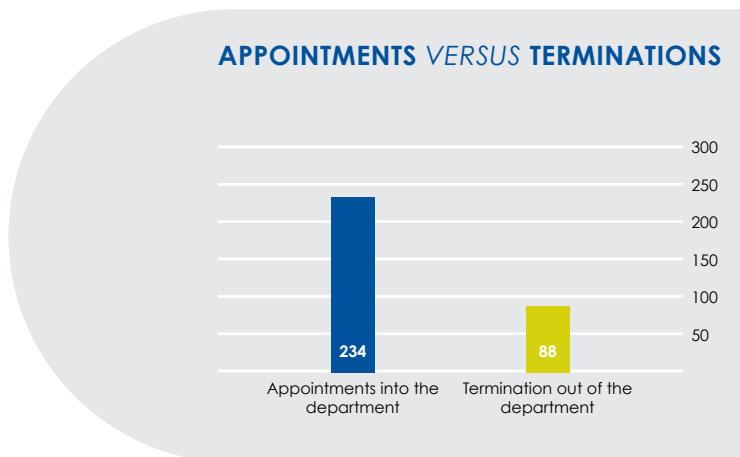
#### 4.5. EMPLOYMENT CHANGES

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 4.5.1) and by critical occupations (Table 4.5.2). (These "critical occupations" should be the same as those listed in Table 4.3.3).

**Table 4.5.1: Annual turnover rates by salary band, 1 April 2011 to 31 March 2012**

| Salary band                                 | Number of employees per band as at 31 March 2011 | Turnover rate 2010/11 | Appointments into the Department | Transfers into the Department | Terminations out of the Department | Transfers out of the Department | Turnover rate 2011/12 |
|---|--|-----------------------|----------------------------------|-------------------------------|------------------------------------|---------------------------------|-----------------------|
| Lower skilled (levels 1 – 2)                | 24   | 8.3                   | 8                                | –                             | 2                                  | –                               | 8.3                   |
| Skilled (levels 3 – 5)                      | 119  | 38                    | 73                               | 13                            | 30                                 | 5                               | 29.4                  |
| Highly skilled production (levels 6 – 8)    | 196  | 30.2                  | 89                               | 14                            | 21                                 | 18                              | 19.9                  |
| Highly skilled supervision (levels 9 – 12)  | 513  | 9.4                   | 56                               | 11                            | 29                                 | 15                              | 8.6                   |
| Senior management service band A (level 13) | 40   | 6.5                   | 5                                | 1                             | 4                                  | 1                               | 12.5                  |
| Senior management service band B (level 14) | 14   | 11.1                  | 2                                | 1                             | 2                                  | –                               | 14.3                  |
| Senior management service band C (level 15) | 6  | –                     | –                                | –                             | –                                  | –                               | –                     |
| Senior management service band D (level 16) | 2  | –                     | 1                                | –                             | –                                  | –                               | –                     |
| <b>Total</b>                                | <b>914</b>                                       | <b>16.9</b>           | <b>234</b>                       | <b>40</b>                     | <b>88</b>                          | <b>39</b>                       | <b>13.9</b>           |
|   |  |                       | <b>274</b>                       |                               | <b>127</b>                         |                                 |                       |

**Note:** A transfer is when a Public Service Official moves from one department to another, on the same salary level.



**Table 4.5.2: Annual turnover rates by critical occupation, 1 April 2011 to 31 March 2012**

| Critical occupation    | Number of employees per band as at 31 March 2011 | Turnover rate 2010/11 | Appointments into the Department | Transfers into the Department | Terminations out of the Department | Transfers out of the Department | Turnover rate 2011/12 |
|------------------------|--|-----------------------|----------------------------------|-------------------------------|------------------------------------|---------------------------------|-----------------------|
| Analyst developer      | 45   | 8.2                   | 1                                | 1                             | 2                                  | –                               | 4.4                   |
| Legal advisor          | 23   | 33.3                  | 5                                | –                             | 2                                  | 1                               | 13                    |
| Network technologist   | 107  | 4.4                   | 14                               | 2                             | 2                                  | –                               | 1.9                   |
| Procurement specialist | 2  | –                     | –                                | –                             | –                                  | –                               | –                     |
| <b>Total</b>           | <b>177</b>                                       | <b>8.8</b>            | <b>20</b>                        | <b>3</b>                      | <b>6</b>                           | <b>1</b>                        | <b>4</b>              |
|                        |  |                       | <b>23</b>                        |                               | <b>7</b>                           |                                 |                       |

**Table 4.5.3: Staff exiting the employ of the Department, 1 April 2011 to 31 March 2012**

| Exit category                                 | Number     | % of total exits | Number of exits as a % of total number of employees as at 31 March 2011 |
|---|------------|------------------|---|
| Death   | 3          | 2.4              | 0.3   |
| Resignation*                                  | 37         | 29.1             | 4.0   |
| Expiry of contract                            | 40         | 31.5             | 4.4   |
| Dismissal – operational changes               | –          | –                | –   |
| Dismissal – misconduct                        | 3          | 2.4              | 0.3   |
| Dismissal – inefficiency                      | –          | –                | –   |
| Discharged due to ill-health                  | 1          | 0.8              | 0.1   |
| Retirement                                    | 3          | 2.4              | 0.3   |
| Employee initiated severance package**        | 1          | 0.8              | 0.1   |
| Transfers to other public service departments | 39         | 30.7             | 4.3   |
| <b>Total</b>                                  | <b>127</b> | <b>100</b>       | <b>13.9</b>   |

\* Resignations are further discussed in **Tables 4.5.4** and **4.5.5**.

\*\* Employee initiated severance packages are further discussed in **Tables 4.5.6**.

**Note:** **Table 4.5.3** identifies the various termination categories for those staff members who have left the employ of the Department.

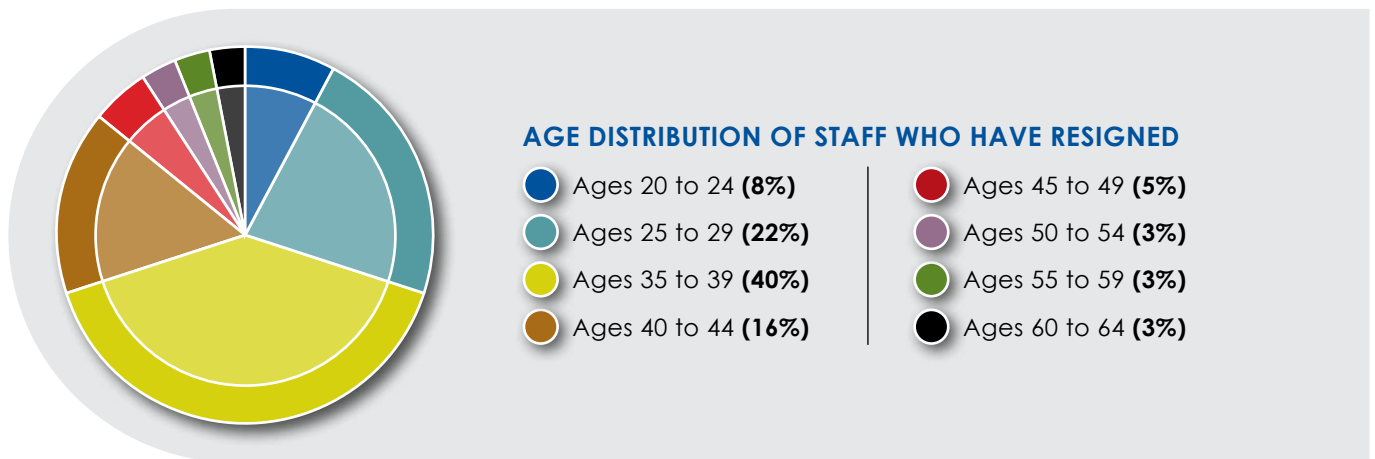


**Table 4.5.4: Reasons why staff resigned, 1 April 2011 to 31 March 2012**

| Resignation reasons | Number    | % of total resignations |
|---------------------|-----------|-------------------------|
| Better remuneration | 31        | 83.8                    |
| Nature of work      | 3         | 8.1                     |
| Undisclosed         | 3         | 8.1                     |
| <b>Total</b>        | <b>37</b> | <b>100</b>              |

**Table 4.5.5: Different age groups of staff who resigned, 1 April 2011 to 31 March 2012**

| Age group     | Number    | % of total resignations |
|---------------|-----------|-------------------------|
| Ages <19      | –         | –                       |
| Ages 20 to 24 | 3         | 8.1                     |
| Ages 25 to 29 | 8         | 21.6                    |
| Ages 30 to 34 | –         | –                       |
| Ages 35 to 39 | 15        | 40.5                    |
| Ages 40 to 44 | 6         | 16.2                    |
| Ages 45 to 49 | 2         | 5.4                     |
| Ages 50 to 54 | 1         | 2.7                     |
| Ages 55 to 59 | 1         | 2.7                     |
| Ages 60 to 64 | 1         | 2.7                     |
| Ages 65 >     | –         | –                       |
| <b>Total</b>  | <b>37</b> | <b>100</b>              |



**Table 4.5.6: Granting of employee initiated severance packages by salary band, 1 April 2011 to 31 March 2012**

| Salary band                                | Number of applications received | Number of applications referred to the MPSA | Number of applications supported by MPSA | Number of packages approved by Department |
|--|---------------------------------|---|--|---|
| Lower skilled (levels 1 – 2)               | –                               | –   | –  | –   |
| Skilled (levels 3 – 5)                     | –                               | –   | –  | –   |
| Highly skilled production (levels 6 – 8)   | –                               | –   | –  | –   |
| Highly skilled supervision (levels 9 – 12) | 1                               | 1   | 1  | 1   |
| Senior management (levels 13 – 16)         | –                               | –   | –  | –   |
| <b>Total</b>                               | <b>1</b>                        | <b>1</b>                                    | <b>1</b>                                 | <b>1</b>                                  |

**Table 4.5.7: Promotions by salary band, 1 April 2011 to 31 March 2012**

| Salary band                                | Employees as at 31 March 2011 | Promotions to another salary level | Promotions as a % of employees by salary band | Progressions to another notch within a salary level | Notch progressions as a % of employees by salary band |
|--|-------------------------------|------------------------------------|---|---|---|
| Lower skilled (levels 1 – 2)               | 24                            | –                                  | –   | 9   | 37.5  |
| Skilled (levels 3 – 5)                     | 119                           | 1                                  | 0.8   | 74  | 62.2  |
| Highly skilled production (levels 6 – 8)   | 196                           | 16                                 | 8.2   | 137   | 69.9  |
| Highly skilled supervision (levels 9 – 12) | 513                           | 25                                 | 4.9   | 314   | 61.2  |
| Senior management (levels 13 – 16)         | 62                            | 2                                  | 3.2   | 30  | 48.4  |
| <b>Total</b>                               | <b>914</b>                    | <b>44</b>                          | <b>4.8</b>                                    | <b>564</b>  | <b>61.7</b>   |

**Table 4.5.8: Promotions by critical occupation, 1 April 2011 to 31 March 2012**

| Critical occupation    | Employees as at 31 March 2011 | Promotions to another salary level | Promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progressions as a % of employees by occupation |
|------------------------|-------------------------------|------------------------------------|--|---|--|
| Analyst developer      | 55                            | –                                  | –  | 24  | 43.6   |
| Legal advisor          | 22                            | 1                                  | 4.5  | 9   | 40.9   |
| Network technologist   | 100                           | –                                  | –  | 79  | 79   |
| Procurement specialist | 2                             | –                                  | –  | –   | –  |
| <b>Total</b>           | <b>179</b>                    | <b>1</b>                           | <b>0.6</b>                                   | <b>112</b>  | <b>62.6</b>  |

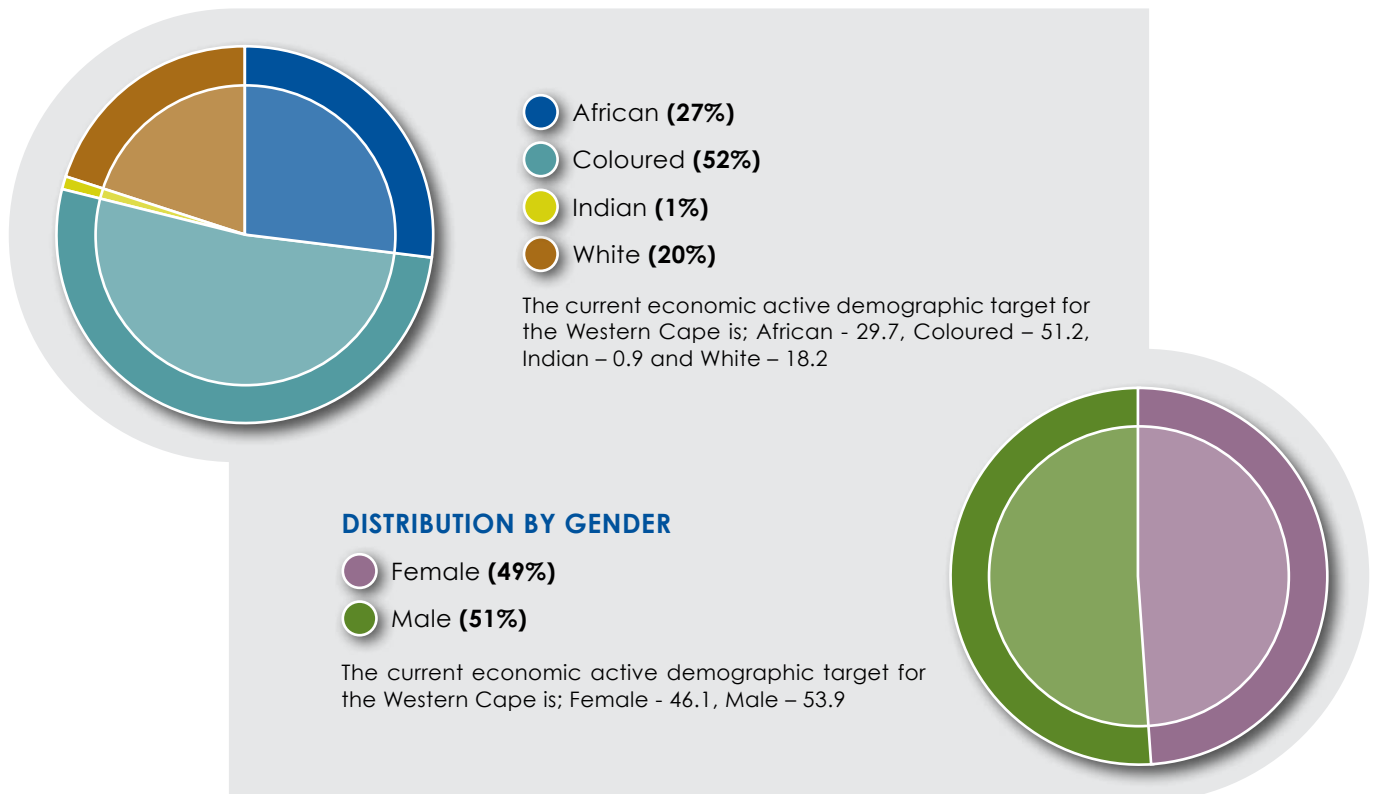
#### 4.6. EMPLOYMENT EQUITY

The following table provides a summary of the total workforce profile per occupational levels. Temporary employees provide the total of workers employed for three consecutive months or less. The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

**Table 4.6.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2012**

| Occupational levels  | Male       |            |          |            | Female     |            |          |           | Foreign nationals |          | Total        |
|--|------------|------------|----------|------------|------------|------------|----------|-----------|-------------------|----------|--------------|
|  | A          | C          | I        | W          | A          | C          | I        | W         | Male              | Female   |              |
| Top management (levels 14 – 16)  | 3          | 6          | –        | 5          | 1          | –          | 1        | 5         | –                 | –        | 21           |
| Senior management (level 13)   | 7          | 11         | 1        | 10         | 3          | 7          | –        | 6         | –                 | –        | 45           |
| Professionally qualified and experienced specialists and mid-management (levels 11 – 12)   | 13         | 50         | 2        | 35         | 16         | 36         | 3        | 18        | –                 | –        | 173          |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10) | 77         | 161        | 3        | 60         | 84         | 96         | 2        | 41        | –                 | –        | 524          |
| Semi-skilled and discretionary decision making (levels 4 – 7)  | 24         | 50         | –        | 8          | 44         | 111        | 2        | 21        | –                 | –        | 260          |
| Unskilled and defined decision making (levels 1 – 3)   | 6          | 8          | –        | 1          | 2          | 12         | –        | –         | –                 | –        | 29           |
| <b>Total</b>   | <b>130</b> | <b>286</b> | <b>6</b> | <b>119</b> | <b>150</b> | <b>262</b> | <b>8</b> | <b>91</b> | <b>–</b>          | <b>–</b> | <b>1 052</b> |
| Temporary employees  | –          | –          | –        | –          | –          | –          | –        | –         | –                 | –        | –            |
| <b>Grand total</b>   | <b>130</b> | <b>286</b> | <b>6</b> | <b>119</b> | <b>150</b> | <b>262</b> | <b>8</b> | <b>91</b> | <b>–</b>          | <b>–</b> | <b>1 052</b> |

**Note:** Occupational levels are prescribed by the Department of Labour. Temporary employees refer to persons employed on contract for a period of three months or less.



**Table 4.6.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2012**

| Occupational levels  | Male     |          |          |          | Female   |          |          |          | Foreign nationals |          | Total     |
|--|----------|----------|----------|----------|----------|----------|----------|----------|-------------------|----------|-----------|
|  | A        | C        | I        | W        | A        | C        | I        | W        | Male              | Female   |           |
| Top management (levels 14 – 16)  | –        | –        | –        | –        | –        | –        | –        | –        | –                 | –        | –         |
| Senior management (level 13)   | –        | –        | –        | –        | –        | –        | –        | –        | –                 | –        | –         |
| Professionally qualified and experienced specialists and mid-management (levels 11 – 12)   | –        | 1        | –        | 1        | –        | –        | –        | 1        | –                 | –        | 3         |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10) | 1        | 1        | –        | 5        | 1        | 2        | –        | 2        | –                 | –        | 12        |
| Semi-skilled and discretionary decision making (levels 4 – 7)  | –        | –        | –        | –        | –        | 1        | –        | 1        | –                 | –        | 2         |
| Unskilled and defined decision making (levels 1 – 3)   | –        | –        | –        | –        | –        | –        | –        | –        | –                 | –        | –         |
| <b>Total</b>   | <b>1</b> | <b>2</b> | <b>–</b> | <b>6</b> | <b>1</b> | <b>3</b> | <b>–</b> | <b>4</b> | <b>–</b>          | <b>–</b> | <b>17</b> |
| Temporary employees  | –        | –        | –        | –        | –        | –        | –        | –        | –                 | –        | –         |
| <b>Grand total</b>   | <b>1</b> | <b>2</b> | <b>–</b> | <b>6</b> | <b>1</b> | <b>3</b> | <b>–</b> | <b>4</b> | <b>–</b>          | <b>–</b> | <b>17</b> |

**Note:** Occupational levels are prescribed by the Department of Labour. Temporary employees refer to persons employed on contract for a period of three months or less.

The 17 disabled employees reflected in the above table represent 1.6% of the departments's total staff establishment.

**Table 4.6.3: Recruitment, 1 April 2011 to 31 March 2012**

| Occupational levels  | Male      |           |          |           | Female    |           |          |           | Foreign nationals |          | Total      |
|--|-----------|-----------|----------|-----------|-----------|-----------|----------|-----------|-------------------|----------|------------|
|  | A         | C         | I        | W         | A         | C         | I        | W         | Male              | Female   |            |
| Top management (levels 14 – 16)  | 1         | –         | –        | 1         | –         | –         | –        | 1         | –                 | –        | 3          |
| Senior management (level 13)   | –         | 1         | –        | 3         | –         | –         | –        | 1         | –                 | –        | 5          |
| Professionally qualified and experienced specialists and mid-management (levels 11 – 12)   | 1         | 8         | –        | 2         | –         | 3         | –        | 5         | –                 | –        | 19         |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10) | 6         | 23        | –        | 10        | 4         | 16        | –        | 8         | –                 | –        | 67         |
| Semi-skilled and discretionary decision making (levels 4 – 7)  | 14        | 39        | –        | 8         | 21        | 45        | 2        | 2         | –                 | –        | 131        |
| Unskilled and defined decision making (levels 1 – 3)   | 1         | 2         | –        | 1         | –         | 5         | –        | –         | –                 | –        | 9          |
| <b>Total</b>   | <b>23</b> | <b>73</b> | <b>–</b> | <b>25</b> | <b>25</b> | <b>69</b> | <b>2</b> | <b>17</b> | <b>–</b>          | <b>–</b> | <b>234</b> |
| Temporary employees  | –         | –         | –        | –         | –         | –         | –        | –         | –                 | –        | –          |
| <b>Grand total</b>   | <b>23</b> | <b>73</b> | <b>–</b> | <b>25</b> | <b>25</b> | <b>69</b> | <b>2</b> | <b>17</b> | <b>–</b>          | <b>–</b> | <b>234</b> |

**Note:** Recruitment refers to new employees, excluding transfers into the Department, mentioned in **Table 4.5.1**.



**Table 4.6.4: Promotions, 1 April 2011 to 31 March 2012**

| Occupational levels  | Male     |           |          |          | Female   |           |          |          | Foreign nationals |          | Total     |
|--|----------|-----------|----------|----------|----------|-----------|----------|----------|-------------------|----------|-----------|
|  | A        | C         | I        | W        | A        | C         | I        | W        | Male              | Female   |           |
| Top management (levels 14 – 16)  | –        | –         | –        | –        | –        | –         | –        | –        | –                 | –        | –         |
| Senior management (levels 13)  | –        | 1         | –        | 1        | –        | –         | –        | –        | –                 | –        | 2         |
| Professionally qualified and experienced specialists and mid-management (levels 11 – 12)   | 2        | 3         | –        | –        | 3        | 5         | –        | 3        | –                 | –        | 16        |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10) | 2        | 6         | –        | 2        | 2        | 6         | –        | 2        | –                 | –        | 20        |
| Semi-skilled and discretionary decision making (levels 4 – 7)  | 1        | 1         | –        | –        | 3        | 1         | –        | –        | –                 | –        | 6         |
| Unskilled and defined decision making (levels 1 – 3)   | –        | –         | –        | –        | –        | –         | –        | –        | –                 | –        | –         |
| <b>Total</b>   | <b>5</b> | <b>11</b> | <b>–</b> | <b>3</b> | <b>8</b> | <b>12</b> | <b>–</b> | <b>5</b> | <b>–</b>          | <b>–</b> | <b>44</b> |
| Temporary employees  | –        | –         | –        | –        | –        | –         | –        | –        | –                 | –        | –         |
| <b>Grand total</b>   | <b>5</b> | <b>11</b> | <b>–</b> | <b>3</b> | <b>8</b> | <b>12</b> | <b>–</b> | <b>5</b> | <b>–</b>          | <b>–</b> | <b>44</b> |

**Note:** Promotions refer to the total number of employees promoted within the Department, mentioned in **Table 4.5.7**.

**Table 4.6.5: Terminations, 1 April 2011 to 31 March 2012**

| Occupational levels  | Male      |           |          |          | Female    |           |          |          | Foreign nationals |          | Total     |
|--|-----------|-----------|----------|----------|-----------|-----------|----------|----------|-------------------|----------|-----------|
|  | A         | C         | I        | W        | A         | C         | I        | W        | Male              | Female   |           |
| Top management (levels 14 – 16)  | 1         | 1         | –        | –        | –         | –         | –        | –        | –                 | –        | 2         |
| Senior management (level 13)   | –         | –         | –        | 4        | –         | –         | –        | –        | –                 | –        | 4         |
| Professionally qualified and experienced specialists and mid-management (levels 11 – 12)   | 1         | 5         | –        | 1        | 1         | –         | –        | 3        | –                 | –        | 11        |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10) | 4         | 4         | –        | 2        | 5         | 6         | –        | 1        | –                 | –        | 22        |
| Semi-skilled and discretionary decision making (levels 4 – 7)  | 4         | 13        | –        | 1        | 8         | 20        | –        | –        | –                 | –        | 46        |
| Unskilled and defined decision making (levels 1 – 3)   | –         | 1         | –        | –        | –         | 2         | –        | –        | –                 | –        | 3         |
| <b>Total</b>   | <b>10</b> | <b>24</b> | <b>–</b> | <b>8</b> | <b>14</b> | <b>28</b> | <b>–</b> | <b>4</b> | <b>–</b>          | <b>–</b> | <b>88</b> |
| Temporary employees  | –         | –         | –        | –        | –         | –         | –        | –        | –                 | –        | –         |
| <b>Grand total</b>   | <b>10</b> | <b>24</b> | <b>–</b> | <b>8</b> | <b>14</b> | <b>28</b> | <b>–</b> | <b>4</b> | <b>–</b>          | <b>–</b> | <b>88</b> |

**Note:** Terminations refer to those employees who left the employ of the Department, excluding transfers to other departments, mentioned in **Table 4.5.1**.

**Table 4.6.6: Disciplinary actions, 1 April 2011 to 31 March 2012**

| Disciplinary actions | Male     |          |          |          | Female   |          |          |          | Foreign nationals |          | Total    |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|-------------------|----------|----------|
|                      | A        | C        | I        | W        | A        | C        | I        | W        | Male              | Female   |          |
| <b>Total</b>         | <b>1</b> | <b>4</b> | <b>–</b> | <b>–</b> | <b>1</b> | <b>1</b> | <b>–</b> | <b>1</b> | <b>–</b>          | <b>–</b> | <b>8</b> |

**Note:** The disciplinary actions total refers to formal outcomes only. For further information on the outcomes of the disciplinary hearings and types of misconduct addressed at disciplinary hearings, please refer to **Tables 4.13.2** and **4.13.3**.

**Table 4.6.7: Skills development, 1 April 2011 to 31 March 2012**

| Occupational Levels  | Male      |            |          |           | Female    |            |          |           | Total      |
|--|-----------|------------|----------|-----------|-----------|------------|----------|-----------|------------|
|  | A         | C          | I        | W         | A         | C          | I        | W         |            |
| Top management (levels 14 – 16)  | 1         | 3          | –        | –         | –         | 1          | –        | –         | 5          |
| Senior management (level 13)   | 2         | 6          | 1        | 1         | 2         | 5          | –        | 3         | 20         |
| Professionally qualified and experienced specialists and mid-management (levels 11 – 12)   | 9         | 28         | 1        | 13        | 14        | 14         | –        | 9         | 88         |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10) | 40        | 59         | –        | 17        | 48        | 52         | 3        | 16        | 235        |
| Semi-skilled and discretionary decision making (levels 4 – 7)  | 20        | 31         | –        | 3         | 34        | 44         | 2        | 13        | 147        |
| Unskilled and defined decision making (levels 1 – 3)   | 4         | 3          | –        | –         | –         | 5          | –        | –         | 12         |
| <b>Total</b>   | <b>76</b> | <b>130</b> | <b>2</b> | <b>34</b> | <b>98</b> | <b>121</b> | <b>5</b> | <b>41</b> | <b>507</b> |
| Temporary employees  | –         | –          | –        | –         | –         | –          | –        | –         | –          |
| <b>Grand total</b>   | <b>76</b> | <b>130</b> | <b>2</b> | <b>34</b> | <b>98</b> | <b>121</b> | <b>5</b> | <b>41</b> | <b>507</b> |

**Note:** The above table refers to the total number of personnel who received training, and not the number of training courses attended by individuals. For further information on the actual training provided, please refer to **Table 4.14.2**.

#### 4.7. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

**Table 4.7.1: Signing of Performance Agreements by SMS members, as at 31 May 2011**

| SMS level                    | Number of funded SMS posts per level | Number of SMS members per level | Number of signed Performance Agreements per level | Signed Performance Agreements as % of SMS members per level |
|------------------------------|--------------------------------------|---------------------------------|---|---|
| Director-General             | 1                                    | 1                               | 1   | 100   |
| Salary level 16, but not HOD | 1                                    | 1                               | 1   | 100   |
| Salary level 15              | 5                                    | 5                               | 5   | 100   |
| Salary level 14              | 12                                   | 11                              | 11  | 100   |
| Salary level 13              | 39                                   | 34                              | 34  | 100   |
| <b>Total</b>                 | <b>58</b>                            | <b>52</b>                       | <b>52</b>   | <b>100</b>  |

**Note:** The allocation of performance related rewards (cash bonus) for Senior Management Service is dealt with later in the report. Please refer to **Table 4.9.3**.

**Table 4.7.2: Reasons for not having concluded Performance Agreements with all SMS on 31 May 2011**

| Reasons for not concluding Performance Agreements with all SMS |
|--|
| All SMS Performance Agreements were signed by 31 May 2011.     |

**Table 4.7.3: Disciplinary steps taken against SMS members for not having concluded Performance Agreements on 31 May 2011**

| Disciplinary steps taken against SMS members for not having concluded Performance Agreements  |
|---|
| No disciplinary steps required, as all SMS Performance Agreements were signed by 31 May 2011. |

#### 4.8. FILLING OF SMS POSTS

**Table 4.8.1: SMS posts information, as at 30 September 2011**

| SMS level                    | Number of funded SMS posts per level | Number of SMS posts filled per level | % of SMS posts filled per level | Number of SMS posts vacant per level | % of SMS posts vacant per level |
|------------------------------|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| Director-General             | 1                                    | 1                                    | 100                             | –                                    | –                               |
| Salary level 16, but not HOD | 1                                    | 1                                    | 100                             | –                                    | –                               |
| Salary level 15              | 5                                    | 5                                    | 100                             | –                                    | –                               |
| Salary level 14              | 12                                   | 11                                   | 91.7                            | 1                                    | 8.3                             |
| Salary level 13              | 39                                   | 35                                   | 89.7                            | 4                                    | 10.3                            |
| <b>Total</b>                 | <b>58</b>                            | <b>53</b>                            | <b>91.4</b>                     | <b>5</b>                             | <b>8.6</b>                      |

**Table 4.8.2: SMS posts information, as at 31 March 2012**

| SMS level                    | Number of funded SMS posts per level | Number of SMS posts filled per level | % of SMS posts filled per level | Number of SMS posts vacant per level | % of SMS posts vacant per level |
|------------------------------|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| Director-General             | 1                                    | 1                                    | 100                             | –                                    | –                               |
| Salary level 16, but not HOD | 1                                    | 1                                    | 100                             | –                                    | –                               |
| Salary level 15              | 5                                    | 5                                    | 100                             | –                                    | –                               |
| Salary level 14              | 12                                   | 10                                   | 83.3                            | 2                                    | 16.7                            |
| Salary level 13              | 39                                   | 38                                   | 97.4                            | 1                                    | 2.6                             |
| <b>Total</b>                 | <b>58</b>                            | <b>55</b>                            | <b>94.8</b>                     | <b>3</b>                             | <b>5.2</b>                      |

**Table 4.8.3: Advertising and filling of SMS posts, as at 31 March 2012**

| SMS Level                    | Advertising   | Filling of posts   |  |
|------------------------------|---|--|--|
|                              | Number of vacancies per level advertised in six months of becoming vacant | Number of vacancies per level filled in six months after becoming vacant | Number of vacancies per level not filled in six months but filled in 12 months |
| Director-General             | –   | –  | –  |
| Salary level 16, but not HOD | –   | –  | –  |
| Salary level 15              | –   | –  | –  |
| Salary level 14              | 2   | 1  | –  |
| Salary level 13              | 7   | 1  | 4  |
| <b>Total</b>                 | <b>9</b>  | <b>2</b>   | <b>4</b>   |

**Note:** Of the nine posts advertised, six posts were filled during the period under review 2011/12. The remaining three posts not yet filled are discussed further in **Table 4.8.4**.

**Table 4.8.4: Reasons for not having complied with the filling of funded vacant SMS posts – Advertised within 6 months and filled within 12 months after becoming vacant**

| SMS level                    | Reasons for non-compliance  |
|------------------------------|---|
| Director-General             | Not applicable  |
| Salary level 16, but not HOD |   |
| Salary level 15              |   |
| Salary level 14              | <p><b>Policy and Strategy</b><br/>The vacancy was advertised within the required six-month period. The shortlisting process was finalised and the Department envisage filling the post within the next reporting period.</p>  |
| Salary level 13              | <p><b>Programme and Project Performance</b><br/>The vacancy was advertised within the required six-month period. The Department is in the process of finalising the shortlist and is confident that a suitable appointment will be made within the next reporting period.</p> <p><b>Internal Audit</b><br/>The post became vacant in the previous reporting period and was advertised within the six-month period. After assessing the applications it was decided to embark on a re-advertising process as the number of suitable candidates were limited. The Department is in the process of finalising the shortlist and envisage filling the vacancy within the next reporting period.</p> |

**Table 4.8.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months**

| Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months |
|--|
| No disciplinary steps required as all available SMS vacancies were advertised within the prescribed timeframes.  |

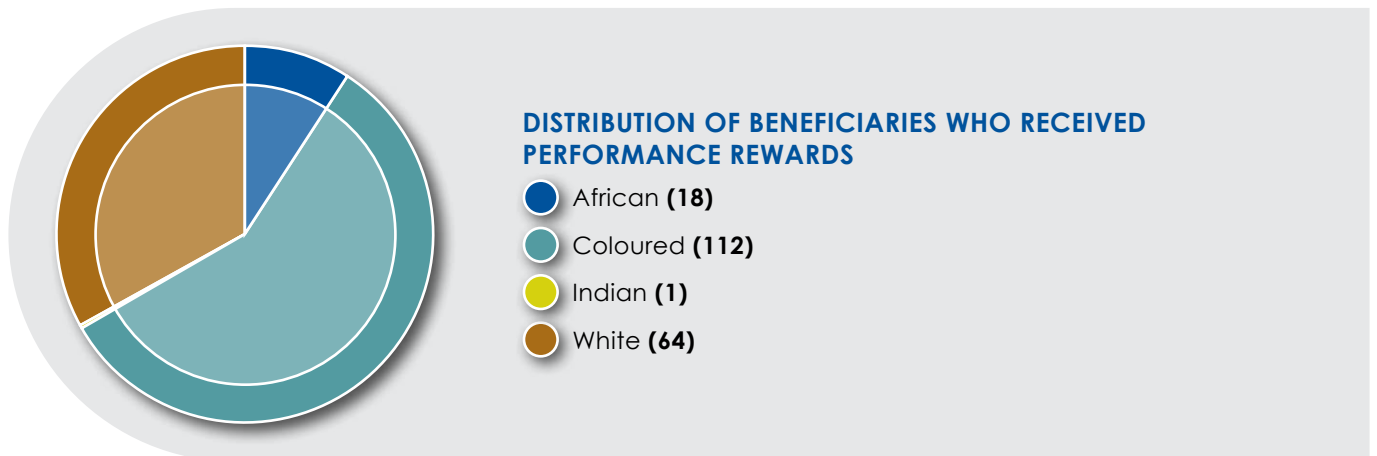
#### 4.9. PERFORMANCE REWARDS

To encourage good performance, the Department has granted the following performance rewards allocated to personnel for the performance period 2010/11, but paid in the financial year 2011/12. The information is presented in terms of race, gender, and disability (Table 4.9.1), salary bands (Table 4.9.2) and critical occupations (Table 4.9.3).

**Table 4.9.1: Performance rewards by race, gender and disability, 1 April 2011 to 31 March 2012**

| Race and gender                    | Beneficiary profile     |                                    |                         | Cost         |                                  |
|------------------------------------|-------------------------|------------------------------------|-------------------------|--------------|----------------------------------|
|                                    | Number of beneficiaries | Total number of employees in group | % of total within group | Cost (R'000) | Average cost per beneficiary (R) |
| <b>African</b>                     | <b>18</b>               | <b>263</b>                         | <b>6.8</b>              | <b>236</b>   | <b>13 093.94</b>                 |
| Male                               | 9                       | 120                                | 7.5                     | 103          | 11 445.23                        |
| Female                             | 9                       | 143                                | 6.3                     | 133          | 14 742.65                        |
| <b>Coloured</b>                    | <b>112</b>              | <b>447</b>                         | <b>25.1</b>             | <b>1 940</b> | <b>17 320.89</b>                 |
| Male                               | 53                      | 229                                | 23.1                    | 1 137        | 21 450.86                        |
| Female                             | 59                      | 218                                | 27.1                    | 803          | 13 610.92                        |
| <b>Indian</b>                      | <b>1</b>                | <b>12</b>                          | <b>8.3</b>              | <b>67</b>    | <b>67 436.40</b>                 |
| Male                               | –                       | 6                                  | –                       | –            | –                                |
| Female                             | 1                       | 6                                  | 16.7                    | 67           | 67 436.40                        |
| <b>White</b>                       | <b>64</b>               | <b>172</b>                         | <b>37.2</b>             | <b>1 404</b> | <b>21 937.67</b>                 |
| Male                               | 33                      | 97                                 | 34.0                    | 775          | 23 485.77                        |
| Female                             | 31                      | 75                                 | 41.3                    | 629          | 20 289.70                        |
| <b>Employees with a disability</b> | <b>5</b>                | <b>20</b>                          | <b>25.0</b>             | <b>80</b>    | <b>16 069.77</b>                 |
| <b>Total</b>                       | <b>200</b>              | <b>914</b>                         | <b>21.9</b>             | <b>3 727</b> | <b>18 637.14</b>                 |

**Note:** Special awards in terms of article 37(2)(C) are excluded from the above figures. The table relates to performance rewards for the performance year 2010/11, and payments effected in the 2011/12 reporting period.



**Table 4.9.2: Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2011 to 31 March 2012**

| Salary bands                               | Beneficiary profile     |                                    |                                | Cost         |                                  |  |
|--|-------------------------|------------------------------------|--------------------------------|--------------|----------------------------------|--|
|  | Number of beneficiaries | Total number of employees in group | % of total within salary bands | Cost (R'000) | Average cost per beneficiary (R) | Cost as a % of the total personnel expenditure |
| Lower skilled (levels 1 – 2)               | 5                       | 24                                 | 20.8                           | 22           | 4 378.12                         | 0.01   |
| Skilled (levels 3 – 5)                     | 11                      | 119                                | 9.2                            | 70           | 6 323.08                         | 0.02   |
| Highly skilled production (levels 6 – 8)   | 49                      | 196                                | 25                             | 521          | 10 622.90                        | 0.2  |
| Highly skilled supervision (levels 9 – 12) | 124                     | 513                                | 24.2                           | 2 544        | 20 515.92                        | 0.9  |
| <b>Total</b>                               | <b>189</b>              | <b>852</b>                         | <b>22.2</b>                    | <b>3 156</b> | <b>16 698.10</b>                 | <b>1.1</b>                                     |

**Note:** The cost is calculated as a percentage of the total personnel expenditure for salary levels 1 – 12, reflected in **Table 4.2.2**.

**Table 4.9.3: Performance related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2011 to 31 March 2012**

| Salary bands                                | Beneficiary profile     |                                    |                                | Cost         |                                  |  |
|---|-------------------------|------------------------------------|--------------------------------|--------------|----------------------------------|--|
|   | Number of beneficiaries | Total number of employees in group | % of total within salary bands | Cost (R'000) | Average cost per beneficiary (R) | Cost as a % of the total personnel expenditure |
| Senior management service band A (level 13) | 5                       | 40                                 | 12.5                           | 209          | 41 804.44                        | 0.4  |
| Senior management service band B (level 14) | 5                       | 14                                 | 35.7                           | 310          | 62 087.82                        | 0.6  |
| Senior management service band C (level 15) | 1                       | 6                                  | 16.7                           | 52           | 52 025.40                        | 0.1  |
| Senior management service band D (level 16) | –                       | 2                                  | –                              | –            | –                                | –  |
| <b>Total</b>                                | <b>11</b>               | <b>62</b>                          | <b>17.7</b>                    | <b>571</b>   | <b>51 953.33</b>                 | <b>1.1</b>                                     |

**Note:** The cost is calculated as a percentage of the total personnel expenditure for salary levels 13 – 16, reflected in **Table 4.2.2**.

**Table 4.9.4: Performance rewards by critical occupations, 1 April 2011 to 31 March 2012**

| Critical occupation    | Beneficiary profile     |                                    |                                | Cost         |                                  |  |
|------------------------|-------------------------|------------------------------------|--------------------------------|--------------|----------------------------------|--|
|                        | Number of beneficiaries | Total number of employees in group | % of total within salary bands | Cost (R'000) | Average cost per beneficiary (R) | Cost as a % of the total personnel expenditure |
| Analyst developer      | 9                       | 45                                 | 20.0                           | 164          | 18 256.82                        | 0.1  |
| Legal advisor          | 5                       | 23                                 | 21.7                           | 140          | 27 942.23                        | 0.04   |
| Network technologist   | 29                      | 107                                | 27.1                           | 530          | 18 282.55                        | 0.2  |
| Procurement specialist | –                       | 2                                  | –                              | –            | –                                | –  |
| <b>Total</b>           | <b>43</b>               | <b>177</b>                         | <b>24.3</b>                    | <b>834</b>   | <b>19 400.38</b>                 | <b>0.3</b>                                     |

**Note:** The total cost as a percentage is calculated on the total personnel expenditure for salary levels 1 – 12, reflected in **Table 4.2.2**.

#### 4.10. 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 4.10.1: Foreign workers by salary band, 1 April 2011 to 31 March 2012**

| Salary bands                               | 1 April 2011 |          | 31 March 2012 |          | Change |          |
|--|--------------|----------|---------------|----------|--------|----------|
|  | Number       | % change | Number        | % change | Number | % change |
| Lower skilled (levels 1 – 2)               | –            | –        | –             | –        | –      | –        |
| Skilled (levels 3 – 5)                     | –            | –        | –             | –        | –      | –        |
| Highly skilled production (levels 6 – 8)   | –            | –        | –             | –        | –      | –        |
| Highly skilled supervision (levels 9 – 12) | –            | –        | –             | –        | –      | –        |
| Senior management (levels 13 – 16)         | –            | –        | –             | –        | –      | –        |
| <b>Total</b>                               | <b>None</b>  |          |               |          |        |          |

**Table 4.10.2: Foreign workers by major occupation, 1 April 2011 to 31 March 2012**

| Major occupation | 1 April 2011 |          | 31 March 2012 |          | Change |          |
|------------------|--------------|----------|---------------|----------|--------|----------|
|                  | Number       | % change | Number        | % change | Number | % change |
| Not applicable   | –            | –        | –             | –        | –      | –        |
| <b>Total</b>     | <b>None</b>  |          |               |          |        |          |



#### 4.11. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2011 TO 31 DECEMBER 2011

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 4.11.1) and incapacity leave (Table 4.11.2). In both cases, the estimated cost of the leave is also provided.

**Table 4.11.1: Sick leave, 1 January 2011 to 31 December 2011**

| Salary bands                               | Total days   | % days with medical certification | Number of employees using sick leave | Total number of employees | % of total employees using sick leave | Average days per employee | Estimated cost (R'000) |
|--|--------------|-----------------------------------|--------------------------------------|---------------------------|---------------------------------------|---------------------------|------------------------|
| Lower skilled (levels 1 – 2)               | 120          | 90.8                              | 12                                   | 21                        | 57.1                                  | 10                        | 29                     |
| Skilled (levels 3 – 5)                     | 945          | 76.8                              | 140                                  | 177                       | 79.1                                  | 7                         | 364                    |
| Highly skilled production (levels 6 – 8)   | 2 096        | 81.0                              | 262                                  | 355                       | 73.8                                  | 8                         | 1 401                  |
| Highly skilled supervision (levels 9 – 12) | 3 029        | 77.9                              | 421                                  | 525                       | 80.2                                  | 7                         | 3 297                  |
| Senior management (levels 13 – 16)         | 279          | 75.3                              | 52                                   | 71                        | 73.2                                  | 5                         | 632                    |
| <b>Total</b>                               | <b>6 469</b> | <b>78.9</b>                       | <b>887</b>                           | <b>1 149</b>              | <b>77.2</b>                           | <b>7</b>                  | <b>5 723</b>           |

**Note:** The three-year sick leave cycle started in 2010. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, please refer to **Table 4.11.2**.

**Table 4.11.2: Incapacity leave, 1 January 2011 to 31 December 2011**

| Salary bands                               | Total days | % days with medical certification | Number of employees using incapacity leave | Total number of employees | % of total employees using incapacity leave | Average days per employee | Estimated cost (R'000) |
|--|------------|-----------------------------------|--|---------------------------|---|---------------------------|------------------------|
| Lower skilled (levels 1 – 2)               | –          | –                                 | –  | 21                        | –   | –                         | –                      |
| Skilled (levels 3 – 5)                     | 21         | 100                               | 1  | 177                       | 0.6   | 21                        | 8                      |
| Highly skilled production (levels 6 – 8)   | 377        | 100                               | 11   | 355                       | 3.1   | 34                        | 241                    |
| Highly skilled supervision (levels 9 – 12) | 5          | 100                               | 2  | 525                       | 0.4   | 3                         | 7                      |
| Senior management (levels 13 – 16)         | –          | –                                 | –  | 71                        | –   | –                         | –                      |
| <b>Total</b>                               | <b>403</b> | <b>100.0</b>                      | <b>14</b>                                  | <b>1 149</b>              | <b>1.2</b>                                  | <b>29</b>                 | <b>256</b>             |

**Note:** The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his/her normal sick leave, the Employer must conduct an investigation into the nature and extent of the employee's incapacity. Such investigations must be carried out in accordance with item 10(1) of Schedule 8 of the Labour Relations Act (LRA).

Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the Employer's discretion, as provided for in the Leave Determination and PILIR.

It should be noted that of the 14 employees who used incapacity leave, only one employee left the service of the department as a result of ill-health.

Table 4.11.3 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 4.11.3: Annual leave, 1 January 2011 to 31 December 2011**

| Salary bands                               | Total days taken | Total number employees using annual leave | Average days per employee |
|--|------------------|---|---------------------------|
| Lower skilled (levels 1 – 2)               | 297              | 16  | 19                        |
| Skilled (levels 3 – 5)                     | 2 323            | 160                                       | 15                        |
| Highly skilled production (levels 6 – 8)   | 5 109            | 313                                       | 16                        |
| Highly skilled supervision (levels 9 – 12) | 10 539           | 511                                       | 21                        |
| Senior management (levels 13 – 16)         | 1 183            | 63  | 19                        |
| <b>Total</b>                               | <b>19 451</b>    | <b>1 063</b>                              | <b>18</b>                 |

**Table 4.11.4: Capped leave, 1 January 2011 to 31 December 2011**

| Salary bands                               | Total capped leave available as at 31 December 2010 | Total days of capped leave taken | Number of employees using capped leave | Average number of days taken per employee | Number of employees with capped leave as at 31 March 2011 | Total capped leave available as at 31 March 2011 |
|--|---|----------------------------------|--|---|---|--|
| Lower skilled (levels 1 – 2)               | 108   | –                                | –                                      | –   | 3   | 108  |
| Skilled (levels 3 – 5)                     | 512   | 1                                | 1                                      | 1   | 11  | 414  |
| Highly skilled production (levels 6 – 8)   | 2 705   | 32                               | 8                                      | 4   | 56  | 2 468  |
| Highly skilled supervision (levels 9 – 12) | 3 129   | 36                               | 8                                      | 5   | 95  | 3 140  |
| Senior management (levels 13 – 16)         | 1 031   | 5                                | 1                                      | 5   | 20  | 1 013  |
| <b>Total</b>                               | <b>7 485</b>  | <b>74</b>                        | <b>18</b>                              | <b>15</b>                                 | <b>185</b>  | <b>7 143</b>                                     |

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

**Table 4.11.5: Leave pay-outs, 1 April 2011 to 31 March 2012**

| Reason  | Total amount (R'000) | Average payment per incident (R) | Number of incidents |
|---|----------------------|----------------------------------|---------------------|
| Leave pay-outs for 2011/12 due to non-utilisation of leave for the previous cycle | 69                   | 68 823.00                        | 1                   |
| Capped leave pay-outs on termination of service for 2011/12                       | 82                   | 20 589.13                        | 4                   |
| Current leave pay-outs on termination of service 2011/12                          | 172                  | 13 245.93                        | 13                  |
| <b>Total</b>  | <b>323</b>           | <b>17 965.36</b>                 | <b>18</b>           |
| <b>Total number of employees who received leave pay-outs</b>                      |                      |                                  | <b>14</b>           |

#### 4.12. HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

**Table 4.12.1: Steps taken to reduce the risk of occupational exposure, 1 April 2011 to 31 March 2012**

| Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)   | Key steps taken to reduce the risk  |
|--|---|
| <p>The nature of the Department's work does not expose employees to increased risk of contracting HIV/Aids. Despite the very low occupational risk, all employees have been targeted at all levels within the Department</p> | <p>HIV/Aids Counselling and Testing (HCT), screenings and awareness campaigns were delivered in general. The outsourced Health and Wellness contract (Employee Assistance Programme (EAP)) provides employees, their children, partners, spouses or other household members with a range of services. These services include the following:</p> <ul style="list-style-type: none"> <li>• 24/7/365 Telephone counselling</li> <li>• Face to face counselling (6 + 2 session model)</li> <li>• Trauma and critical incident counselling</li> <li>• Training and targeted interventions where these were required</li> </ul> |

**Table 4.12.2: Details of Health Promotion and HIV/Aids Programmes (tick the applicable boxes and provide the required information), 1 April 2011 to 31 March 2012**

| Question  | Yes | No | Details, if yes  |
|---|-----|----|--|
| <p>1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.</p>  | √   |    | <p>Due to the corporatisation of the Employee Health and Wellness function, the Director: Organisational Behaviour, Pieter Kemp (Department of the Premier), fulfilled this role.</p>  |
| <p>2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.</p> | √   |    | <p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to eleven (11) participating departments, including the <b>Department of the Premier</b>.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and wellbeing of employees in the eleven (11) departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, three (3) team members and one (1) intern.</p> <p>Budget: R3,5 million</p> |

| Question   | Yes | No | Details, if yes   |
|--|-----|----|---|
| <p>3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.</p>  | √   |    | <p>The Department conducted interventions namely, Understanding and Managing Stress, Understanding and Managing Life Transitions and Manager Wellness Referral Coaching for all employees. These interventions were planned based on the trends reported quarterly through the Employee Assistance Programme (EAP) reports provided by the service provider, <b>The Careways Group</b>, for the period 2011/12. The reports were based on the utilisation of the EAP services and management information in order to target appropriate interventions to address these trends.</p> <p>The targeted interventions were aimed at improving employee engagement through awareness and educational interventions that promote healthy lifestyles and coping skills. This involves presentations to create awareness and encourage employees to have a proactive approach to limit the impact of these problems in the workplace. The above-mentioned interventions were conducted for all employees, including managers and supervisors.</p> <p>The Department also provided information sessions, as requested by various departments in the Western Cape Government (WCG) to inform employees of the Employee Health and Wellness service, how to access the Employee Assistance Programme (EAP). Promotional material such as pamphlets, posters and brochures were distributed.</p> |
| <p>4. Has 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.</p> | √   |    | <p>A new Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>Committee members are:</p> <ul style="list-style-type: none"> <li>• Agriculture: M Ferreira and H Jordaan (DJ)</li> <li>• Community Safety: A Brink; Simon Sekwadi and C Coetzee</li> <li>• Cultural Affairs: S Julie</li> <li>• Economic Development and Tourism: C Julies &amp; P Martin</li> <li>• Environmental Affairs and Development Planning: M Kroese and P Visser</li> <li>• Health: S Newman and N van der Walt</li> <li>• Human Settlements: J Roberts and S Moolman</li> <li>• Local Government: F Matthee and W Bingham</li> <li>• Premier: P Kemp and Z Norushe</li> <li>• Provincial Treasury: B Damons</li> <li>• Social Development: Ms T Mtheku</li> <li>• Transport and Public Works: C Marx and K Love</li> <li>• Western Cape Education: R Oosthuizen and C Pierce</li> </ul>  |
| <p>5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>                 | √   |    | <p>The Transversal Management Framework for Employee Assistance Programmes in the Western Cape Government is in effect and was adopted by the Coordinating Chamber of the PSCBC for the Western Cape Province on 10 August 2005.</p> <p>DPSA has developed several national policy documents in 2007/8 that governs Employee Health and Wellness (EHW) in the Public Service and that coordinates the programmes and services in a uniform manner.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>During the period under review, the Department of the Premier has developed a Transversal Employee Health and Wellness policy. The draft document is being consulted and ratified.</p> <p>Further to this, the Department of Health is currently reviewing the Transversal HIV/Aids/STI Workplace Policy and Programme that is applicable to all departments. The document is in the last stages of consultation to ensure alignment of all four pillars of the EHW Strategic Framework 2008.</p>  |

| Question   | Yes | No | Details, if yes   |
|--|-----|----|---|
| 6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures. | √   |    | <p>The Department implemented existing legislative and policy frameworks as well as Monitoring and Evaluation guidelines, which have been developed by DPSA. The overarching aim of these frameworks is to protect HIV-positive employees by advocating the implementation of the Three Zeros in line with the Joint United Nations Programme on HIV/Aids (UNAIDS). These are educational programmes and information sessions developed to eradicate stigma and discrimination and to raise awareness through:</p> <ul style="list-style-type: none"> <li>• Zero new HIV, STI and TB infections</li> <li>• Zero deaths associated with HIV and TB</li> <li>• Zero discrimination</li> </ul> <p>The Department has embarked on the HCT campaign to intensify DPSA "Know Your Epidemic and Know Your Response" campaign throughout the Western Cape.</p> <p>The aim is to:</p> <ul style="list-style-type: none"> <li>• Reduce HIV and TB discrimination in the workplace. This includes campaigns against unfair discrimination and empowerment of employees.</li> <li>• Reduce unfair discrimination in access to services. This includes ensuring that the Employee Relations Directorate addresses complaints or grievances and provides training to employees.</li> <li>• Other key elements that addressed anti HIV/Aids discrimination issues were: Awareness Raising Programmes that were conducted, posters and pamphlets were distributed, HIV/Aids Counselling and Testing [HCT] campaigns, condom distribution, and spot talks (speak out session by HIV/Aids positive representatives).</li> </ul> |
| 7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.   | √   |    | <p><b>HCT sessions</b><br/>The following screening sessions were conducted:</p> <p>Blood pressure, Glucose, Cholesterol, TB, Eye test, BMI (body mass index) and spot talks.</p> <ul style="list-style-type: none"> <li>• The Department of the Premier participated in four screening sessions.</li> <li>• 96 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STIs).</li> <li>• There were no clinical referrals for TB, HIV or any other STI.</li> </ul>  |
| 8. Has the Department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/ indicators.                     | √   |    | <p>The impact of health promotion programmes is indicated through information provided via the Employee Health and Wellness Contract (external EAP service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through quarterly and annual reporting. This reporting is provided by the External Service Provider. The most recent annual health review period was 1 April 2011 – 31 March 2012.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Human Capital Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, number of cases.</p> <p>The review further provides, amongst others, service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the work place.</p>   |

#### 4.13. LABOUR RELATIONS

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

**Table 4.13.1: Collective agreements, 1 April 2011 to 31 March 2012**

|                                    |             |
|------------------------------------|-------------|
| <b>Total collective agreements</b> | <b>None</b> |
|------------------------------------|-------------|

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

**Table 4.13.2: Misconduct and disciplinary hearings finalised, 1 April 2011 to 31 March 2012**

| Outcomes of disciplinary hearings     | Number    | % of total |
|---------------------------------------|-----------|------------|
| Correctional counselling              | –         | –          |
| Verbal warning                        | –         | –          |
| Written warning                       | –         | –          |
| Final written warning                 | 5         | 50         |
| Suspension without pay                | 3         | 30         |
| Fine                                  | –         | –          |
| Demotion                              | –         | –          |
| Dismissal                             | 2         | 20         |
| Not guilty                            | –         | –          |
| Case withdrawn                        | –         | –          |
| <b>Total</b>                          | <b>10</b> | <b>100</b> |
| <b>Percentage of total employment</b> |           | <b>0.8</b> |

**Note:** Outcomes of disciplinary hearings refer to formal cases only.

One employee absconded during the period under review and was automatically classified as a case of desertion. A formal disciplinary hearing was not required.

**Table 4.13.3: Types of misconduct addressed at disciplinary hearings, 1 April 2011 to 31 March 2012**

| Type of misconduct                          | Number   | % of total |
|---|----------|------------|
| Non-financial disclosure                    | 1        | 12.5       |
| Misuse of GG vehicle                        | 2        | 25         |
| Non-compliance with procedures/policies/law | 4        | 50         |
| Violation of rights                         | 1        | 12.5       |
| <b>Total</b>                                | <b>8</b> | <b>100</b> |

**Table 4.13.4: Grievances lodged, 1 April 2011 to 31 March 2012**

| Grievances lodged                        | Number    | % of total |
|--|-----------|------------|
| Number of grievances resolved            | 5         | 41.7       |
| Number of grievances not resolved        | 7         | 58.3       |
| <b>Total number of grievances lodged</b> | <b>12</b> | <b>100</b> |

**Note:** Grievances lodged refers to cases that were finalised within the reporting period. Grievances not resolved refers to cases finalised, but where the outcome was not in favour of the aggrieved and found to be unsubstantiated.

**Table 4.13.5: Disputes lodged with councils, 1 April 2011 to 31 March 2012**

| Disputes lodged with councils          | Number   | % of total |
|--|----------|------------|
| Number of disputes upheld              | –        | –          |
| Number of disputes dismissed           | 3        | 100        |
| <b>Total number of disputes lodged</b> | <b>3</b> | <b>100</b> |

**Note:** Councils refer to the Public Service Coordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC).

**Table 4.13.6: Strike actions, 1 April 2011 to 31 March 2012**

| Strike actions  | Number |
|---|--------|
| Total number of person working days lost                | 0.34   |
| Total cost (R'000) of working days lost                 | 0.1    |
| Amount (R'000) recovered as a result of no work, no pay | –      |

**Note:** Strike actions include participation in organised marches. Accordingly, absences could only reflect the number of hours of strike-related absences. The total cost for working days lost will be recovered during the 2012/13 reporting period.

**Table 4.13.7: Precautionary suspensions, 1 April 2011 to 31 March 2012**

| Precautionary suspensions                          | Number |
|--|--------|
| Number of people suspended                         | 2      |
| Number of people whose suspension exceeded 30 days | 2      |
| Average number of days suspended                   | 183    |
| Cost of suspensions (R'000)                        | 644    |

**Note:** Precautionary suspensions refer to staff being suspended with pay whilst the case is being investigated.

#### 4.14. SKILLS DEVELOPMENT

This section highlights the efforts of the Department with regard to skills development. The tables reflect the training needs as at the beginning of the period under review, and the actual training provided.

**Table 4.14.1: Training needs identified, 1 April 2011 to 31 March 2012**

| Occupational categories                    | Gender        | Number of employees as at 1/4/2011 | Training needs identified at start of reporting period |   |                         |            |
|--|---------------|------------------------------------|--|---|-------------------------|------------|
|  |               |                                    | Learnerships   | Skills programmes and other short courses | Other forms of training | Total      |
| Legislators, senior officials and managers | Female        | 20                                 | –  | 36  | –                       | <b>36</b>  |
|  | Male          | 43                                 | –  | 24  | –                       | <b>24</b>  |
| Professionals                              | Female        | 189                                | –  | 265                                       | –                       | <b>265</b> |
|  | Male          | 251                                | –  | 194                                       | –                       | <b>194</b> |
| Technicians and associate professionals    | Female        | 87                                 | –  | 10  | –                       | <b>10</b>  |
|  | Male          | 69                                 | –  | 48  | –                       | <b>48</b>  |
| Clerks                                     | Female        | 134                                | –  | 66  | –                       | <b>66</b>  |
|  | Male          | 76                                 | –  | 131                                       | –                       | <b>131</b> |
| Service and sales workers                  | Female        | 2                                  | –  | –   | –                       | <b>–</b>   |
|  | Male          | –                                  | –  | –   | –                       | <b>–</b>   |
| Skilled agriculture and fishery workers    | Female        | –                                  | –  | –   | –                       | <b>–</b>   |
|  | Male          | –                                  | –  | 5   | –                       | <b>5</b>   |
| Craft and related trades workers           | Female        | –                                  | –  | –   | –                       | <b>–</b>   |
|  | Male          | –                                  | –  | 10  | –                       | <b>10</b>  |
| Plant and machine operators and assemblers | Female        | –                                  | –  | 1   | –                       | <b>1</b>   |
|  | Male          | 2                                  | –  | 2   | –                       | <b>2</b>   |
| Elementary occupations                     | Female        | 12                                 | –  | –   | –                       | <b>–</b>   |
|  | Male          | 13                                 | –  | 1   | –                       | <b>1</b>   |
| <b>Subtotal</b>                            | <b>Female</b> | <b>454</b>                         | <b>–</b>   | <b>380</b>                                | <b>–</b>                | <b>380</b> |
|  | <b>Male</b>   | <b>464</b>                         | <b>–</b>   | <b>416</b>                                | <b>–</b>                | <b>416</b> |
| <b>Total</b>                               |               | <b>918</b>                         | <b>–</b>   | <b>796</b>                                | <b>–</b>                | <b>796</b> |
| Employees with disabilities                | Female        | 10                                 | –  | 2   | –                       | <b>2</b>   |
|  | Male          | 10                                 | –  | 1   | –                       | <b>1</b>   |

**Note:** The above table identifies the training needs at the start of the reporting period as per the Department's Work Place Skills Plan.



**Table 4.14.2: Training provided, 1 April 2011 to 31 March 2012**

| Occupational categories                    | Gender        | Number of employees as at 31/3/2012 | Training provided at start of reporting period |   |                         |            |
|--|---------------|-------------------------------------|--|---|-------------------------|------------|
|  |               |                                     | Learnerships                                   | Skills Programmes and other short courses | Other forms of training | Total      |
| Legislators, senior officials and managers | Female        | 23                                  | –  | 67  | –                       | <b>67</b>  |
|  | Male          | 43                                  | –  | 96  | –                       | <b>96</b>  |
| Professionals                              | Female        | 206                                 | –  | 225                                       | –                       | <b>225</b> |
|  | Male          | 319                                 | –  | 195                                       | –                       | <b>195</b> |
| Technicians and associate professionals    | Female        | 135                                 | –  | 20  | –                       | <b>20</b>  |
|  | Male          | 108                                 | –  | 7   | –                       | <b>7</b>   |
| Clerks                                     | Female        | 125                                 | –  | 104                                       | –                       | <b>104</b> |
|  | Male          | 45                                  | –  | 80  | –                       | <b>80</b>  |
| Service and sales workers                  | Female        | 1                                   | –  | 2   | –                       | <b>2</b>   |
|  | Male          | –                                   | –  | –   | –                       | <b>–</b>   |
| Skilled agriculture and fishery workers    | Female        | –                                   | –  | –   | –                       | <b>–</b>   |
|  | Male          | –                                   | –  | –   | –                       | <b>–</b>   |
| Craft and related trades workers           | Female        | –                                   | –  | –   | –                       | <b>–</b>   |
|  | Male          | –                                   | –  | –   | –                       | <b>–</b>   |
| Plant and machine operators and assemblers | Female        | –                                   | –  | –   | –                       | <b>–</b>   |
|  | Male          | 3                                   | –  | 6   | –                       | <b>6</b>   |
| Elementary occupations                     | Female        | 13                                  | –  | 7   | –                       | <b>7</b>   |
|  | Male          | 14                                  | –  | 4   | –                       | <b>4</b>   |
| <b>Subtotal</b>                            | <b>Female</b> | <b>511</b>                          | <b>–</b>                                       | <b>428</b>                                | <b>–</b>                | <b>428</b> |
|  | <b>Male</b>   | <b>541</b>                          | <b>–</b>                                       | <b>392</b>                                | <b>–</b>                | <b>392</b> |
| <b>Total</b>                               |               | <b>1 052</b>                        | <b>–</b>                                       | <b>820</b>                                | <b>–</b>                | <b>820</b> |
| Employees with disabilities                | Female        | 8                                   | –  | 3   | –                       | <b>3</b>   |
|  | Male          | 9                                   | –  | 4   | –                       | <b>4</b>   |

**Note:** The above table identifies the number of training courses attended by individuals during the period under review.

#### 4.15. INJURY ON DUTY

The following tables provide basic information on injury on duty.

**Table 4.15.1: Injury on duty, 1 April 2011 to 31 March 2012**

| Nature of injury on duty              | Number   | % of total |
|---------------------------------------|----------|------------|
| Required basic medical attention only | –        | –          |
| Temporary disablement                 | 3        | 100        |
| Permanent disablement                 | –        | –          |
| Fatal                                 | –        | –          |
| <b>Total</b>                          | <b>3</b> | <b>100</b> |
| <b>Percentage of total employment</b> |          | <b>0.3</b> |

#### 4.16. UTILISATION OF CONSULTANTS

**Table 4.16.1: Report on consultant appointments using appropriated funds, 1 April 2011 to 31 March 2012**

| Project title   | Total number of consultants that worked on the project | Duration: Work days              | Contract value (R)             |
|---|--|----------------------------------|--------------------------------|
| Drafting of a People Strategy for WCG.  | 1  | 10.5 days                        | 198 109.00                     |
| Upload of 2011/12 APP project onto the Executive Projects Dashboard   | 12   | 22 days                          | 2 620 640.00                   |
| Coach in a remedial and development function  | 1  | 26 sessions                      | 39 000.00                      |
| Develop an Employee Engagement Toolkit for WCG  | 1  | 3 months                         | 193 800.00                     |
| Technical expertise in the development of the indicator and Data Quality Framework and quality assurance on indicators developed for Provincial-wide Monitoring and Evaluation System | 1  | 24 days                          | 149 760.00                     |
| Development of the e-Government Strategy  | 1  | 25 days                          | 120 000.00                     |
| The design and implementation of Strategic Objectives: Increasing Safety  | 1  | 21 months                        | 550 000.00                     |
| Technical expertise and quality assurance for the core directory of common data sets and central repository   | 1  | 6 months                         | 495 000.00                     |
| Develop a Social Policy Framework for WCG   | 1  | 3 months                         | 250 000.00                     |
| Rationalisation of Western Cape Provincial Legislation project  | 1  | 1 year                           | 500 000.00                     |
| <b>Total number of projects</b>   | <b>Total individual consultants</b>                    | <b>Total duration: Work days</b> | <b>Total contact value (R)</b> |
| 10  | 21   | 1 436 days                       | 5 116 309.00                   |

**Table 4.16.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2011 to 31 March 2012**

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

**Table 4.16.3: Report on consultant appointments using donor funds, 1 April 2011 to 31 March 2012**

| Project title            | Total number of consultants that worked on the project | Duration: Work days       | Donor and contract value (R) |
|--------------------------|--|---------------------------|------------------------------|
| None                     |  |                           |                              |
| Total number of projects | Total individual consultants                           | Total duration: Work days | Total contract value (R)     |
| None                     |  |                           |                              |

**Table 4.16.4: Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2011 to 31 March 2012**

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

## 5. OTHER INFORMATION

### 5.1 ACRONYMS

|        |   |
|--------|---|
| AG     | Auditor-General   |
| AO     | Accounting Officer                                      |
| AOS    | Accounting Officer System                               |
| ASD    | Assistant Director                                      |
| BAS    | Basic Accounting Systems                                |
| BAUD   | Bio-acoustical Utilisation Device                       |
| BEE    | Black Economic Empowerment                              |
| BPIAN  | Batho Pele Impact Assessments Network                   |
| CeI    | Centre for E-Innovation                                 |
| COCT   | City of Cape Town                                       |
| COP17  | 17th Conference of Parties                              |
| COW    | Computer on Wheels                                      |
| CPUT   | Cape Peninsula University of Technology                 |
| CSC    | Corporate Services Centre                               |
| DEDAT  | Department of Economic Development and Tourism          |
| DG     | Director-General  |
| DotP   | Department of the Premier                               |
| DPASA  | Department of Public Service and Administration         |
| EAP    | Employee Assistance Program                             |
| EEA    | Employment Equity Act                                   |
| EPSi   | Electronic Purchasing System Index                      |
| ERM    | Enterprise Risk Management                              |
| FIFA   | Fédération Internationale de Football Association       |
| FIU    | Forensic Investigation Unit                             |
| FMIP   | Financial Management Improvement Plan                   |
| GIAMA  | Government Immovable Asset Management Act               |
| GITO   | Government Information Technology Officer               |
| HOD    | Head of Department                                      |
| HRD    | Human Resource Development                              |
| HS     | Human Settlements                                       |
| ICDL   | International Computer Driver's Licence                 |
| ICT    | Information and Communication Technologies              |
| IT     | Information Technology                                  |
| MMS    | Middle Management Service                               |
| MTEC   | Medium-term Economic Committee                          |
| MTR    | Mid-term review   |
| NC     | Northern Cape   |
| PAIA   | Promotion of Access to Information Act                  |
| PAJA   | Promotion of Administration Justice Act                 |
| PALAMA | Public Administration Leadership and Management Academy |
| PERMIS | Performance Management Information System               |
| PERSAL | Personnel and Salary System                             |

|       |  |
|-------|--|
| PFMA  | Public Finance Management Act                  |
| PSCBC | Public Service Coordinating Bargaining Council |
| PSO   | Provincial Strategic Objective                 |
| PSR   | Public Service Regulations                     |
| PT    | Provincial Treasury                            |
| PTI   | Provincial Training Institute                  |
| PTMS  | Provincial Transversal Management System       |
| SAP   | Systems Applications and Programmes            |
| SAQA  | South African Qualifications Authority         |
| SBD   | Standard Bidding Document                      |
| SCM   | Supply Chain Management                        |
| SDIP  | Service Delivery Improvement Programme         |
| SITA  | State Information Technology Agency            |
| SL    | Salary Level                                   |
| SLA   | Service Level Agreement                        |
| SMS   | Senior Management Service                      |
| SMP   | Strategic Management Plan                      |
| WC    | Western Cape                                   |
| WCED  | Western Cape Education Department              |
| WCG   | Western Cape Government                        |
| WSP   | Workplace Skills Plan                          |

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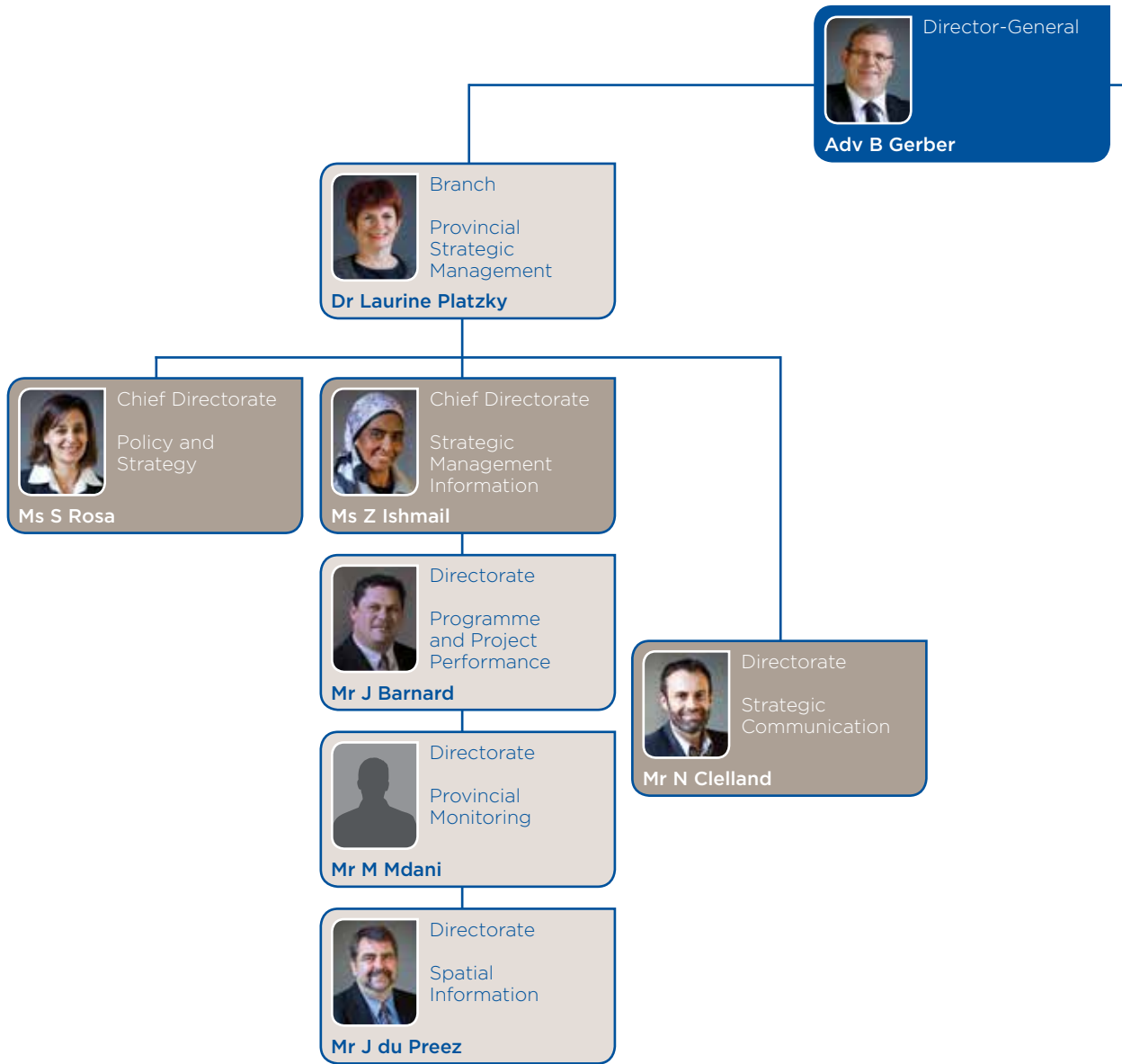
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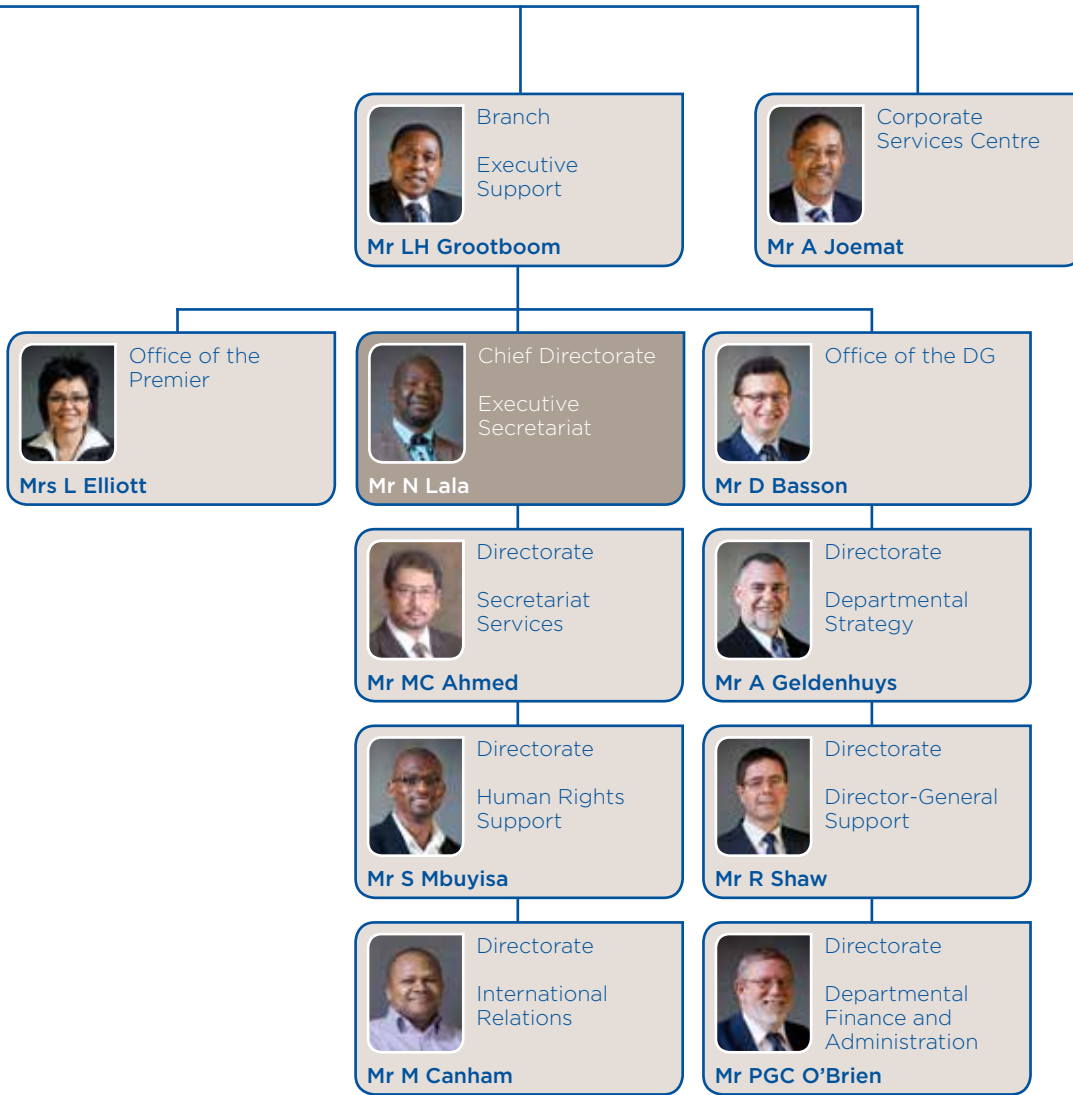
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### 5.3 ADDITIONAL INFORMATION

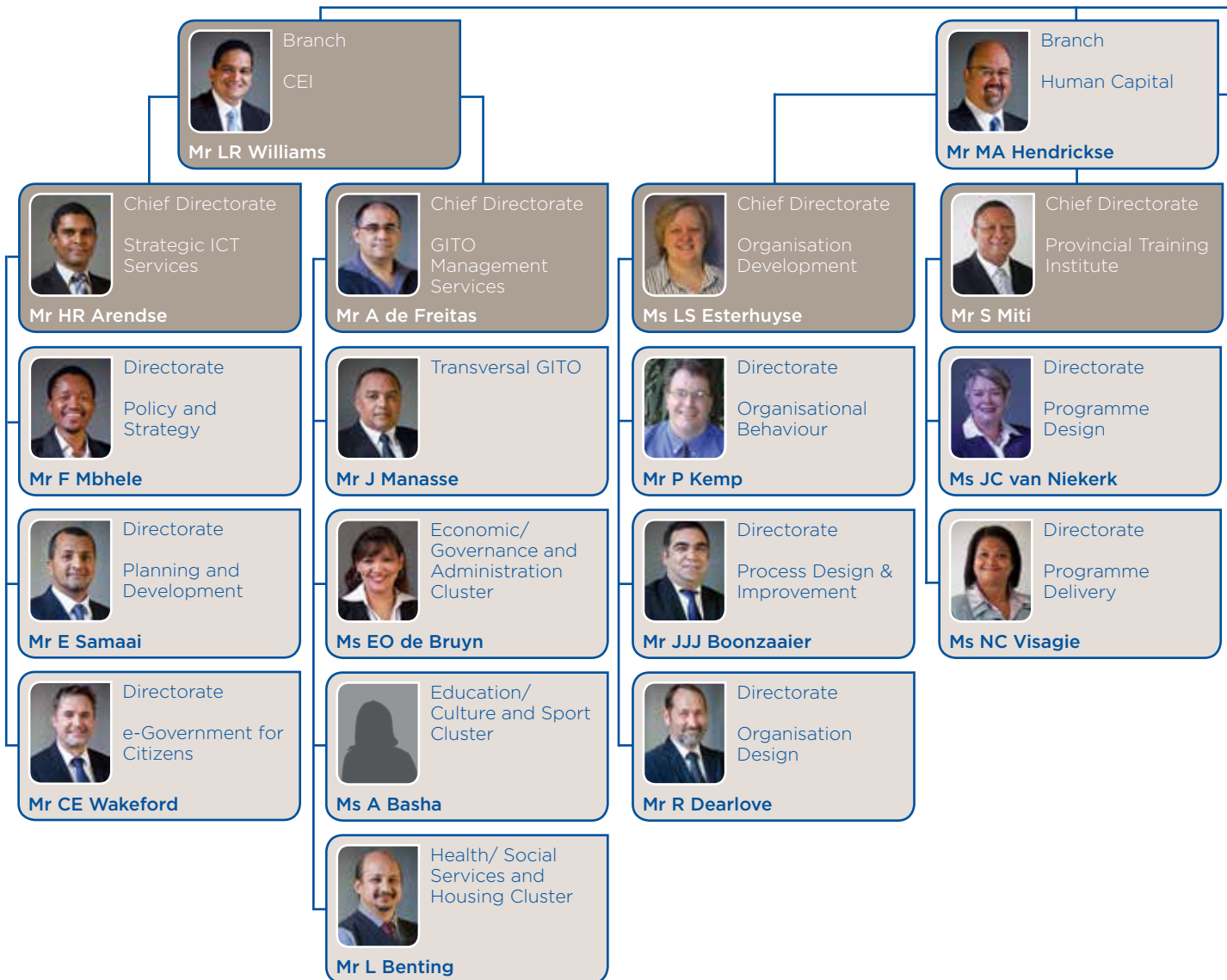
The Cape Gateway Portal provides citizens with a wealth of information on issues such as government services, structures, tenders, jobs, speeches, etc. All the Western Cape Government Departments' Annual Performance Plans, Annual Reports and budgets can be viewed on the portal. A new innovation that has been added in April 2011 is the link that allows citizens to view the progress of departmental 2011/12 APP deliverables on the portal (<http://www.westerncape.gov.za>).








**CORPORATE SERVICES CENTRE: APPROVED SENIOR STRUCTURE AS AT 31 MARCH 2012**





Head: Corporate Services Centre  
**Mr A Joemat**




Branch  
Corporate Assurance  
**Ms H Robson**



Chief Directorate  
Human Resource Management  
**Mr EM Southgate**



Chief Directorate  
Internal Audit  
**Mr J Radebe (Act.)**



Chief Directorate  
Legal Services  
**Mr L Buter**




Directorate  
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**Ms JE Olivier**



Directorate  
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**Ms BJ Misrole**



Directorate  
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**Ms A Vosloo**



Directorate  
Corporate Communication  
**Ms C Avenant**



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**Ms BJ Steyn (Act.)**



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Government**

Department of the Premier

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