

Reference: T7/2/3

TREASURY CIRCULAR NO 16/2015

THE PREMIER

THE MINISTER OF ECONOMIC OPPORTUNITIES
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS AND SPORT
THE MINISTER OF EDUCATION
THE MINISTER OF FINANCE
THE MINISTER OF HEALTH
THE MINISTER OF HUMAN SETTLEMENTS
THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
THE MINISTER OF SOCIAL DEVELOPMENT
THE MINISTER OF TRANSPORT AND PUBLIC WORKS

} For information

THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS BH FAKIRA)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR Z HOOSAIN)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MS P VINJEVOLD)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR B ENGELBRECHT)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR T MGULI)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)
THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (DR H FAST)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)
THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)
THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (DR M MATSAPOLA)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR N FLAATTEN)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE HERITAGE (MS HM DU PREEZ) (ACTING)
THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR M BRINKHUIS)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MR T GILIOMEE)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MS F KHOZA) (ACTING)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR I BLACKIE)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (VACANT)
 THE SENIOR MANAGER: GOVERNMENT MOTOR TRANSPORT (MR J KOEGELENBERG)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)
 THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)
 THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN) (ACTING)
 THE HEAD: PUBLIC POLICY SERVICES (MS M KORSTEN)
 THE HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
 THE HEAD: LOCAL GOVERNMENT PUBLIC FINANCE (MR H MALILA) (PRO TEM)
 THE HEAD: ASSET MANAGEMENT (MR IG SMITH)
 THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)
 THE SENIOR MANAGER: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
 THE SENIOR MANAGER: FINANCIAL GOVERNANCE (MR B VINK)
 THE SENIOR MANAGER: FISCAL POLICY (MS S DAVIDS) (ACTING)
 THE SENIOR MANAGER: INFRASTRUCTURE (MR P CHANDAKA)
 THE SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING (MR Z HENDRICKS) (ACTING)
 THE SENIOR MANAGER: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
 THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MS L MCCARTNEY)
 THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
 THE SENIOR MANAGER: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS M KORSTEN) (PRO TEM)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE SENIOR MANAGER: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
 THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

PROGRAMME AND GUIDELINES FOR THE 2014/15 ANNUAL REPORT PROCESS

PURPOSE

1. To provide Accounting Officers, Accounting Authorities and Chief Financial Officers (CFOs) with a programme and Guide for Votes and Entities in respect of the 2014/15 Annual Report Process, inclusive of the Annual Financial Statements (AFS). This circular relates to all Treasury and other circulars issued affecting the process for the preparation of the 2014/15 Annual Report.
2. This circular serves to communicate key submission dates and responsibilities for the completion and submission of the Annual Report. It is noted that a number of activities and engagements relating to the Annual Report Process has already started.

3. The Annual Report programme for votes and entities is attached to the circular. Templates with the formats of the confirmation of the accuracy and fair presentation of the Annual Report are included in the Guide for the Preparation of the Annual Report for Departments and Entities, which is also attached to the circular.

DISCUSSION

Departmental and Public Entity Guides for the Preparation of the Annual Report

4. The *Departmental and Public Entity Guides for the Preparation of the Annual Report* for the year ended 31 March 2015, attached to this circular, provides the minimum requirements for information that must be included in the Annual Report. The Annual Report consists of the following five parts:
 - Part A: General Information
 - Part B: Performance Information
 - Part C: Governance
 - Part D: Human Resource Management
 - Part E: Financial Information

Annexures (also attached to this circular) provide the templates for Votes and Entities for the confirmation of the accuracy and fair presentation as well as a specimen for the completion of the Annual Report. The *Departmental and Public Entity Guides for the Preparation of the Annual Report* is available on the National Treasury (Office of the Accountant-General) website at:

<http://oag.treasury.gov.za/Publications/Forms/AllItems.aspx>.

Points to note

5. In terms of **Part A: General Information**, the relevant Accounting Officers should please note the requirements regarding entities (public/trading entities and business enterprises) that fall within the responsibilities of the relevant Department/Ministry.
6. Additional documents to be used to compile the 2014/15 Annual Report are the National Development Plan and Audited Annual Financial Statements.
7. The Report of the Accounting Officer should be covered from an operational/strategic perspective as well as a financial perspective. Specific guidance in terms of narrative and table format in this regard is provided in this section.

8. The inclusion of the Service Delivery Improvement Plans by the Public Service Regulations as implemented in 2013 , is still a requirement to **Part B**. Departments will be assisted with these plans by Ms Tersia Pretorius from the Department of the Premier.
9. The Auditor General's Report on Predetermined Objectives falls within **Part B: Performance Information** of the Annual Report. In terms of the format of disclosure of this information, reference must be made to the paragraph in the AGSAs report (Reporting on other legal and Regulatory requirements) published as Part E (Annual Financial Statements) of the Department's Annual Report.
10. **Linking performance with budgets:** Departments must provide a summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year. The information must be provided at a sub-programme level and must agree to the appropriation statement of the audited financial statements. Reasons for variations should be linked to the information in the organisational environment and the service delivery environment. The department must also report on how expenditure contributed to achievement of outputs.
11. The Finance section in the Department needs to note the Summary of departmental receipts, payments and all transfers including entities. Information regarding Conditional Grants and Donor funding have also been expanded and should be presented in a tabular format. This information needs to agree with the financial information provided in the Annual Financial Statements.
12. **Part C: Governance** deals with a number of governance issues, including risk management, fraud and corruption, conflict of interest, code of conduct, health, safety and environmental issues, portfolio committees, SCOPA resolutions, modifications to audit reports, the internal control unit and internal audit and audit committees and the Audit Committee Reports. Various tables are provided to assist departments in completing this part of the annual report. Due to the nature of governance and the required information in this section, some information must be provided by the Departments themselves whilst the Branch: Corporate Assurance in the Department of the Premier will provide the rest.
13. The Branch Corporate Assurance will assist all votes with Part C specifically sections 2, 3, 11 and 12. The Branch will submit reports in this regard to Accounting Officers by **22 May 2015**.

14. It must be noted that although section 12 of Part C (Audit Committee Report) is coordinated by the Branch Corporate Assurance, the actual reports are done by the various audit committees. A draft report is normally only prepared once the committee has reviewed the unaudited financial statements. The Branch will ensure that a provisional draft is prepared for inclusion in the draft annual reports.
15. The Department of the Premier has developed and discussed the template for **Part D: Human Resource Management** with Votes and these templates have also been circulated. Further queries regarding the completion of the templates should be directed to Mr Vernon Titus at 021 483-6682 or e-mail at Vernon.Titus@westerncape.gov.za.
16. Guidance on completing **Part E: Financial Information** is contained in the Modified Cash Standard with guidance provided in the Accounting Manual for Departments. These documents can be accessed on the National Treasury (Office of the Accountant-General) website at (<http://oag.treasury.gov.za>). Entities must comply with the GRAP reporting framework for 2014/15 as contained in Directive 5 issued by the Accounting Standards Board.
17. An information session to discuss the 2014/15 Annual Report submission will be held on 23 April 2015 from 09h00 to 10h30 in the Conference Venue on the 7th Floor in Tower Block (4 Dorp Street). This session will be focussed on reflecting on issues emanating from the previous year's Annual Report submission and will provide an opportunity for questions to relevant stakeholders regarding the finalisation of the 2014/15 Annual Report.
18. The following Circulars (attached) relevant to the Annual Report process include:
 - a. Corporate Services Centres Circular No. 44 of 2014/15; and
 - b. Treasury Circular 10 of 2015

Submission of the Annual Report

19. In accordance with the National Treasury Guide for the preparation of the Annual Report, votes and provincial entities must submit the draft Annual Report, including the information on predetermined objectives, to the Auditor-General by **29 May 2015**. The submission will enable the auditors to review the contents of the draft Annual Report to ensure that its content is consistent with the Annual Financial Statements (AFS).

20. As per the guide, a confirmation letter (Annexure A of the Guide) must be completed by the Accounting Officer to accept responsibility for the accuracy and fair representation of the Annual Report including the performance information, human resource information and the annual financial statements. This letter should also confirm that the Annual Report conforms to a certain set of guidelines.
21. Your attention is further drawn to the submission of printed and electronic copies of the draft Annual Reports before or on the specified dates to the relevant stakeholders which include:
 - The Auditor-General of South Africa (Ms S Adams);
e-mail: SharonneA@agsa.co.za or Tel (021) 528-4159
 - Provincial Treasury: Business Information and Data Management
(Mr PP Pienaar); e-mail: Paul.Pienaar@westerncape.gov.za or
Tel (021) 483-5618
22. Please note that the programme only focuses on the requirements of the process and critical deadlines as prescribed, directed and guided by the relevant legislation and guidelines and do not describe internal activities within Votes and provincial entities to meet the requirements of the process.
23. In order to improve the accuracy of information in the 2014/15 AFS, the Provincial Treasury (Directorate: Provincial Government Accounting) requested via Treasury Circular 9 of 2015 that departments and entities submit their AFS on or before Friday, **15 May 2015** so that Treasury could review and provide feedback before the final submission to the Auditor-General on 29 May 2015.
24. Provincial Treasury (Directorate: Provincial Government Budget Office) has also made provision to conduct a cursory review of the performance information in the draft Annual Reports before submission on 29 May 2015 to the Auditor-General. This step is intended to assist in improving the accuracy and consistency of performance information in the Annual Report. Votes and Entities are therefore requested to submit Parts A and B of the draft Annual Report before or on **25 May 2015**.
25. The validated 4th Quarterly Performance Report including pre-audited numbers for 2014/15 is also due for submission on **25 May 2015**. This information should be submitted to Mr Paul Pienaar: e-mail: Paul.Pienaar@westerncape.gov.za.

Responsibilities for Compiling the Annual Report

26. There are several parts that make up the annual report of a vote or entity. It is envisaged (although not limited to) that the following directorates/sections within the vote or entity will be responsible for the information in the respective sections of the departmental annual report:

Section of Annual Report	Departmental Responsibility
Part A: General Information	Communications/Strategic Management Section/Ministry/Office of the HOD/Monitoring and Evaluation
Part B: Performance Information	Strategic Management Section/Finance Section (provide cost information)/Monitoring and Evaluation
Part C: Governance	Internal Control Section/Office of the HOD with contributions submitted by the Branch: Corporate Assurance in the Department of the Premier
Part D: Human Resource Management	Human Resource Management
Part E: Financial Information	Chief Financial Officer

27. To facilitate effective communication throughout the Annual Report process, it is required of Votes and Entities to provide the Provincial Treasury with the names and contact detail of the responsible person for the information in the respective sections by completing the attached Appendix A and returning it to Provincial Treasury by **30 April 2015**. Please submit Appendix A to Mr H Allie at e-mail Hisham.Allie@westerncape.gov.za.

FURTHER INFORMATION OR ASSISTANCE

28. The coordination of the Annual Report will be jointly managed by the Provincial Treasury (PT) and the Department of the Premier (DotP).
29. Should you require any further information, clarity or assistance on the content of this circular and any issue relating to the preparation and submission of the Annual Report please contact the relevant component using the contact details provided below:

Section of Annual Report	Name	Designation	Contact Information	
			Telephone No	E-mail address
Section 1: Introduction	Mr Hisham Allie or Ms Sihaam Nieftagodien	PT: Provincial Government Budget Office	021 483-8692 021 483-8440	Hisham.Allie@westerncape.gov.za Sihaam.Nieftagodien@westerncape.gov.za
Section 2: Annual Report				
Part A: General Information	Mr Hisham Allie or Ms Sihaam Nieftagodien	PT: Provincial Government Budget Office	021 483-8692 021 483-8440	Hisham.Allie@westerncape.gov.za Sihaam.Nieftagodien@westerncape.gov.za
Part B: Performance Information	Mr Hisham Allie or Ms Sihaam Nieftagodien	PT: Provincial Government Budget Office	021 483-8692 021 483-8440	Hisham.Allie@westerncape.gov.za Sihaam.Nieftagodien@westerncape.gov.za
Part B: Service Delivery Improvement Plans	Ms Tersia Pretorius	DoTP: Process Design and Improvement	021 466-9556	Tersia.Pretorius@westerncape.gov.za
Part C: Governance (relevant sections as per paragraph 12)	Ms Henriette Robson	DoTP: Branch Corporate Assurance	021 483-6276	Henriette.Robson@westerncape.gov.za
Part D: Human Resources Management	Mr Vernon Titus	DoTP: Corporate Services Centre	021 483-6682	Vernon.Titus@westerncape.gov.za
Part E: Financial Information	Mr Athienarian Reddy	PT: Provincial Government Accounting	021 483-5001	Athienarian.Reddy@westerncape.gov.za

30. Your co-operation in this regard would be highly appreciated.



MR HC MALILA

HEAD: BRANCH FISCAL AND ECONOMIC SERVICES

DATE: 17 April 2015



**2014/15 AFS AND ANNUAL REPORT PROGRAMME:
PROVINCIAL VOTES AND ENTITIES
(PUBLIC/TRADING ENTITIES AND BUSINESS ENTERPRISES)**

ACTIVITY	DATE	RESPONSIBILITY
1. Treasury Circular 09/2015 dated 12 March 2015 on book closure for 2014/15 issued/distributed covering: <ul style="list-style-type: none">• AFS formats• Suspense Accounts• AFS workshops• Timeframes	31/03/2015 (Tuesday)	PT: Accounting
2. Comparative 2014/15 AFS information submitted to <u>PT: Accounting</u> (Electronic format in Excel template format on CD).	31/03/2015 (Tuesday)	Accounting Officer
3. Treasury Circular 16 of 2015 on the Annual Report process issued/distributed covering: <ul style="list-style-type: none">• Programme for the 2014/15 Annual Report• Timelines• Distribution (copies)	17/04/2015 (Friday)	PT: Budget Office; Business Information and Data Management
4. Arrange Annual Report information session	23/04/2015 (Thursday)	PT: Budget Office; Department of the Premier: Corporate Assurance Department of the Premier: Corporate Services (HR) PT: Provincial Government Accounting and Compliance Departments and Entities

ACTIVITY	DATE	RESPONSIBILITY
5. Workshops with officials involved in the compilation of annual financial statements of departments and entities – to discuss pertinent practical issues.	To be arranged in conjunction with departments and entities	PT: Accounting
6. Votes/Entities submit AFS 2014/15 in electronic format in Excel on CD and one hard copy to <u>PT: Accounting</u> [Preliminary review of the AFS to be done by <u>PT: Accounting</u>] DotP: Corporate Assurance will assist departments with sections related to Part C (Audit Committee Reports)	15/05/2015 (Friday)	Accounting Officer/Accounting Authority
7. Votes including entities to submit the 2014/15 4th quarter verified and 2014/15 Pre-audit QPR information to the <u>PT: Business Information and Data Management</u> (Mr. PP Pienaar)	25/05/2015 (Monday)	Accounting Officers
8. Votes including entities to submit Part A and B of the draft Annual Reports to Provincial Treasury for a technical check before submitting to AGSA by 29 May 2015. Submit to <u>PT: Business Information and Data Management</u> (Mr. PP Pienaar)	25/05/2015 (Monday)	Accounting Officers; PT: Budget Office; Business Information and Data Management
9. <i>Head of Provincial Treasury submit Provincial Revenue Fund draft unaudited Annual Financial Statements 2014/15 to <u>PT: Accounting</u> for consolidation of unaudited AFS.</i>	29/05/2015 (Friday)	PT: Fiscal Policy Directorate (Cash Management)
10. AFS (final plus certificate) submitted to Auditor-General and <u>PT: Accounting</u> (electronic copy on CD and 5 hard copies).	29/05/2015 (Friday) in terms of PFMA	Accounting Officer
11. <u>PT: Accounting</u> Coordinate and submit unaudited financial statements of votes and entities to National Treasury.	29/05/2015 (Friday)	PT: Accounting
12. Accounting Officer/Accounting Authority to submit copies (printed and electronic) of draft Annual Reports, inclusive of the Performance information and the draft Report from the Audit committee , with Covering letter to: – The <u>Auditor-General</u> (Ms S Adams) – <u>PT: Business Information and Data Management</u> (Mr PP Pienaar) – The <u>Department of the Premier: Corporate Services: People Management - Policy and Planning</u> (Mr V Titus) – <u>Respective MECs</u>	29/05/2015 (Friday)	Accounting Officer/Accounting Authority

ACTIVITY	DATE	RESPONSIBILITY
13. PT submits unaudited Annual Consolidated Financial Statements (ACFS) to Auditor-General.	30/06/2015	Accounting Officer (Head Official): PT
14. Submission of the provisional audited AFS to the Audit Committee for final evaluation.	Preferably by 15 July 2015 (Wednesday) [Refer to Treasury Regulation 3.1.13 (c)]	Accounting Officer/Accounting Authority
15. Audit report issued to Accounting Officers.	31/07/2015 (Friday)	Auditor-General
16. Audited AFS submitted to <u>PT Accounting</u> for consolidation (5 Hard copies and Electronic copy to <u>PT Accounting</u>).	31/07/2015 (Friday) <i>(Subject to the audit reports issued by the AG)</i>	Accounting Officer
17. Coordinate and submit audited financial statements of votes and public entities to National Treasury.	31/07/2015 (Friday) <i>(Subject to the audit reports issued by the AG)</i>	PT: Accounting
18. PRF statements reconciled with the Audited Statements of the departments, submitted to Auditor-General.	07/08/2015 (Friday) 7 days after final audit reports are issued by the Auditor General.	PT: Fiscal Policy Directorate (Cash Management)
19. Submission of final ACFS (audited figures) to the Auditor-General.	7 days after final audit reports are issued by the Auditor General <i>(Subject to audited AFS of entities, departments and PRF received)</i>	PT: Accounting
20. Submission of printed Annual Reports, inclusive of audited AFS and Auditor General Report, to the: <ul style="list-style-type: none"> - Executive authority (1 copy), - Auditor-General (10 copies); and - Provincial Treasury (26 copies and electronic copy) must be submitted to <u>PT: Business Information and Data Management</u>. <p>If not possible to submit a finalised printed version, then submit one copy of the official Annual Report signed off by the Accounting Officer. Please submit 26 final copies to Provincial Treasury and 10 final copies to the Auditor-General on 29 September 2015 for tabling end of September.</p>	31/08/2015 (Monday)	Accounting Officer/Accounting Authority

ACTIVITY	DATE	RESPONSIBILITY
21. Submission of 9 copies of the signed version of the Annual Report to National Treasury including electronic versions.	31/08/2015 (Monday)	PT: Business Information and Data Management
22. Annual Reports: Submit 60 printed copies to <u>Provincial Parliament</u> along with an accompanied letter in accordance with language policy. Submit any outstanding printed versions and electronic copy to <u>PT: Business Information and Data Management</u> (26 copies); and to the <u>Auditor-General</u> (10 copies).	31/08/2015 (Monday) – 29/09/2015 (Tuesday)	Executive Authority Provincial Minister and Speaker Tabling Accounting Officer Accounting Authority Submitting outstanding copies
23. Tabling of Annual Reports	30/09/2015 (Wednesday)	Provincial Parliament
24 PT, CSC and CA information session to Standing Committees.	October 2015	PT: Provincial Government Accounting and Compliance Department of the Premier: Corporate Assurance Department of the Premier: Corporate Services (HR) PT: Accounting PT: Budget Office
25. Table ACFS in Provincial Parliament.	30/10/2015 (Friday)	The Minister of Finance
26. Standing Committees – Annual Reports, Annual Financial Statements and Oversight Review.	October/ November 2015 (as scheduled)	PT Corporate Services Centre as relevant

Designated Accounting Officers must please note that this process outlined above also applies to Public/Trading Entities and Business Enterprises under their control.



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Annual Report Guide for National and Provincial Departments

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1. INTRODUCTION

The introduction section is for information purposes only. It must not be included in the annual report of the department, please refer to the specimen for the information to be presented in the annual report.

1.1. Purpose of annual reports

Annual reports are an integral part of national and provincial department's reporting. The achievements, performance information, governance, human resources information and financial information for each reporting period are reported in the annual report.

The information reported on in the annual report include the actual achievements for the reporting period in relation to the planned targets and budgets as published in the strategic plan, annual performance plan, estimates of national expenditure, estimates of provincial revenue and expenditure, the adjusted estimates of national expenditure and the adjusted estimates of provincial revenue and expenditure.

Annual reports are tabled in Parliament and the relevant Provincial Legislatures and it is a public document.

The publication of financial and non-financial information of departments promotes accountability and transparency of the efficiency and effectiveness of government departments. This will improve trust and confidence in government service delivery. The reported information must be accurate and balanced, reporting the successes and explaining the shortcomings.

Ultimately a quality annual report should:

- comply with statutory and policy requirements and
- present information (both positive and negative) in an understandable and concise manner.

1.2. Purpose of the guide

The guide provides guidance on the **non-financial information** requirements of the annual report i.e.: all sections of the annual report except the Annual Financial Statements. The Annual Financial Statements (AFS) section is dealt with in a separate guide, namely the *Departmental Financial Reporting Framework Guide* that can be obtained from the Office of the Accountant-General (OAG) website.

The annual report guide is supplemented by a specimen annual report, which should be used in the preparation of the annual report.

Adherence to the format of this guide will enhance departments' coverage of all aspects of their activities and will promote ease of reference and comparison for users of the annual report.

1.3. How to use the guide

Section 1, Introduction, provides guidance and clarity with regard to legislation that govern annual reports and general information about annual reports.

Section 2, Annual report, provides departments with the format of the annual report, structure, details and information that departments should comply with in their annual reports. Each heading that should be included in the annual report has 2 sub-headings in the guide. The 1st sub-heading is the “guideline” which provides the guidance on the information to be reported on. The 2nd sub-heading is the “Format of disclosure” which indicates how the information must be presented in the annual report.



Section 3, Annexures, contains the format of letters and reports that must be completed, signed and published in the department’s annual report. A specimen of the annual report of a department is also included, as Annexure C.

1.4. Other matters to consider when applying the guide

The following factors should be considered when applying the guide:

- The information contained in section 1: Introduction must not be included in the annual report.
- It is imperative that the financial information contained in the annual report corresponds with the financial information in the audited annual financial statements.
- Additional relevant sections can be incorporated into the annual report at the Department’s discretion.
- Pictures, graphs and diagrams may be utilised to highlight and improve understanding of information, though excessive use should be avoided.
- The sequence of information in this guide must not be changed.
- Reporting requirements that do not apply to a particular department may be omitted from the annual report, except for Part D – Human Resource Information.
- Caution must be exercised by departments concerning the costs of producing the annual reports

1.5. Documents to be used in preparing the annual report

To compile the department’s annual report, the following departmental documents should be utilised:

- National development plan
- Strategic plan
- Annual performance plan
- Risk management plan
- SCOPA resolutions
- Portfolio committee minutes
- Human resource plan
- Workplace skills plan
- Employment equity plan
- Organisational structure
- Audited annual financial statements

1.6. Responsibilities for compiling the annual report

There are several parts that make up the annual report of a department. To ensure that the department's annual report is accurate and complete, it is envisaged that the following directorates/sections/components in the department will be responsible for the information in the respective sections of the departmental annual report:

Section of Annual Report	Departmental Responsibility
Part A: General Information	Communications/ Strategic Management /Ministry / Office of the HOD/ Monitoring and Evaluation
Part B: Performance Information	Strategic Management / Finance (provide cost information)/ Monitoring and Evaluation
Part C: Governance	Internal Control Section / Office of the HOD or DG
Part D: Human Resource Management	Human Resource Management
Part E: Financial Information	Chief Financial Officer

An official must be assigned the responsibility of co-ordinating and consolidating the inputs into the annual report. A review processes must be in place to ensure that the information presented in the individual parts is consistent across the entire report and that there is no conflicting information.

The CFO must review all financial information presented in the individual parts to ensure that it agrees to the amounts disclosed in the audited annual financial statements.

1.7. Submission dates for the annual report

Auditor General

The draft annual report must be submitted to the Auditor-General of South Africa (AGSA) by 31 May. The AGSA will review the contents of the annual report to ensure that it is consistent with the information provided in the annual financial statements, planning documents and any other relevant material.

Prior to the annual report being printed, the printer's proof of the complete annual report with the annual financial statements, the auditor's report of the AGSA and the report of the audit committee must be submitted to the AGSA for final review.

Executive authority

The final printed annual report must be presented by the accounting officer to the executive authority by 31 August.

Parliament/Provincial Legislature

The final printed annual report must be tabled at Parliament/ Provincial Legislature by 30 September.

Treasury

The final printed annual report must be submitted to the relevant Treasury by 31 August.

1.8. Legislation

Section 40 (1) and (3) of the PFMA and chapter 18 (18.3 and 18.4) of the TR sets out the legislative requirements for annual reports. The references to the TR refer to the existing regulations. The National Treasury has issued new draft regulation for public comments, but these have not yet been approved and therefore no reference is made to the new draft regulations.

The Public Service Regulations, 2001 prescribes human resource information to be included in the annual report. The Minister of Public Service and Administration has prescribed this requirement for all government departments within Public Service.

PFMA

Section 40. Accounting officers' reporting responsibilities

- (1) The accounting officer of a department, trading entity or constitutional institution-
- (d) Must submit within five months of the end of a financial year to the relevant treasury and, in the case of a department or trading entity, also to the executive authority responsible for that department or trading entity-
- (i) an annual report on the activities of that department, trading entity or constitutional institution during that financial year;
- (3) The annual report and audited financial statements referred to in subsection (1) (d) must-
- (a) fairly present the state of affairs of the department trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned; and
- (b) include particulars of-
- (i) any material losses through criminal conduct, and any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, that occurred during the financial year;
- (ii) any criminal or disciplinary steps taken as a result of such losses, unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure;
- (iii) any material losses recovered or written off; and
- (iv) any other matters that may be prescribed.

Treasury Regulations

18.3 Contents of annual reports [Section 40(1)(d) of the PFMA]

18.3.1 In preparing the annual report of an institution, the accounting officer must:

- (a) in the case of a department or trading entity, comply with the requirements prescribed in Chapter 1, Part III J of the Public Service Regulations, 2001;
- (b) include, after 1 April 2002, information about the institution's efficiency, economy and effectiveness in delivering programmes and achieving its objectives and outcomes against the measures and indicators set out in any strategic plan for the year under consideration;
- (c) include information on transfers and subsidies per organisation for the entire financial year as well as a report on compliance with section 38(1)(j) of the Act;
- (d) include all information required in terms of the annual Division of Revenue Act;
- (e) include any additional information required by Parliament or the provincial legislature;
- (f) report on the use of foreign aid assistance, detailing the source and intended use of the assistance (including the value of any aid-in-kind in rand), performance information on the institution's use of the assistance, and any pending applications for assistance;
- (g) a report from the audit committee as required by paragraph 3.1.13; and

(h) include information on the management of PPP agreements as required by paragraph 16.7.1(f).

18.4 Additional annual reporting requirements for departments controlling trading entities, and public entities

18.4.1 A department's annual report must include a list of trading and/or public entities; controlled by or reporting to the department or responsible executive authority, together with –

- (a) an indication of the legislation under which the trading and/or public entity was established;
- (b) a statement of the functions of each trading and/or public entity;
- (c) the accountability arrangements established between the accounting officer or executive authority and the management of the trading and/or public entity; and

Public Service Regulations:

Chapter 1, Part III: Planning, Work Organisation and Reporting

C. Service Delivery Improvement Programme

C.1 An executing authority shall establish and sustain a service delivery improvement programme for her or his department-

- (a) specifying the main services to be provided to the different types of actual and potential customers, as identified by the department;
- (b) containing consultation arrangements with the department's actual and potential customers;
- (c) with due regard to the customer's means of access to the services and the barriers to increased access thereof, specifying the mechanisms or strategies to be utilised progressively to remove the barriers so that access to services is increased;
- (d) indicating standards for the main services to be provided;
- (e) containing arrangements as to how information about the department's services are to be provided; and
- (f) stipulating a system or mechanisms for complaints.

C.2 An executing authority shall publish an annual statement of public service commitment which will set out the department's service standards that citizens and customers can expect and which will serve to explain how the department will meet each of the standards

J. Managerial Review and Oversight

J.1 The executing authority shall-

- (a) in terms of section 92(3)(b) or 133(3)(b) of the Constitution, include the information set out in regulation III J.2 or J.3 in the annual report, contemplated in sections 40(1)(d)(i) and (3) and 65(1)(a) and (2) of the Public Finance Management Act and paragraph 18.5.1 of the Treasury Regulations; and
- (b) in accordance with section 65(1)(a) of the Public Finance Management Act, within one month after the accounting officer for the department received its audit report, table in the relevant legislature that annual report, and simultaneously submit that annual report to the relevant treasury, the media and the public.

J.3 From 1 April 2001, the annual report shall include such information on planning, service delivery, organisation, job evaluation, remuneration, benefits, personnel expenditure, the utilisation of consultants, affirmative action, recruitment, promotions, termination of services, performance management, skills development, injury on duty, labour relations, leave and discharge due to ill-

health, as the Minister determines. In this regulation 'consultant' means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) the rendering of expert advice;
- (b) the drafting of proposals for the execution of specific tasks; and
- (c) the executing of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

J.4 The Minister shall determine the format in which the information referred to in regulation III J.3 is to be included in the annual report.

1.9. Acronyms and Icons used in this document

Acronyms

AO	Accounting Officer
AGSA	Auditor-General of South Africa
AFS	Annual Financial Statements
CFO	Chief Financial Officer
DORA	Division of Revenue Act
HR	Human Resources
MPSA	Minister for the Public Service and Administration
PFMA	Public Finance Management Act
PPP	Public Private Partnerships
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
TR	Treasury Regulations

Icons

Detailed below are the icons that are used in the guide.



TAKE NOTE: Special attention is drawn to a point in this guide

2. ANNUAL REPORT

Guidelines on the preparation and compilation of the departments' annual report commence from this section onwards.

2.1 Cover

The following is the maximum information that should appear on the cover page:

- Annual Report
- Financial Year
- Full name of the department and logo,
- The Province
- The Vote Number
- Design / graphic pictures /colour theme on cover page is at discretion of the department
- Short department Slogan (Optional)

The following is the maximum information that should appear on the cover of the spine:

- Full name of the department and logo
- Annual Report
- Financial Year

Back cover page – information printed thereon is at the discretion of the department.

2.2 Table of Contents

The table of contents will have the listing of the various headings/sections and page numbers

2.3 Part A: General Information

2.3.1. Department's General Information

The following general information relating to the department must be provided:

- Full name of the department
- Physical address of Head Office
- Postal Address of Head Office
- Contact telephone numbers
- Email address;
- Website address

2.3.2. List of Abbreviations /Acronyms

The list of abbreviations / acronyms is to ensure that users of the annual report understand the terms and meanings of the abbreviations / acronyms utilised in the annual report.

Provide a list and description of each abbreviation / acronym. Ensure that the list contains all the abbreviations / acronyms that are utilised throughout the annual report, irrespective of which section of the annual report they pertain to.

2.3.3. Foreword by Minister/MEC of the Department

Guideline

The Minister/MEC foreword should cover the following in relation to the financial year under review:

- Achievements in relation to policy directives and strategic outcome related goals
- Challenges for the financial year under review
- The medium to long term goals of the department
- Acknowledgements /Appreciation
- Conclusion

The foreword must be signed off by the Minister/MEC. Photograph of the Minister/MEC may be included in the foreword.

Format of disclosure

This information must be disclosed in a narrative format.

2.3.4. Deputy Minister's Statement (if applicable)

Guideline

This section will only be applicable to national departments.

The Deputy Minister statement should cover the following:

- Statement should include activities and highlights of the department for the financial year under review
- Acknowledgements /Appreciation

- Conclusion

Statement must be signed off by the Deputy Minister and photograph of the Deputy Minister may be included.

Format of disclosure

This information must be disclosed in a narrative form.

2.3.5. Report of the Accounting Officer

Guideline

The report of the accounting officer should cover matters that affect the department as a whole from an operational / strategic perspective and from a financial perspective.

The AO's overview would include the following:

- Overview of the operations of the department:
 - Overview of the results and challenges for the, briefly commenting on significant events and projects for the year.
- Overview of the financial results of the department:
 - Departmental receipts

Departments must provide a summary of the revenue collected in comparison to the budgeted amount both for the current year and the previous year. Describe in some detail how they have delivered on the plans for collecting departmental revenue.

Provide details of the determination of tariffs charged by the department. If different policies apply to different tariffs, provide details of each separately. If the department does not charge tariffs for goods sold and/or services rendered, such should be stated. List the nature of free services rendered by the department that would have yielded significant revenue had a tariff been charged and quantify where possible the cost of the free services rendered.

Where a department has under collected revenue it should give reasons and indicate what measures were taken during the course of the year to keep on target and what future measures will be taken to try and rectify the under collection of revenue. The department should discuss the amount of bad debts written off, as this can have a direct impact on the departmental receipts.

Where the department has collected more revenue than planned, provide reasons for the better than anticipated performance. The department can also use this section to report on new measures instituted during the course of the year to raise additional revenue or to ensure more efficient/effective collection. Where there were sales of capital assets, reasons for such a sale must be provided.

Format of disclosure

The following table must be presented with the relevant financial information. The information must agree to the annual financial statements. Include the narratives after the table.

Departmental receipts	20YY/20ZZ			20XX/20YY		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
- Casino taxes						
- Horse racing taxes						
- Liquor licences						
- Motor vehicle licences						
Sale of goods and services other than capital assets						
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land						
Sale of capital assets						
Financial transactions in assets and liabilities						
Total						

o Programme Expenditure

Departments must provide a summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year. The information must be provided at a programme level and must agree to the appropriation statement of the audited financial statements. Discuss the reasons for under/ (over) expenditure. In instances where there is overspending, what corrective action has the department put in place to prevent the recurrence in future years.

Format of disclosure

The following table must be presented with the relevant financial information. Include the narratives after the table.

Programme Name	20YY/20ZZ			20XX/20YY		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

o Virements/roll overs

- State what virements were done and the request for rollovers
- Reason for the virement

- A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence.

- Future plans of the department
- Public Private Partnerships
 - Provide a brief summary of progress on the PPP's reported in the previous financial year, as well as new PPP's entered into.
- Discontinued activities / activities to be discontinued
 - List activities discontinued/to be discontinued
 - Reasons for discontinuance
 - Effect on the operations of, and service delivery by the department
 - Financial implications of each discontinued activity
- New or proposed activities
 - List new/proposed activities
 - Reasons for new activities
 - Effect on the operations of the department
 - Financial implications of each new activity
- Supply chain management
 - List all unsolicited bid proposals concluded for the year under review
 - Indicate whether SCM processes and systems are in place to prevent irregular expenditure
 - Challenges experienced in SCM and how they were resolved
- Gifts and Donations received in kind from non related parties
 - List the nature of the in kind good and services provided by the department to or received from parties other than related parties.
- Exemptions and deviations received from the National Treasury
 - Include a discussion on any exemption from the PFMA or TR or deviation from the financial reporting requirements received for the current and/or previous financial year. Detail the conditions of the exemption or deviation (if any) and the mechanisms put in place to ensure that all milestones will be achieved by the end of the exemption or deviation period
- Events after the reporting date
 - Include the nature of any events (adjusting and non-adjusting), favourable and unfavourable that occurred after the reporting date and the date of approval of the Annual Financial Statements.
 - Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.
- Other
 - Any other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.
- Acknowledgement/s or Appreciation
- Conclusion
- Approval and sign off

Report must be signed off by the accounting officer.



In compiling the AO's overview care must be taken not to repeat/duplicate information already provided in the foreword by the Minister/MEC, foreword by the Deputy Minister or the overview of performance information.

Format of disclosure

This information must be disclosed in a narrative form.

2.3.6. Statement of Responsibility and Confirmation of the Accuracy of the Annual Report

Guideline

The purpose of this statement is to confirm the accounting officer's responsibility for the entire annual report and its accuracy and fair presentation. This statement must be signed by the accounting officer and published as part of the annual report.

The statement confirms that the annual report and financial statements conform to the respective guidelines issued by National Treasury.



Format of disclosure

Refer to annexure A for the format of the statement of responsibility and confirmation of accuracy.

2.3.7. Strategic Overview

The following information for the department must be provided:

- Vision
- Mission
- Values

This information must be consistent with the information provided in the strategic plan, and the estimates of national expenditure/ estimates of provincial revenue and expenditure.

2.3.8. Legislative and Other Mandates

Set out the specific constitutional and other legislative mandates, as per the relevant act(s) that govern(s) the department's establishment and operations. This should not be the entire list of legislation that the department is subject to in the course of its operations. Also include government policy frameworks that govern the department.

This information must be consistent with the information provided in the strategic plan, annual performance plan and the estimates of national expenditure /estimates of provincial revenue and expenditure.

2.3.9. Organisational Structure

Guideline

Provide a high level organisational structure of the department starting with the executive authority to the level of the officials reporting directly to the accounting officer and the programmes that these officials are responsible for.

Format of disclosure

Include the information in the form of an organisational chart. Each position on the organisational structure must include the:

- The post
- The name of the official, if vacant then state "Post vacant".
- Photographs of the respective individuals may be included on the organogram.

2.3.10. Entities Reporting to the Minister/MEC

Guideline

The department must provide information on any entities that report to its executive authority. Entities include public entities, trading entities, business enterprises, companies, trusts or any other entities falling under its Minister / MEC's portfolio. The information furnished in this section should correlate with information provided elsewhere in the annual report.

Format of disclosure

The name of the entity, legislative mandate, the financial relationship, nature of the operations must be provided in tabular form as indicated below. The financial relationship addresses the type of financial support the department provides to the public entity e.g. transfer payment, free services, partnership agreements, human resources support.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations

2.4 Part B: Performance Information

Guideline

This section of the annual report provides key performance information highlighting the department's service delivery achievements.

Performance information is critical to effective management, planning, budgeting, implementation, monitoring, evaluation and reporting of the department's service delivery goals and objectives. Performance information must be available to managers at each stage of the planning, budgeting and reporting cycle to enable them to adopt a results-based approach to managing service delivery. This approach emphasises planning and managing with a focus on desired results, and managing inputs and activities to achieve these results.

Measuring performance:

- ensures that policy, planning, budgeting and reporting are aligned in order to achieve improved service delivery;
- indicates how well an institution is meeting its goals and objectives, and which policies and processes are working. Making the best use of available data and knowledge to track and report on performance is crucial for improving the execution of government's mandate; and
- facilitates effective accountability, enabling Parliament, Provincial Legislatures, members of the public and other interested parties to track progress of government activities, identify the scope for improvement and hold government to account.

Departments must strive for the alignment between the strategic outcome orientated goals, strategic objectives and associated programme /sub-programme, performance indicators and targets in the Strategic Plans, Annual Performance Plans, Estimates of Expenditure and Adjusted Estimates of Expenditure.

The performance information must indicate the achievements against targets for performance indicators as identified in the Strategic Plans, Annual Performance Plans, Estimates of Expenditure and Adjusted Estimates of Expenditure.

2.4.1 Auditor General's Report: Predetermined Objectives

Guideline

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

For a user of the annual report, reading the findings of the work performed by the AGSA on the performance information will be more useful and relevant if it is read with the reporting of the performance information in the annual report. Therefore the user's attention must be drawn to the AGSA's audit findings on the audit of the performance information.

Format of disclosure

Reference must be made to the paragraph in the AGSA's report (Reporting on other legal and Regulatory requirements) published as Part E (Annual Financial Statement's) of the department's annual report.



2.4.2 Overview of Departmental Performance

This section must cover the performance of the department in its entirety for each of the headings detailed below. Information shouldn't be discussed at a programme level, as this is covered at a later stage as a separate section "programme performance".

Service delivery environment

Guideline

To assist users of the annual report to gain an understanding of the challenges, successes and other factors that might impact on a department's performance, it is necessary to provide the user with an overview of the context and environment within which the department operated to implement its strategic plan and annual performance plan.

The department should seek to give a balanced overview of the service delivery environment in which it operated during the reporting period under review and not merely focus on factors that might be offered as 'mitigating circumstances' to support the department's delivery record.

Comment on services delivered directly to the public, problems encountered by the department when providing the relevant services, and what corrective steps were/are to be taken in dealing with such problems.

A description of any significant developments, external to the department, that may have impacted either on the demand for the department's services or on the department's ability to deliver those services.

Format of disclosure

This information must be provided in a narrative form.

Service Delivery Improvement Plan

Guideline

In accordance with the Public Service Regulations, Chapter 1, Part III C, all departments are required to develop a Service Delivery Improvement Plan (SDIP) and to publish an annual statement of public service commitment which will set out the department's service standards that citizens and customers can expect and which will serve to explain how the department will meet each of the standards.

Format of disclosure

The following tables reflect the components of the SDIP as well as progress made in the implementation of the plans.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement

Batho Pele arrangements with beneficiaries (Consultation access etc)

Current/actual arrangements	Desired arrangements	Actual achievements

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements

Organisational environment

Guideline

The annual report should provide users with an understanding of the organisational challenges and successes experienced by the department for the reporting period under review. The aim is to provide a description of any significant developments internal to the department that may have impacted the department's ability to deliver on its Strategic Plan and Annual Performance Plan e.g. the resignation and/or appointment of key personnel such as the AO or the CFO, a strike by significant portions of departmental officials, restructuring efforts, significant system failures or cases of corruption.

Given that these are factors internal to the department and therefore ostensibly within the department's control, it would be expected that the department gives some indication of any measures that were adopted to mitigate the impact of these events on service delivery.

Format of disclosure

This information must be provided in a narrative form.

Key policy developments and legislative changes

Guideline

The department should describe any major changes to relevant policies or legislation that may have affected its operations during the reporting period under review or future periods. If there have been no changes this must be stated.

Format of disclosure

This information must be provided in a narrative form.

2.4.3 Strategic Outcome Oriented Goals

Guideline

Each department should state the strategic outcome oriented goals as per the Strategic Plan and the progress made towards the achievement of the 5 year targets. The department must highlight significant achievements with regard to the 12 outcomes announced by the Department of Performance Monitoring and Evaluation. This is only applicable to departments that directly contribute to the achievement of one or more of the 12 outcomes. A department that does not directly contribute to any of the 12 outcomes must highlight significant achievements with regard to its own outcome(s). The department must also highlight significant achievements with regard to the National Development Plan (NDP).

Format of disclosure

This information must be provided in a narrative form.

Performance information

Certain provincial departments have customised sector performance indicators. These core set of sector performance indicators must be reflected in the Annual Performance Plan and reported on in the annual report. In addition to the customised performance indicators the department may have non-customised performance indicators which must be included in the annual performance plan and the Annual Report.

Provincial department's that do not have a core set of sector performance indicators must report on the province specific performance indicators as reflected in the Annual Performance Plan.

The information reported on in the annual report must be aligned to the annual performance plan. Where the department has not incorporated the customised performance indicators in its annual performance plan, and therefore not reported on in the annual report, this must be commented on in the annual report providing reasons why this has not been incorporated and achieved.

2.4.4 Performance Information by Programme

Each programme needs to be commented on in respect to each of the headings below. The general purpose of programme assessments and reviews are to evaluate each programme's quality and effectiveness, to support programme planning and improvement, and to encourage programmes to develop directions and manage performance in ways that reflect the department's strategic goals.

Each programme will have a separate sub-heading.

Description of each programme

Guideline

- Discuss the purpose of the programme
- List the sub-programmes
- List the strategic objectives for the financial year under review relating to each programme

Format of disclosure

This information must be provided in a narrative form.

Strategic objectives, performance indicators planned targets and actual achievements

Guideline

This section must provide a narrative of the significant achievements of targets for the strategic objectives and performance indicators for each programme for the financial year under review. The narrative must also provide a synopsis on how the achievement of targets has contributed towards achieving the department's strategic outcome orientated goals, which will invariably impact on the strategic priorities of government.

A table must also be provided where departments should report on strategic objectives, performance indicators and targets for each programme or every sub-programme as specified in the Estimates of National Expenditure/ Estimates of Provincial Revenue and Expenditure and Annual Performance Plan for both national and provincial departments.

- List the programme's strategic objectives with the actual outputs achieved in the previous year, the planned targets as per the Annual Performance Plan and the actual outputs for the financial year under review.
- List programme / sub-programme performance indicators as per the annual performance plan.
- Include the actual outputs achieved in the previous year, which must agree to the previous year's annual report.
- Include the planned targets as per the Estimates of National Expenditure/ Estimates of Provincial Revenue and Expenditure and Annual Performance Plan.
- Calculate the variance between the planned targets and actual achievements for the current year.
- Comment on all deviations.

Format of disclosure

The following table must be presented with the relevant information. Include any narratives after the table.

Strategic objectives

Programme Name					
Strategic objectives	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

Performance indicators

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement 20YY/20ZZ	Comment on deviations

Strategy to overcome areas of under performance

Department's should provide the strategies to address under performance.

Changes to planned targets

Departments must provide reasons per performance indicator if the indicators or targets have been changed during the reporting period i.e. after the annual performance plan has been tabled. In year changes to targets are only permitted if there has been an adjustment in the budget.

Linking performance with budgets

Guideline

Departments must provide a summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year. The information must be provided at a sub-programme level and must agree to the appropriation statement of the audited financial statements. Reasons for variations should be linked to the information discussed above in the organisational environment and the service delivery environment. The department must also report on how expenditure contributed to achievement of outputs.

Format of disclosure

The following table must be presented with the relevant financial information. Include the narrative after the table discussing how expenditure contributed to the achievement of outputs during the period under review.

Sub-Programme Name	20YY/20ZZ			20XX/20YY		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

2.4.5 Transfer Payments

Transfer payments to Public Entities

Guideline

Public entities receive sizeable transfer payments from government and are often the front-line providers of services on behalf of government. It is therefore important to understand the impact of the services provided by the public entities on the community. Departments are requested to provide information on the services provided by these public entities, transfer payments made to the public entities, the actual amount spent from the transfer received by the public entities, strategic achievements of the public entity. Departments must also comment on monitoring systems or the lack thereof to monitor spending on such transfer payments. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

The information provided must agree to the information included in the public entities annual report.

Format of disclosure

The following table must be presented and any additional narratives must be included after the table. The information provided in the table should not be duplicated in a narrative. The financial information provided must agree to the information provided in the annexures on transfer payments to public entities in the annual financial statements. This table relates to Public Entities who received funding from the department.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity

The column for the achievements will be a narrative description.

Transfer payments to all organisations other than public entities

Guideline

This section provides information on transfer payments made to provinces, municipalities, departmental agencies (excl. public entities), higher education institutions, public corporations, private enterprises, foreign governments, non-profit institutions and households. This excludes payments to public entities as it is included in the previous section. In this section also provide information on where funds were budgeted to be transferred but transfers were not made and the reasons for not transferring funds.

Departments are requested to provide the name of the transferee, the purpose for which these funds were transferred, did the department comply with S38 1(j), the amount transferred, the amount spent from the transfer received by the transferee, (excluding individuals or social grant payments) and the reasons for unspent funds by the transferee. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfers. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

Format of disclosure

The following table must be presented and any additional narratives must be included after the table. The information provided in the table should not be duplicated in a narrative. The financial information provided must agree to the information provided in the annexures on transfer payments in the annual financial statements.

The table below reflects the **transfer payments made** for the period 1 April 20YY to 31 March 20ZZ

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity

The table below reflects the transfer payments which were budgeted for in the period 1 April 20YY to 31 March 20ZZ, but no transfer payments were made.

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred

2.4.6 Conditional Grants

Conditional grants and earmarked funds paid

Guideline

Conditional grants enable national priorities to be provided for in the budgets of other spheres of government. They are viewed as part of voted funds.

The Division of Revenue Act (DORA) requires that annual reports and financial statements of the transferring and receiving departments must also include information on conditional grants set out in schedules 4, 5, 6 and 7 of the Act. Section 13(1) and (2) of DORA outlines information that should be included in the annual reports of the transferring national offices. DORA, section 13(3) and (4), outlines the information to be included in the annual report and financial statements of the receiving provincial departments and municipalities.

In order to comply with this requirement, the annual report of the **transferring department** should include the following information on conditional grants transferred:

- Overview of departmental grants, types of grants, total allocations, transfers trends. A summary of all grants should be provided in the annexures to the Annual Financial Statements,
- Outline of the purpose and expected outputs for each grant,
- Explanation of whether transfers were made as scheduled, into the accredited accounts for the receiving spheres. In situations where payments were either delayed (failure to pay according to the payment schedule) or withheld (non-transfers) explain the reasons and the extent to which the department complied with the relevant sections of DORA,
- Indication whether any portion of the grant was retained at the national department for administration costs. Briefly describe the nature of the administration costs,
- Analysis of spending trends for each grant, indicating the extent to which the department monitored compliance with the conditions of the grant. Highlighting specific areas in which compliance fell short of requirements and steps taken in situations where a province or municipality failed to comply,
- Indication of the extent to which the outputs were achieved providing an analysis of provincial performance against targets. Where performance fell short of expectations outline the reasons and measures taken to improve performance in the coming years if the grant is continuing,
- An overall assessment of compliance with the DORA, both by the department and the receiving spheres, and explain any measures taken in a situation where there was non-compliance.

Format of disclosure

The information must be presented in the following format. The information provided in the table should not be duplicated in a narrative. The financial information provided must agree to the information provided in the annexures on conditional grants in the annual financial statements.

The table/s below details the conditional grants and ear marked funds paid during for the period 1 April 20YY to 31 March 20ZZ.

Department/ Municipality to whom the grant has been transferred	
Purpose of the grant	
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA	
Amount transferred (R'000)	
Reasons if amount as per DORA not transferred	
Amount spent by the department/ municipality (R'000)	
Reasons for the funds unspent by the entity	
Monitoring mechanism by the transferring department	

Conditional grants and earmarked funds received

Guideline

The receiving department should include the following information in the annual report on conditional grants received:

- An overview of grants received, including types and total amount received.
- An indication of the total amount of actual expenditure on all allocations.
- Confirmation that all transfers were deposited into the accredited bank account of the Provincial Treasury.
- An indication of the extent to which the objectives were achieved, with a comparative analysis of provincial performance against targets. Where performance fell short of expectations, outline the reasons and measures taken to improve performance in the coming years if the grant is continuing.
- An overall assessment of compliance with the Act, and an explanation of any measures taken in situations where there was non-compliance.

Format of disclosure

The information must be presented in the following format. The information provided in the table should not be duplicated in a narrative. The financial information provided must agree to the information provided in the annexures on conditional grants in the annual financial statements.

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 20YY to 31 March 20ZZ.

Department who transferred the grant	
Purpose of the grant	
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA	
Amount received (R'000)	
Reasons if amount as per DORA was not received	
Amount spent by the department (R'000)	
Reasons for the funds unspent by the entity	
Reasons for deviations on performance	
Measures taken to improve performance	
Monitoring mechanism by the receiving department	

2.4.7 Donor Funds

Donor Funds Received

Guideline

Donor assistance includes both cash and in-kind contributions. Reporting on donor assistance is critical as the funding directly contributes to service delivery of the department. The following information should be presented for donor funds. All financial amounts must agree to the amounts disclosed in the annual financial statements.

- The name of the donor
- The amount received in the current reporting period
- The purpose of the donor funding
- Outputs achieved
- Was the funding received in cash or in-kind
- Amount spent from the donor funds

- The monitoring/reporting to the donor
- Reasons for any unspent funds and if the project is complete will the funds be returned to the donor

Format of disclosure

The information must be presented in the following format. The information provided in the table should not be duplicated in a narrative. The financial information provided must agree to the information provided on aid assistance received in the annual financial statements.

The table/s below details the donor funds received during for the period 1 April 20YY to 31 March 20ZZ.

Name of donor	
Full amount of the funding	
Period of the commitment	
Purpose of the funding	
Expected outputs	
Actual outputs achieved	
Amount received (R'000)	
Amount spent by the department (R'000)	
Reasons for the funds unspent	
Monitoring mechanism by the donor	

2.4.8 Capital Investment

Capital investment, maintenance and asset management plan

Guideline

Departments are required to develop a capital investment and asset management plan. The Estimates of National Expenditure / Estimates of Provincial Revenue and Expenditure should be used as a guide for departments to report on capital projects.

Provide commentary on the following:

- Progress made on implementing the capital, investment and asset management plan.
- Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance).

- Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed.
- Plans to close down or down-grade any current facilities.
- Progress made on the maintenance of infrastructure.
- Developments relating to the above that are expected to impact on the department's current expenditure.
- Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft.
- Measures taken to ensure that the department's asset register remained up-to-date during the period under review.
- The current state of the department's capital assets, for example what percentage is in good, fair or bad condition.
- Major maintenance projects that have been undertaken during the period under review.
- Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not why not, and what measures were taken to keep on track.

Format of disclosure

The following table must be presented with the relevant financial information. The financial information must agree to the annual financial statements. Include the narratives after the table.

Infrastructure projects	20YY/20ZZ			20XX/20YY		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets						
Existing infrastructure assets						
Upgrades and additions						
Rehabilitation, renovations and refurbishments						
Maintenance and repairs						
Infrastructure transfer						
Current						
Capital						
Total						

2.5 Part C: Governance

2.5.1. Introduction

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

2.5.2. Risk Management

Provide a brief description of the following:

- Whether the department has a risk management policy and strategy.
- Whether the department conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks.
- Whether there is a Risk Management Committee that advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.
- Whether the Audit Committee advises the department on risk management and independently monitors the effectiveness of the system of risk management.
- Whether the department sees progress in the management of risks, whether this has transmitted into improvements in the department's performance, and if not, what it plans on doing to address this problem.

2.5.3. Fraud and Corruption

Provide a brief description of the following:

- The department's fraud prevention plan and how it has been implemented.
- Mechanisms in place to report fraud and corruption and how these operate.eg: Whistle blowing - The need for officials to make confidential disclosure about suspect fraud and corruption
- How these cases are reported and what action is taken

2.5.4. Minimising Conflict of Interest

Brief description on the processes implemented to minimise conflict of interest in supply chain management. Discuss the process followed where conflict of interest has been identified.

2.5.5. Code of Conduct

Brief description and nature of code of conduct /ethics and the effect it has on the department and if the department is adhering to the Public Service Code of Conduct and Service Charter. Discuss the process followed for the breach of code of conduct.

2.5.6. Health Safety and Environmental Issues

Provide a brief description and nature of Health Safety and Environmental issues and the effect it has on the department.

2.5.7. Portfolio Committees

The Portfolio Committee exercises oversight over the service delivery performance of departments.

Provide commentary on the following:

- The dates of the meeting
- Matters raised by the Portfolio Committee and how has the department addressed these matters

2.5.8. SCOPA Resolutions

Indicate the dates SCOPA meetings were held.

In a tabular format state the resolutions specific to the department, the details pertaining to the resolutions and the progress made by the department with regard to each resolution. For each resolution indicate if it has been resolved. Report on all outstanding SCOPA resolutions outstanding from the previous year and all new resolutions passed in the current financial year.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)

2.5.9. Prior modifications to audit reports

Include a discussion on mechanisms put in place by the Accounting Officer to resolve the matters reported by the AGSA in the previous financial year. This should include all matters in the audit report and those noted as important in the management report.

The discussion should be limited to all matters that gave rise to a qualification, disclaimer, adverse opinion and matters of non-compliance only. The department may include the information in a table as follows:

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*

2.5.10. Internal Control Unit

Discuss the work performed by internal control unit during the year.

2.5.11. Internal Audit and Audit Committees

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

Provide a brief description of the following:

- Key activities and objectives of the internal audit

- Specify summary of audit work done
- Key activities and objectives of the audit committee
- Attendance of audit committee meetings by audit committee members (Tabular form)

The table below discloses relevant information on the audit committee members

Name	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended

2.5.12. Audit Committee Report



This guideline serves as a minimum requirement of issues or topics that must be addressed by the Audit Committee members to discharge their responsibilities in terms of the PFMA and the regulations thereto. The Audit Committee must use their **own words** in providing relevant information on the topics for the year under review. The Audit Committee may include additional information in the final report as it deems fit.



The annual financial statements should have been reviewed by the Audit Committee and should contain a draft report of the Audit Committee prior to submitting the AFS to the AGSA for auditing. The Audit Committee should review the audit report of the Auditor-General, the audited financial statements, the management report and management's comments on the audited financial statements. The aforementioned must take place before the Auditor-General's reporting date, 31 July.

The Audit Committee must determine its final report to be included in the Annual Report based on the outcome of the above. The final report may differ from the draft report submitted based on the outcome of the evaluation of the annual financial statements by the Audit Committee and the management report issued by the AGSA.

This report must comment on the following:

- Has the audit committee adopted a format terms of reference
- Has the audit committee satisfied its responsibilities
- Effectiveness of internal control systems
- Summary of main activities undertaken by audit committee during the financial year under review. Achievements of internal audit plan, staffing constraints and unresolved audit findings
- The quality of the in-year management and monthly/quarterly reports submitted in terms of legislation.
- Evaluation of annual financial statements:
 - review and discussion of the audited / unaudited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer
 - review of the Auditor-General's management report and management's response thereto
 - review of any changes in accounting policies and practices
 - review of the departments compliance with legal and regulatory provisions
 - review of the information on predetermined objectives to be included in the annual report
 - review of any significant adjustments resulting from the audit
 - the quality and timeliness of the financial information availed to the audit committee for oversight purposes during the year such as interim financial statements.

- Internal Audit
 - Effectiveness of internal audit function, has internal audit addressed risks
 - State any specific investigations undertaken in the department and whether adequately resolved
- External Audit
 - state unresolved issues raised and not adequately addressed by department
- Risk management
 - How the committee obtains assurance on the overall system of risk management
 - Effectiveness of the overall system of risk management
 - Any major incidents/losses attributable to the failure of risk management, and any major successes/gains achieved or losses/incidents avoided through applying a rigorous risk management process
- Any issues /matters that pertain specifically to the department
- Conclusion
- Date Audit Committee recommended AFS be approved;



Refer to annexure B for the format of the Audit Committee report

2.6 Part D: Human Resource Management

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2.6.1. Introduction

Provide commentary on the following:

- The status of human resources in the department.
- Human resource priorities for the year under review and the impact of these.
- Workforce planning and key strategies to attract and recruit a skilled and capable workforce.
- Employee performance management.
- Employee wellness programmes.
- Highlight achievements and challenges faced by the department, as well as future human resource plans /goals.

2.6.2. Human Resources Oversight Statistics

The department must provide the following key information on its human resources. All the financial amounts must agree with the amounts disclosed in the annual financial statements. Provide reasons for any variances.



Please note that it is very important to follow the format and standards prescribed, to enable collation and comparison of information. **If sub headings/tables are not applicable to the department, it should be stated that there is nothing to report on. Numbering of tables must not be changed and should be maintained as in the guidelines.**

Include any other tables for HR if considered necessary by the department and required by any specific government oversight body. These additional tables must be included at the end of the standardised HR information.

3.1. Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 20YY and 31 March 20ZZ

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Total						

Table 3.1.2 Personnel costs by salary band for the period 1 April 20YY and 31 March 20ZZ

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)				
Skilled (level 3-5)				
Highly skilled production (levels 6-8)				
Highly skilled supervision (levels 9-12)				
Senior and Top management (levels 13-16)				
Total				

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 20YY and 31 March 20ZZ

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Total								

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 20YY and 31 March 20ZZ

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)								
Skilled (level 3-5)								
Highly skilled production (levels 6-8)								
Highly skilled supervision (levels 9-12)								
Senior management (level 13-16)								
Total								

3.2. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 20ZZ

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Total				

Table 3.2.2 Employment and vacancies by salary band as on 31 March 20ZZ

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)				
Skilled(3-5)				
Highly skilled production (6-8)				
Highly skilled supervision (9-12)				
Senior management (13-16)				
Total				

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 20ZZ

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Total				

Notes

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

3.3. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 20ZZ

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department					
Salary Level 16					
Salary Level 15					
Salary Level 14					
Salary Level 13					
Total					

Table 3.3.2 SMS post information as on 30 September 20ZZ

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department					
Salary Level 16					
Salary Level 15					
Salary Level 14					
Salary Level 13					
Total					

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 20YY and 31 March 20ZZ

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department					
Salary Level 16					
Salary Level 15					
Salary Level 14					
Salary Level 13					

Total					
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Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 20YY and 31 March 20ZZ

Reasons for vacancies not advertised within six months

Reasons for vacancies not filled within six months

Notes

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

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 20YY and 31 March 20ZZ

Reasons for vacancies not advertised within six months

Reasons for vacancies not filled within six months

Notes

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

3.4. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate 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. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 20YY and 31 March 20ZZ

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)							
Skilled (Levels 3-5)							
Highly skilled production (Levels 6-8)							
Highly skilled supervision (Levels 9-12)							
Senior Management Service Band A							
Senior Management Service Band B							
Senior Management Service Band C							
Senior Management Service Band D							
Total							

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 20YY and 31 March 20ZZ

Gender	African	Asian	Coloured	White	Total
Female					
Male					
Total					

Employees with a disability	
------------------------------------	--

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 20YY and 31 March 20ZZ

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 20YY and 31 March 20ZZ

Gender	African	Asian	Coloured	White	Total
Female					
Male					
Total					

Employees with a disability					
-----------------------------	--	--	--	--	--

Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
--	------

3.5. Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 20YY and 31 March 20ZZ

Salary band	Number of employees at beginning of period-1 April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)				
Skilled (Levels3-5)				
Highly skilled production (Levels 6-8)				
Highly skilled supervision (Levels 9-12)				
Senior Management Service Bands A				
Senior Management Service Bands B				
Senior Management Service Bands C				
Senior Management Service Bands D				
Contracts				
Total				

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 20YY and 31 March 20ZZ

Critical occupation	Number of employees at beginning of period-April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
TOTAL				

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 20YY and 31 March 20ZZ

Termination Type	Number	% of Total Resignations
Death		
Resignation		
Expiry of contract		
Dismissal – operational changes		
Dismissal – misconduct		
Dismissal – inefficiency		
Discharged due to ill-health		
Retirement		
Transfer to other Public Service Departments		
Other		
Total		
Total number of employees who left as a % of total employment		

Table 3.5.4 Promotions by critical occupation for the period 1 April 20YY and 31 March 20ZZ

Occupation	Employees 1 April 20YY	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
TOTAL					

Table 3.5.5 Promotions by salary band for the period 1 April 20YY and 31 March 20ZZ

Salary Band	Employees 1 April 20YY	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)					
Skilled (Levels3- 5)					
Highly skilled production (Levels 6-8)					
Highly skilled supervision (Levels 9-12)					
Senior Management (Level 13-16)					
Total					

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 20ZZ

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers									
Professionals									
Technicians and associate professionals									
Clerks									
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations									
Total									
Employees with disabilities									

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 20ZZ

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management									
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
Total									

Table 3.6.3 Recruitment for the period 1 April 20YY to 31 March 20ZZ

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management									
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
Total									
Employees with disabilities									

Table 3.6.4 Promotions for the period 1 April 20YY to 31 March 20ZZ

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management									
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
Total									
Employees with disabilities									

Table 3.6.5 Terminations for the period 1 April 20YY to 31 March 20ZZ

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management									
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision									

making									
Unskilled and defined decision making									
Total									
Employees with Disabilities									

Table 3.6.6 Disciplinary action for the period 1 April 20YY to 31 March 20ZZ

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	

Table 3.6.7 Skills development for the period 1 April 20YY to 31 March 20ZZ

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers									
Professionals									
Technicians and associate professionals									
Clerks									
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations									
Total									
Employees with disabilities									

3.7. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 20ZZ

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department				
Salary Level 16				
Salary Level 15				
Salary Level 14				
Salary Level 13				
Total				

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 20ZZ.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 20ZZ

Reasons

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 20ZZ

Reasons

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 20YY to 31 March 20ZZ

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male					
Female					
Asian					
Male					
Female					
Coloured					
Male					
Female					
White					
Male					
Female					
Total					

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 20YY to 31 March 20ZZ

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)						
Skilled (level 3-5)						
Highly skilled production (level 6-8)						
Highly skilled supervision (level 9-12)						
Total						

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 20YY to 31 March 20ZZ

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Total					

Notes

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

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 20YY to 31 March 20ZZ

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A						
Band B						
Band C						
Band D						
Total						

3.9. Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 20YY and 31 March 20ZZ

Salary band	01 April 20YY		31 March 20ZZ		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled						
Highly skilled production (Lev. 6-8)						
Highly skilled supervision (Lev. 9-12)						
Contract (level 9-12)						
Contract (level 13-16)						
Total						

Table 3.9.2 Foreign workers by major occupation for the period 1 April 20YY and 31 March 20ZZ

Major occupation	01 April 20YY		31 March 20ZZ		Change	
	Number	% of total	Number	% of total	Number	% Change

3.10. Leave utilisation

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 and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 20YY to 31 December 20ZZ

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)						
Skilled (levels 3-5)						
Highly skilled production (levels 6-8)						
Highly skilled supervision (levels 9 -12)						
Top and Senior management (levels 13-16)						
Total						

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 20YY to 31 December 20ZZ

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)						
Highly skilled production (Levels 6-8)						
Highly skilled supervision (Levels 9-12)						
Senior management (Levels 13-16)						
Total						

The table below 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 3.10.3 Annual Leave for the period 1 January 20YY to 31 December 20ZZ

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
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)			
Total			

Table 3.10.4 Capped leave for the period 1 January 20YY to 31 December 20ZZ

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 20ZZ
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)				
Total				

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

Table 3.10.5 Leave payouts for the period 1 April 20YY and 31 March 20ZZ

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 20XX/YY due to non-utilisation of leave for the previous cycle			
Capped leave payouts on termination of service for 20YY/ZZ			
Current leave payout on termination of service for 20YY/ZZ			
Total			

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

Question	Yes	No	Details, if yes
1. 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.			
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.			
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.			
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.			
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.			
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.			
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.			
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 20YY and 31 March 20ZZ

Subject matter	Date

Notes

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

Total number of Collective agreements	None
---------------------------------------	------

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 20YY and 31 March 20ZZ

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling		
Verbal warning		
Written warning		
Final written warning		
Suspended without pay		
Fine		
Demotion		
Dismissal		
Not guilty		
Case withdrawn		
Total		

Notes

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

Total number of Disciplinary hearings finalised	None
---	------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 20YY and 31 March 20ZZ

Type of misconduct	Number	% of total
Total		

Table 3.12.4 Grievances logged for the period 1 April 20YY and 31 March 20ZZ

Grievances	Number	% of Total
Number of grievances resolved		
Number of grievances not resolved		
Total number of grievances lodged		

Table 3.12.5 Disputes logged with Councils for the period 1 April 20YY and 31 March 20ZZ

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

Table 3.12.6 Strike actions for the period 1 April 20YY and 31 March 20ZZ

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

Table 3.12.7 Precautionary suspensions for the period 1 April 20YY and 31 March 20ZZ

Number of people suspended	
Number of people who's suspension exceeded 30 days	
Average number of days suspended	
Cost of suspension(R'000)	

3.13. Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 20YY and 31 March 20ZZ

Occupational category	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female					
	Male					
Professionals	Female					
	Male					
Technicians and associate professionals	Female					
	Male					
Clerks	Female					
	Male					
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female					
	Male					
Sub Total	Female					
	Male					
Total						

Table 3.13.2 Training provided for the period 1 April 20YY and 31 March 20ZZ

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female					
	Male					
Professionals	Female					
	Male					
Technicians and associate professionals	Female					
	Male					
Clerks	Female					
	Male					
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female					
	Male					
Sub Total	Female					
	Male					
Total						

3.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 20YY and 31 March 20ZZ

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

3.15. Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department.

In terms of the Public Service Regulations “consultant’ means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 20YY and 31 March 20ZZ

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 20YY and 31 March 20ZZ

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 20YY and 31 March 20ZZ

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 20YY and 31 March 20ZZ

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 20YY and 31 March 20ZZ

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)				
Senior management (Levels 13-16)				
Total				

2.7 Part E: Financial Information

2.7.1 Report of the Auditor General

This is the auditor's report as issued by AGSA.

2.7.2 Annual Financial Statements

The annual financial statements will be as per the *Departmental Financial Reporting Framework* as issued by National Treasury.

3. ANNEXURES

3.1 Annexure A: Statement of Responsibility and Confirmation of Accuracy

Statement of responsibility and confirmation of accuracy for the annual report

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 20ZZ.

Yours faithfully

Accounting Officer

Name

Date

3.2 Annexure B: Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 20ZZ.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

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

The following internal audit work was completed during the year under review:

- xxxxxx
- xxxxxxxxx

The following were areas of concern:

- xxxxxx
- xxxxxx

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department.

Auditor-General's Report

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

- xxxxxx
- xxxxxx

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

**(Full Name of Chairperson)
Chairperson of the Audit Committee
(Name of Department)
(Date)**

3.3 Annexure C: Specimen of the Annual Report

Refer to the specimen copy of the annual report for National and Provincial Departments.

Annexure A: Statement of Responsibility and Confirmation of Accuracy

Statement of responsibility and confirmation of accuracy for the annual report

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 20ZZ.

Yours faithfully

Accounting Officer

Name

Date

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The Effectiveness of Internal Control

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

The following internal audit work was completed during the year under review:

- xxxxxx
- xxxxxxxxx

The following were areas of concern:

- xxxxxx
- xxxxxx

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department.

Auditor-General's Report

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

- xxxxxx
- xxxxxx

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

(Full Name of Chairperson)
Chairperson of the Audit Committee
(Name of Department)
(Date)

ANNEXURE C:

SPECIMEN ANNUAL REPORT FOR NATIONAL AND PROVINCIAL DEPARTMENTS

**DEPARTMENT OF XXX
PROVINCE OF XXXX
VOTE NO. XX
ANNUAL REPORT
20YY/20ZZ FINANCIAL YEAR**

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS: XXX XXXXX

XXXXXXXX

XXXXX

POSTAL ADDRESS: Private Bag XXXX

XXXXX

XXXX

TELEPHONE NUMBER/S: 027 XX XXX XXXX

FAX NUMBER: 027 XX XXX XXXX

EMAIL ADDRESS: info@XXXX.gov.za

WEBSITE ADDRESS : www.XXXX.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

3. FOREWORD BY THE MINISTER/MEC

Photo of Minister/MEC
Name:
Title:

The Minister/MEC foreword should cover the following in relation to the financial year under review:

- Achievements in relation to policy directives and strategic outcome related goals
- Challenges for the financial year under review
- The medium to long term goals of the department
- Acknowledgements /Appreciation
- Conclusion

(Name of the Minister/MEC)
Minister/MEC of the Department of
(Date)

4. DEPUTY MINISTER STATEMENT (if applicable)

Photo of Deputy Minister
Name:
Title:

This section will only be applicable to national departments.

The Deputy Minister statement should cover the following:

- Statement should include activities and highlights of the department for the financial year under review
- Acknowledgements /Appreciation
- Conclusion

(Name of the Deputy Minister)
Deputy Minister of the Department of
(Date)

5. REPORT OF THE ACCOUNTING OFFICER

Photo of Accounting Officer

Name:

Title:

- Overview of the operations of the department:
 - Overview of the results and challenges for the, briefly commenting on significant events and projects for the year.
- Overview of the financial results of the department:
 - Departmental receipts

Departmental receipts	20YY/20ZZ			20XX/20YY		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
Casino taxes						
Horse racing taxes						
Liquor licences						
Motor vehicle licences						
Sale of goods and services other than capital assets						
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land						
Sale of capital assets						
Financial transactions in assets and liabilities						
Total						

Describe in some detail how they have delivered on the plans for collecting departmental revenue.

Provide details of the determination of tariffs charged by the department. If different policies apply to different tariffs, provide details of each separately. If the department does not charge tariffs for goods sold and/or services rendered, such should be stated. List the nature of free services rendered by the department that would have yielded significant revenue had a tariff been charged and quantify where possible the cost of the free services rendered.

Where a department has under collected revenue it should give reasons and indicate what measures were taken during the course of the year to keep on target and what future measures will be taken to try and rectify the under collection of revenue. The department should discuss the amount of bad debts written off, as this can have a direct impact on the departmental receipts.

Where the department has collected more revenue than planned, provide reasons for the better than anticipated performance. The department can also use this section to report on new measures instituted during the course of the year to raise additional revenue or to ensure more efficient/effective collection. Where there were sales of capital assets, reasons for such a sale must be provided.

o Programme Expenditure

Programme Name	20YY/20ZZ			20XX/20YY		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

Departments must provide a summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year. The information must be provided at a programme level and must agree to the appropriation statement of the audited financial statements. Discuss the reasons for under/ (over) expenditure. In instances where there is overspending, what corrective action has the department put in place to prevent the recurrence in future years.

- o Virements/roll overs
 - State what virements were done and the request for rollovers
 - Reason for the virement
- A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence.
- Future plans of the department
- Public Private Partnerships
 - o Provide a brief summary of progress on the PPP's reported in the previous financial year, as well as new PPP's entered into.
- Discontinued activities / activities to be discontinued
 - o List activities discontinued/to be discontinued
 - o Reasons for discontinuance
 - o Effect on the operations of, and service delivery by the department
 - o Financial implications of each discontinued activity
- New or proposed activities
 - o List new/proposed activities

- Reasons for new activities
- Effect on the operations of the department
- Financial implications of each new activity

- Supply chain management
 - List all unsolicited bid proposals concluded for the year under review
 - Indicate whether SCM processes and systems are in place to prevent irregular expenditure
 - Challenges experienced in SCM and how they were resolved

- Gifts and Donations received in kind from non related parties
 - List the nature of the in kind good and services provided by the department to or received from parties other than related parties.

- Exemptions and deviations received from the National Treasury
 - Include a discussion on any exemption from the PFMA or TR or deviation from the financial reporting requirements received for the current and/or previous financial year. Detail the conditions of the exemption or deviation (if any) and the mechanisms put in place to ensure that all milestones will be achieved by the end of the exemption or deviation period

- Events after the reporting date
 - Include the nature of any events (adjusting and non-adjusting), favourable and unfavourable that occurred after the reporting date and the date of approval of the Annual Financial Statements.

 - Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.

- Other
 - Any other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.

- Acknowledgement/s or Appreciation
- Conclusion
- Approval and sign off

(Name of the Accounting Officer)
Accounting Officer
Department of
Date:

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

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 20ZZ.

Yours faithfully

Accounting Officer
Name
Date

7. STRATEGIC OVERVIEW

7.1. Vision

This must be as per the department's strategic plan.

7.2. Mission

This must be as per the department's strategic plan.

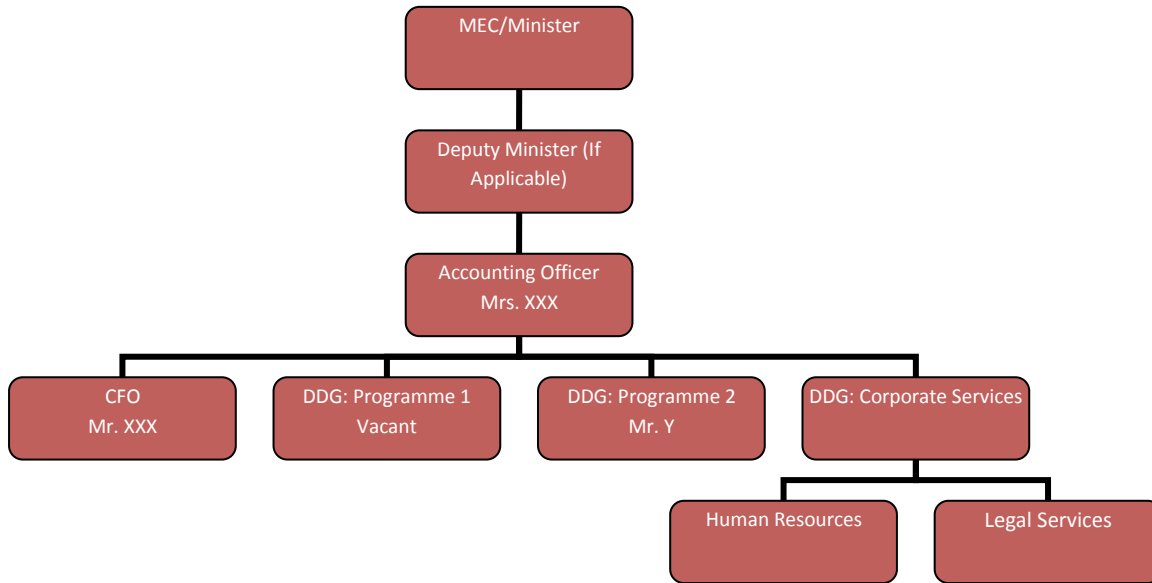
7.3. Values

This must be as per the department's strategic plan.

8. LEGISLATIVE AND OTHER MANDATES

- Set out the specific constitutional and other legislative mandates, as per the relevant act(s) that govern(s) the department's establishment and operations. This should not be the entire list of legislation that the department is subject to in the course of its operations. Also include government policy frameworks that govern the department.
- This information must be consistent with the information provided in the strategic plan, annual performance plan and the estimates of national expenditure /estimates of provincial revenue and expenditure.

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER/MEC

The information furnished in this section should correlate with information provided in the related party transactions disclosure note to the financial statements and the information on the entities.

The table below indicates the entities that report to the Minister/MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations

PART B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page XXXX of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

To assist users of the annual report to gain an understanding of the challenges, successes and other factors that might impact on a department's performance, it is necessary to provide the user with an overview of the context and environment within which the department operated to implement its strategic plan and annual performance plan.

The overview should include:

- A balanced overview of the service delivery environment in which it operated during the reporting period under review and not merely focus on factors that might be offered as 'mitigating circumstances' to support the department's delivery record.
- Comment on services delivered directly to the public, problems encountered by the department when providing the relevant services, and what corrective steps were/are to be taken in dealing with such problems.
- A description of any significant developments, external to the department, that may have impacted either on the demand for the department's services or on the department's ability to deliver those services.

2.2 Service Delivery Improvement Plan

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements

2.3 Organisational environment

The annual report should provide users with an understanding of the organisational challenges and successes experienced by the department for the reporting period under review. The aim is to provide a description of any significant developments internal to the department that may have impacted the department's ability to deliver on its Strategic Plan and Annual Performance Plan e.g. the resignation and/or appointment of key personnel such as the AO or the CFO, a strike by significant portions of departmental officials, restructuring efforts, significant system failures or cases of corruption.

Given that these are factors internal to the department and therefore ostensibly within the department's control, it would be expected that the department gives some indication of any measures that were adopted to mitigate the impact of these events on service delivery.

2.4 Key policy developments and legislative changes

The department should describe any major changes to relevant policies or legislation that may have affected its operations during the period under review or future financial periods. If there have been no changes this must be stated.

3. STRATEGIC OUTCOME ORIENTED GOALS

Each department should state the strategic outcome oriented goals as per the Strategic Plan and the progress made towards the achievement of the 5 year targets. The department must highlight significant achievements with regard to the 12 outcomes announced by the Department of

Performance Monitoring and Evaluation. This is only applicable to departments that directly contribute to the achievement of one or more of the 12 outcomes. A department that does not directly contribute to any of the 12 outcomes must highlight significant achievements with regard to its own outcome(s). The department must also highlight significant achievements with regard to the National Development Plan (NDP).

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: XXXX

- Discuss the purpose of each programme
- List the sub-programmes
- List the strategic objectives for the financial year under review

Strategic objectives, performance indicators, planned targets and actual achievements

This section must provide a narrative of the significant achievements of targets for the strategic objectives and performance indicators for each programme for the financial year under review. The narrative must also provide a synopsis on how the achievement of targets has contributed towards achieving the department's strategic outcome orientated goals, which will invariably impact on the strategic priorities of government.

Strategic objectives:

Programme Name					
Strategic objectives	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

Provide reasons for all deviations

Performance indicators

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

Provide reasons for all deviations

Strategy to overcome areas of under performance

Department's should provide the strategies to address under performance.

Changes to planned targets

Departments must provide reasons per performance indicator if the indicators or targets have been changed during the reporting period i.e. after the annual performance plan has been tabled. In year changes to targets are only permitted if there has been an adjustment in the budget.

Linking performance with budgets

Departments must provide a summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year. The information must be provided at a sub-programme level and must agree to the appropriation statement of the audited financial statements. Reasons for variations should be linked to the information discussed above in the organisational environment and the service delivery environment. The department must also report on how expenditure contributed to achievement of outputs.

Sub-programme expenditure

Sub- Programme Name	20YY/20ZZ			20XX/20YY		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

4.2 Programme 2: XXXX

- Discuss the purpose of each programme
- List the sub-programmes
- List the strategic objectives for the financial year under review

Strategic objectives, performance indicators, planned targets and actual achievements

This section must provide a narrative of the significant achievements of targets for the strategic objectives and performance indicators for each programme for the financial year under review. The narrative must also provide a synopsis on how the achievement of targets has contributed towards achieving the department’s strategic outcome orientated goals, which will invariably impact on the strategic priorities of government.

Strategic objectives:

Programme Name					
Strategic objectives	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

Provide reasons for all deviations

Performance indicators

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

Provide reasons for all deviations

Strategy to overcome areas of under performance

Department’s should provide the strategies to address under performance.

Changes to planned targets

Departments must provide reasons per performance indicator if the indicators or targets have been changed during the reporting period i.e. after the annual performance plan has been tabled. In year changes to targets are only permitted if there has been an adjustment in the budget.

Linking performance with budgets

Departments must provide a summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year. The information must be provided at a sub-programme level and must agree to the appropriation statement of the audited financial statements. Reasons for variations should be linked to the information discussed above in the organisational environment and the service delivery environment. The department must also report on how expenditure contributed to achievement of outputs.

Sub-programme expenditure

Sub- Programme Name	20YY/20ZZ			20XX/20YY		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Public entities receive sizeable transfer payments from government and are often the front-line providers of services on behalf of government. It is therefore important to understand the impact of these services on the community. Departments are requested to provide information on the services provided by these public entities, transfer payments to the public entities, the actual amount spent from the transfer received by the public entities, strategic achievements of the public entity. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfer payments. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity

5.2. Transfer payments to all organisations other than public entities

This section provides information on transfer payments made to provinces, municipalities, departmental agencies (excl. public entities), higher education institutions, public corporations, private enterprises, foreign governments, non-profit institutions and households. This excludes payments to public entities as it is included in the previous section. In this section also provide information on where funds were budgeted to be transferred but transfers were not made and the reasons for not transferring funds.

Departments are requested to provide the name of the transferee, the purpose for which these funds were transferred, did the department comply with S38 1(j), the amount transferred, the amount spent from the transfer received by the transferee, (excluding individuals or social grant payments) and the reasons for unspent funds by the transferee. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfers. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

The table below reflects the transfer payments made for the period 1 April 20YY to 31 March 20ZZ

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity

The table below reflects the transfer payments which were budgeted for in the period 1 April 20YY to 31 March 20ZZ, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the department.

Conditional Grant 1:

Department/ Municipality to whom the grant has been transferred	
Purpose of the grant	
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA	
Amount transferred (R'000)	
Reasons if amount as per DORA not transferred	
Amount spent by the department/ municipality (R'000)	
Reasons for the funds unspent by the entity	
Monitoring mechanism by the transferring department	

Conditional Grant 2:

Department/ Municipality to whom the grant has been transferred	
Purpose of the grant	
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA	
Amount transferred (R'000)	
Reasons if amount as per DORA not transferred	
Amount spent by the department/ municipality (R'000)	
Reasons for the funds unspent by the entity	
Monitoring mechanism by the transferring department	

6.2. Conditional grants and earmarked funds received

The receiving department should include the following information in the annual report on conditional grants received:

- An overview of grants received, including types and total amount received.
- An indication of the total amount of actual expenditure on all allocations.
- Confirmation that all transfers were deposited into the accredited bank account of the Provincial Treasury.
- An indication of the extent to which the objectives were achieved, with a comparative analysis of provincial performance against targets. Where performance fell short of expectations, outline the reasons and measures taken to improve performance in the coming years if the grant is continuing.
- An overall assessment of compliance with the Act, and an explanation of any measures taken in situations where there was non-compliance

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 20YY to 31 March 20ZZ.

Conditional Grant xxx:

Department who transferred the grant	
Purpose of the grant	
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA	
Amount received (R'000)	
Reasons if amount as per DORA was not received	
Amount spent by the department (R'000)	
Reasons for the funds unspent by the entity	
Reasons for deviations on performance	
Measures taken to improve performance	
Monitoring mechanism by the receiving department	

7. DONOR FUNDS

7.1. Donor Funds Received

Donor assistance includes both cash and in-kind contributions. Reporting on donor assistance needs substantial improvement in light of the lack of sufficient funding information received in prior financial years from institutions. The following information should be presented for donor funds. All financial amounts must agree to the amounts disclosed in the annual financial statements.

- The name of the donor
- The amount received in the current reporting period
- The purpose of the donor funding
- Outputs achieved
- Was the funding received in cash or in-kind
- Amount spent from the donor funds

- The monitoring/reporting to the donor
- Reasons for any unspent funds and if the project is complete will the funds be returned to the donor.

Donor Fund XXX:

Name of donor	
Full amount of the funding	
Period of the commitment	
Purpose of the funding	
Expected outputs	
Actual outputs achieved	
Amount received in current period (R'000)	
Amount spent by the department (R'000)	
Reasons for the funds unspent	
Monitoring mechanism by the donor	

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

Provide commentary on the following:

- Progress made on implementing the capital, investment and asset management plan.
- Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance)
- Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed,
- Plans to close down or down-grade any current facilities,
- Progress made on the maintenance of infrastructure
- Developments relating to the above that are expected to impact on the department's current expenditure.
- Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft
- Measures taken to ensure that the department's asset register remained up-to-date during the period under review

- The current state of the department’s capital assets, for example what percentage is in good, fair or bad condition
- Major maintenance projects that have been undertaken during the period under review
- Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not why not, and what measures were taken to keep on track

Infrastructure projects	20YY/20ZZ			20XX/20YY		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets						
Existing infrastructure assets						
- Upgrades and additions						
- Rehabilitation, renovations and refurbishments						
- Maintenance and repairs						
Infrastructure transfer						
- Current						
- Capital						
Total						

PART C: GOVERNANCE

1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

2. RISK MANAGEMENT

Provide a brief description of the following:

- Whether the department has a risk management policy and strategy.
- Whether the department conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks.
- Whether there is a Risk Management Committee that advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.
- Whether the Audit Committee advises the department on risk management and independently monitors the effectiveness of the system of risk management.
- Whether the department sees progress in the management of risks, whether this has transmitted into improvements in the department's performance, and if not, what it plans on doing to address this problem

3. FRAUD AND CORRUPTION

Provide a brief description of the following:

- The department's fraud prevention plan and the progress made in implementing the fraud prevention plan
- Mechanisms in place to report fraud and corruption and how these operate.eg: Whistle blowing - The need for officials to make confidential disclosure about suspect fraud and corruption
- How these cases are reported and what action is taken

4. MINIMISING CONFLICT OF INTEREST

Brief description on the processes implemented to minimise conflict of interest. Discuss the process followed where conflict of interest has been identified.

5. CODE OF CONDUCT

Brief description and nature of code of conduct /ethics and the effect it has on the department and if the department is adhering to the Public Service Code of Conduct. Discuss the process followed for the breach of code of conduct.

.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Provide a brief description and nature of Health Safety and Environmental issues and the effect it has on the department.

7. PORTFOLIO COMMITTEES

Provide commentary on the following:

- The dates of the meeting
- Matters raised by the Portfolio Committee and how has the department addressed these matters

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Include a discussion on mechanisms put in place by the Accounting Officer to resolve the matters reported by the AGSA in the previous financial year. This should include all matters in the audit report and those noted as important in the management report.

The discussion should be limited to all matters that gave rise to a qualification, disclaimer, adverse opinion and matters of non-compliance only. The department may include the information in a table as follows:

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

10. INTERNAL CONTROL UNIT

Discuss the work performed by internal control unit during the year.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Provide a brief description of the following:

- Key activities and objectives of the internal audit
- Specify summary of audit work done
- Key activities and objectives of the audit committee;
- Attendance of audit committee meetings by audit committee members (Tabular form);

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 20ZZ.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

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

The following internal audit work was completed during the year under review:

- xxxxxx
- xxxxxxxxxx

The following were areas of concern:

- xxxxxx
- xxxxxx

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department.

Auditor General's Report

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

- xxxxxx
- xxxxxx

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

(Full Name of Chairperson)
Chairperson of the Audit Committee
(Name of Department)
(Date)

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

Provide commentary on the following:

- The status of human resources in the department.
- Human resource priorities for the year under review and the impact of these.
- Workforce planning and key strategies to attract and recruit a skilled and capable workforce.
- Employee performance management.
- Employee wellness programmes.
- Highlight achievements and challenges faced by the department, as well as future human resource plans /goals.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The department must provide the following key information on its human resources. All the financial amounts must agree with the amounts disclosed in the annual financial statements. Provide reasons for any variances.

Please note that it is very important to follow the format and standards prescribed, to enable collation and comparison of information. **If sub headings/tables are not applicable to the department, it should be stated that there is nothing to report on. Numbering of tables must not be changed and should be maintained as in the guidelines.**

Include any other tables for HR if considered necessary by the department and required by any specific government oversight body. These additional tables must be included at the end of the standardised HR information.



3.1. Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 20YY and 31 March 20ZZ

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Total						

Table 3.1.2 Personnel costs by salary band for the period 1 April 20YY and 31 March 20ZZ

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)				
Skilled (level 3-5)				
Highly skilled production (levels 6-8)				
Highly skilled supervision (levels 9-12)				
Senior and Top management (levels 13-16)				
Total				

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 20YY and 31 March 20ZZ

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Total								

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 20YY and 31 March 20ZZ

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)								
Skilled (level 3-5)								
Highly skilled production (levels 6-8)								
Highly skilled supervision (levels 9-12)								
Senior management (level 13-16)								
Total								

3.2. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 20ZZ

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Total				

Table 3.2.2 Employment and vacancies by salary band as on 31 March 20ZZ

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)				
Skilled(3-5)				
Highly skilled production (6-8)				
Highly skilled supervision (9-12)				
Senior management (13-16)				
Total				

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 20ZZ

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Total				

Notes

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

3.3. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 20ZZ

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department					
Salary Level 16					
Salary Level 15					
Salary Level 14					
Salary Level 13					
Total					

Table 3.3.2 SMS post information as on 30 September 20ZZ

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department					
Salary Level 16					
Salary Level 15					
Salary Level 14					
Salary Level 13					
Total					

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 20YY and 31 March 20ZZ

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department					
Salary Level 16					
Salary Level 15					
Salary Level 14					
Salary Level 13					
Total					

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 20YY and 31 March 20ZZ

Reasons for vacancies not advertised within six months

Reasons for vacancies not filled within six months

Notes

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

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 20YY and 31 March 20ZZ

Reasons for vacancies not advertised within six months

Reasons for vacancies not filled within six months

Notes

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

3.4. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate 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. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 20YY and 31 March 20ZZ

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)							
Skilled (Levels 3-5)							
Highly skilled production (Levels 6-8)							
Highly skilled supervision (Levels 9-12)							
Senior Management Service Band A							
Senior Management Service Band B							
Senior Management Service Band C							
Senior Management Service Band D							
Total							

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 20YY and 31 March 20ZZ

Gender	African	Asian	Coloured	White	Total
Female					
Male					
Total					

Employees with a disability	
-----------------------------	--

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 20YY and 31 March 20ZZ

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 20YY and 31 March 20ZZ

Gender	African	Asian	Coloured	White	Total
Female					
Male					
Total					

Employees with a disability					
------------------------------------	--	--	--	--	--

Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
--	------

3.5. Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 20YY and 31 March 20ZZ

Salary band	Number of employees at beginning of period-1 April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)				
Skilled (Levels3-5)				
Highly skilled production (Levels 6-8)				
Highly skilled supervision (Levels 9-12)				
Senior Management Service Bands A				
Senior Management Service Bands B				
Senior Management Service Bands C				
Senior Management Service Bands D				
Contracts				
Total				

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 20YY and 31 March 20ZZ

Critical occupation	Number of employees at beginning of period-April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
TOTAL				

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 20YY and 31 March 20ZZ

Termination Type	Number	% of Total Resignations
Death		
Resignation		
Expiry of contract		
Dismissal – operational changes		
Dismissal – misconduct		
Dismissal – inefficiency		
Discharged due to ill-health		
Retirement		
Transfer to other Public Service Departments		
Other		
Total		
Total number of employees who left as a % of total employment		

Table 3.5.4 Promotions by critical occupation for the period 1 April 20YY and 31 March 20ZZ

Occupation	Employees 1 April 20YY	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
TOTAL					

Table 3.5.5 Promotions by salary band for the period 1 April 20YY and 31 March 20ZZ

Salary Band	Employees 1 April 20YY	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)					
Skilled (Levels3- 5)					
Highly skilled production (Levels 6-8)					
Highly skilled supervision (Levels 9-12)					
Senior Management (Level 13-16)					
Total					

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 20ZZ

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers									
Professionals									
Technicians and associate professionals									
Clerks									
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations									
Total									
Employees with disabilities									

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 20ZZ

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management									
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
Total									

Table 3.6.3 Recruitment for the period 1 April 20YY to 31 March 20ZZ

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management									
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
Total									
Employees with disabilities									

Table 3.6.4 Promotions for the period 1 April 20YY to 31 March 20ZZ

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management									
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
Total									
Employees with disabilities									

Table 3.6.5 Terminations for the period 1 April 20YY to 31 March 20ZZ

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management									
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
Total									
Employees with Disabilities									

Table 3.6.6 Disciplinary action for the period 1 April 20YY to 31 March 20ZZ

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	

Table 3.6.7 Skills development for the period 1 April 20YY to 31 March 20ZZ

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers									
Professionals									
Technicians and associate professionals									
Clerks									
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations									
Total									
Employees with disabilities									

3.7. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 20ZZ

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department				
Salary Level 16				
Salary Level 15				
Salary Level 14				
Salary Level 13				
Total				

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 20ZZ.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 20ZZ

Reasons

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 20ZZ

Reasons

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 20YY to 31 March 20ZZ

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male					
Female					
Asian					
Male					
Female					
Coloured					
Male					
Female					
White					
Male					
Female					
Total					

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 20YY to 31 March 20ZZ

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)						
Skilled (level 3-5)						
Highly skilled production (level 6-8)						
Highly skilled supervision (level 9-12)						
Total						

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 20YY to 31 March 20ZZ

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Total					

Notes

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

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 20YY to 31 March 20ZZ

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A						
Band B						
Band C						
Band D						
Total						

3.9. Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 20YY and 31 March 20ZZ

Salary band	01 April 20YY		31 March 20ZZ		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled						
Highly skilled production (Lev. 6-8)						
Highly skilled supervision (Lev. 9-12)						
Contract (level 9-12)						
Contract (level 13-16)						
Total						

Table 3.9.2 Foreign workers by major occupation for the period 1 April 20YY and 31 March 20ZZ

Major occupation	01 April 20YY		31 March 20ZZ		Change	
	Number	% of total	Number	% of total	Number	% Change

3.10. Leave utilisation

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 and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 20YY to 31 December 20ZZ

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)						
Skilled (levels 3-5)						
Highly skilled production (levels 6-8)						
Highly skilled supervision (levels 9 -12)						
Top and Senior management (levels 13-16)						
Total						

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 20YY to 31 December 20ZZ

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)						
Highly skilled production (Levels 6-8)						
Highly skilled supervision (Levels 9-12)						
Senior management (Levels 13-16)						
Total						

The table below 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 3.10.3 Annual Leave for the period 1 January 20YY to 31 December 20ZZ

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
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)			
Total			

Table 3.10.4 Capped leave for the period 1 January 20YY to 31 December 20ZZ

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 20ZZ
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)				
Total				

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

Table 3.10.5 Leave payouts for the period 1 April 20YY and 31 March 20ZZ

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 20XX/YY due to non-utilisation of leave for the previous cycle			
Capped leave payouts on termination of service for 20YY/ZZ			
Current leave payout on termination of service for 20YY/ZZ			
Total			

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

Question	Yes	No	Details, if yes
1. 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.			
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.			
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.			
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.			
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.			
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.			
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.			
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 20YY and 31 March 20ZZ

Subject matter	Date

Notes

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

Total number of Collective agreements	None
--	-------------

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 20YY and 31 March 20ZZ

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling		
Verbal warning		
Written warning		
Final written warning		
Suspended without pay		
Fine		
Demotion		
Dismissal		
Not guilty		
Case withdrawn		
Total		

Notes

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

Total number of Disciplinary hearings finalised	None
--	-------------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 20YY and 31 March 20ZZ

Type of misconduct	Number	% of total
Total		

Table 3.12.4 Grievances logged for the period 1 April 20YY and 31 March 20ZZ

Grievances	Number	% of Total
Number of grievances resolved		
Number of grievances not resolved		
Total number of grievances lodged		

Table 3.12.5 Disputes logged with Councils for the period 1 April 20YY and 31 March 20ZZ

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

Table 3.12.6 Strike actions for the period 1 April 20YY and 31 March 20ZZ

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

Table 3.12.7 Precautionary suspensions for the period 1 April 20YY and 31 March 20ZZ

Number of people suspended	
Number of people who's suspension exceeded 30 days	
Average number of days suspended	
Cost of suspension(R'000)	

3.13. Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 20YY and 31 March 20ZZ

Occupational category	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female					
	Male					
Professionals	Female					
	Male					
Technicians and associate professionals	Female					
	Male					
Clerks	Female					
	Male					
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female					
	Male					
Sub Total	Female					
	Male					
Total						

Table 3.13.2 Training provided for the period 1 April 20YY and 31 March 20ZZ

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female					
	Male					
Professionals	Female					
	Male					
Technicians and associate professionals	Female					
	Male					
Clerks	Female					
	Male					
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female					
	Male					
Sub Total	Female					
	Male					
Total						

3.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 20YY and 31 March 20ZZ

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

3.15. Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 20YY and 31 March 20ZZ

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 20YY and 31 March 20ZZ

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 20YY and 31 March 20ZZ

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 20YY and 31 March 20ZZ

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 20YY and 31 March 20ZZ

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)				
Senior management (Levels 13-16)				
Total				

PART E: FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR GENERAL

This is the auditor's report as issued by AGSA.

2. ANNUAL FINANCIAL STATEMENTS

Insert the department's word version of the audited annual financial statements.



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Annual Report Guide for Schedule 3A and 3C Public Entities

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1. Introduction

This section is for information purposes only and it must not be included in the actual annual report of the public entity, please refer to the specimen.

1.1. Purpose of annual reports

Annual reports are an integral part of public entities reporting. The achievements, performance information, outlook, financial position and human resources information of public entities for each reporting period are reported in the annual report. The information reported on in the annual report include the actual achievements for the reporting period in relation to the planned targets and budgets as published in the strategic plan, annual performance plan and budget documents.

Annual reports are tabled in Parliament/Legislatures and it is available to the general public. The publishing of financial and non-financial information of public entities is essential for accountability and, transparency and to improve trust and confidence in government service delivery. The reported information must be accurate and balanced, reporting both the successes and explaining the shortcomings.

Ultimately the characteristics of a quality annual report are that it:

- complies with statutory and policy requirements.
- presents information (both positive and negative) in an understandable and concise manner.

1.2. Purpose of the guide

The guide provides guidance on the non-financial information requirements of the annual report. In other words, the guidance is on all sections of the Annual Report except the Annual Financial Statements (AFS) section. The AFS section is dealt with in a separate guide that is applicable to the legal form of the public entity.

The annual report guide is supplemented by a specimen for annual reports, which a public entity should use to assist in the preparation of the annual report.

Adherence to the format of this guide will enhance public entities' coverage of all aspects of their activities and financial performance, and will promote ease of reference and comparison for users of the annual report.

1.3. How to use the guide

Section 1, Introduction, of this guide provides guidance and clarity with regard to legislation that govern annual reports and general information about annual reports and the framework of this guide.

Section 2, Annual report, of this guide provides public entities with the format of the annual report, structure; details and information that public entities need to comply with in their annual reports. Each heading that needs to be disclosed in the annual report has 2 sub-headings in the guide. The 1st sub-heading is the "guideline" which provides the guidance on the information to be reported on. The 2nd sub-heading is the "Format of disclosure" which indicates how the information must be presented in the annual report.

Section 3, Annexures, contains the format of letters and reports that need to be completed by the respective officials and some of these reports are published in the public entity's annual report.

A specimen of the annual report of a public entity is also included, as Annexure C.



1.4. Applicability of the guide



This guide applies to all schedule 3A and 3C public entities, as listed in the PFMA. All other public entities will utilise their own formats, however if these public entities do not have a format, they could utilise this format as a guide.

Public entities are classified into different schedules based on their nature and level of autonomy. A brief review is provided below.

Schedule 2

Schedule 2 entities are referred to as the major public entities and are intended to generate profits and declare dividends. These entities have the most autonomy of all the public entities, as they operate in a competitive marketplace and are run in accordance with general business principles. In terms of section 66(3)(a) of the PFMA, schedule 2 public entities may also borrow money through the accounting authority of that entity, which implies that they also have extensive borrowing powers.

Schedules 3B and 3D

Schedule 3B and 3D entities are referred to as government business enterprises. These entities generate income, but may be either substantially self-funded or substantially government funded. As a result they have less autonomy than the schedule 2 public entities even though they are still run in accordance with general business principles. These entities also have limited borrowing powers.

Schedules 3A and 3C

The remaining public entities are classified as schedule 3A and 3C entities. These entities are normally extensions of a public entity with the mandate to fulfil a specific economic or social responsibility of government. They rely on government funding and public money, either by means of a transfer from the Revenue Fund or through statutory money. As such, these entities have the least autonomy.

1.5. Other matters to consider when applying the guide

The following factors should be considered when applying the guide:

- The information contained in section 1: Introduction must not be included in the annual report.
- It is imperative that the financial information contained in the annual report corresponds with the financial information in the audited annual financial statements.
- Additional relevant sections can be incorporated into the annual report at the public entity's discretion.
- Pictures, graphs and diagrams can be utilised to highlight and improve understanding of information, though excessive use should be avoided.
- The sequence of information in this guide must not be changed.
- Reporting requirements that are included in this guide that do not apply to a public entity may be omitted from the annual report.
- Caution must be exercised by public entities concerning the costs of producing the annual reports.

1.6. Documents to be used in preparing the annual report

To compile the public entity's annual report the documents detailed below should be utilised:

- Strategic Plan
- Annual Performance Plan
- Risk management plan
- Human Resource Plan
- Organisational structure
- Audited annual financial statements

1.7. Responsibilities for compiling the annual report

There are several parts that make up the annual report of a public entity. To ensure that the public entity's annual report is accurate and complete, it is envisaged that the following directorates/sections within the public entity will be responsible for the information in the respective sections of the public entity's annual report:

Section of Annual Report	Responsibility
Part A: General Information	Communications / Strategic Management / Office of the CEO
Part B: Performance Information	Strategic Management / Finance (provide cost information)
Part C: Governance	Internal Control / Board
Part D: Human Resource Management	Human Resource Manager
Part E: Annual Financial Information	CFO

An official must be assigned the responsibility of co-ordinating and consolidating the inputs into the annual report. Review processes should be in place to ensure that the information presented in the individual parts are consistent and that there is no conflicting information.

The CFO must review all financial information presented in the individual parts to ensure that it agrees to the information disclosed in the audited annual financial statements.

1.8. Submission dates for the annual report

Auditor General

The draft annual report must be submitted to the Auditor-General of South Africa (AGSA) by 31 May. The Auditor-General will review the contents of the annual report to ensure that the content of the annual report is consistent with the information provided in the annual financial statements.

Prior to the annual report being printed, the printer's proof of the complete annual report with the financial statements, the report of the Auditor-General and the report of the audit committee must be submitted to the AGSA for their final review.

Executive authority

The final printed annual report must be presented by the chief executive officer to the executive authority by 31 August.

Parliament/Provincial Legislature

The final printed annual report must be tabled at Parliament/ Provincial Legislature by 30 September.

Treasury

The final printed annual report must be submitted to the relevant Treasury by 31 August.

1.9. Legislation

Section 55 of the PFMA and chapter 28 of the Treasury Regulations (28.2) set out the legal requirements for Public Entity's annual reports.

PFMA

55. Annual report and financial statements.—

- (1) The accounting authority for a public entity—
 - (a) must keep full and proper records of the financial affairs of the public entity;
 - (b) prepare financial statements for each financial year in accordance with generally accepted accounting practice, unless the Accounting Standards Board approves the application of generally recognised accounting practice for that public entity;
 - (c) Must submit those financial statements within two months after the end of the financial year—
 - (i) to the auditors of the public entity for auditing; and
 - (ii) if it is a business enterprise or other public entity under the ownership control of the national or a provincial government, to the relevant treasury; and
 - (d) must submit within five months of the end of a financial year to the relevant treasury, to the executive authority responsible for that public entity and, if the Auditor-General did not perform the audit of the financial statements, to the Auditor-General—
 - (i) an annual report on the activities of that public entity during that financial year;
 - (ii) the financial statements for that financial year after the statements have been audited; and
 - (iii) the report of the auditors on those statements.
- (2) The annual report and financial statements referred to in subsection (1) (d) must—
 - (a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned;
 - (b) include particulars of—
 - (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;
 - (ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;
 - (iii) any losses recovered or written off;

- (iv) any financial assistance received from the state and commitments made by the state on its behalf; and
 - (v) any other matters that may be prescribed; and
 - (c) include the financial statements of any subsidiaries.
- (3) An accounting authority must submit the report and statements referred to in subsection (1) (d), for tabling in Parliament or the provincial legislature, to the relevant executive authority through the accounting officer of a department designated by the executive authority.
- (4) The relevant treasury may direct that, instead of a separate report, the audited financial statements of a **Schedule 3** public entity which is not a government business enterprise must be incorporated in those of a department designated by that treasury.

Treasury Regulations

28.2 Annual reports [Section 55(1)(d)(i) of the PFMA]

28.2.1 The annual report of public entities shall detail the materiality/significant framework applied during the financial year.

28.2.1 Any material losses through criminal conduct and any irregular and fruitless and wasteful expenditure must be disclosed as a note to the annual financial statements of the public entity.

28.2.2 Particulars of the public entity's strategic objectives and outcomes as identified and agreed on by the executive authority, the key performance measures and indicators for assessing the entity's performance in delivering the desired outcomes and objectives and the entity's actual performance against the strategic objectives and outcomes, must be in the annual report of the public entity.

1.10. Acronyms and icons used in this document

Acronyms

AA	Accounting Authority
AFS	Annual Financial Statements
CEO	Chief Executive Officer
AGSA	Auditor-General of South Africa
CFO	Chief Financial Officer
Programme	This refers to how the entity manages its operations for budgeting and reporting purposes. Some public entities use the term main function, cost centres, objectives, or activity. The public entity must use the terminology that is applicable to its operations

Icons

Detailed below is the icon that is used in the guide.

TAKE NOTE: Special attention is drawn to a point in this guide



2. Annual report

The preparation and compilation of the public entity's annual report commences from this section onwards.

2.1 Cover

The following is the maximum information that should appear on the cover page:

- Annual Report
- Financial Year which is covered by the annual report
- Full name of the public entity and logo
- Design / graphic pictures / colour theme on cover page is at discretion of the public entity
- Short Slogan (Optional)

The following is the maximum information that should appear on the cover of the spine:

- Full name of the public entity and logo
- Annual Report
- Financial Year

Back cover page – information printed thereon is at the discretion of the public entity.

2.2 Table of Contents

The table of contents will have the listing of the various headings/sections and page numbers

2.3 Part A: General Information

2.3.1. Public entity's general information

The following information must be provided in this section for the public entity in a list/ tabular form:

- Registered name of the public entity
- Registration Numbers and/or other relevant numbers (e.g.: FSP)
- Registered Office address
- Postal Address
- Contact telephone numbers
- Email address
- Website address
- External Auditors Information – External Auditor's Name and Address
- Bankers Information- Name of Bank and Address of Bank
- Company Secretary – Full name and professional /designation

2.3.2. List of Abbreviations /Acronyms (if applicable)

The list of abbreviations / acronyms is to ensure that users of the annual report understand the terms and meanings of the abbreviation / acronym utilised in the annual report.

Provide a list and description of each abbreviation / acronym. Ensure that the list contains all the abbreviation / acronym that is utilised throughout the annual report, irrespective of which section of the annual report it pertains to.

2.3.3. Foreword by the Chairperson

Guideline

The chairperson of the Board should prepare a statement covering the following:

- Introduction
- High level overview of the public entity's strategy and the performance of the public entity in its respective sector
- Strategic Relationships
- Challenges faced by Board
- Medium to long term goals of the entity
- Acknowledgements /Appreciation
- Conclusion

Chairperson's statement must be signed off by the Chairperson of the Board and photograph of the Chairperson of the Board may be included in the Statement.

If the public entity does not have a board or a chairperson, this statement will be a statement by the relevant person/body that is the accounting authority for the public entity.

Format of disclosure

This information must be disclosed in a narrative format.

2.3.4. Chief Executive Officer's Overview

Guideline

The CEO's report should focus more on the financial aspects of the public entity. The following matters should be discussed in the Report of the CEO:

- General financial review of the public entity
- Spending trends of the public entity
- Capacity constraints and challenges facing the public entity
- Discontinued activities / activities to be discontinued
- New or proposed activities
- Requests for roll over of funds
- Supply chain management
- All concluded unsolicited bid proposals for the year under review
- Whether SCM processes and systems are in place
- Challenges experienced and how they will be resolved
- Audit report matters in the previous year and how they would be addressed
- Outlook/ Plans for the future to address financial challenges
- Events after the reporting date;
- Economic Viability
- Acknowledgement/s or Appreciation
- Other (information that needs to be communicated to users of AFS)

Report must be signed off by the CEO and photograph of the CEO may be included.

If the public entity does not have a CEO, then the above report must be renamed accordingly

Format of disclosure

This information must be disclosed in a narrative format.

2.3.5. Statement of responsibility and confirmation of the accuracy of the annual report

Guideline

This is a statement signed by the accounting authority confirming the public entity's responsibility for the entire annual report and its accuracy and fair presentation. This statement will be published as part of the annual report.

The statement confirms that the annual report and financial statements conform to the respective guidelines issued by National Treasury.



Format of disclosure

Refer to annexure A for the format of the statement of responsibility and confirmation

2.3.6. Strategic Overview

Provide a synopsis of the strategic overview of the public entity which must be as per the approved strategic plan. The following information must be provided:

- Vision
- Mission
- Values

This information must be consistent with the information provided in the planning and budgeting documents of the public entity.

2.3.7. Legislative and Other Mandates

State what schedule public entity falls under in terms of the PFMA.

Set out the specific constitutional and other legislative, functional and policy mandates of the public entity, as per the relevant act(s) that govern(s) its establishment and operations. This should not be the entire list of legislation that the public entity is subject to in the course of its operations. Also include government policy frameworks that govern the public entity.

This information must be consistent with the information provided in the strategic plan and annual performance plan.

2.3.8. Organisational Structure

Guideline

Provide a high level organisational structure of the public entity starting with the executive authority to the level of the officials reporting directly to the chief executive officer and the programmes that these officials are responsible for.

Format of disclosure

Each position on the organisational structure must include the:

- The post designation
- The name of the official
- Posts that are vacant (state “post vacant”)
- Photographs of the respective individuals may be included on the organogram

2.4 Part B: Performance Information

Guideline

This section of the annual report provides key performance information that demonstrates the public entity's achievements with regard to service delivery.

Performance information is key to effective management, planning, budgeting, implementation, monitoring, and evaluation and reporting. Performance information needs to be available to managers at each stage of the planning, budgeting and reporting cycle so that they can adopt a results-based approach to managing service delivery. This approach emphasises planning and managing with a focus on desired results, and managing inputs and activities to achieve these results.

Measuring performance:

- ensures that policy, planning, budgeting and reporting are aligned in order to achieve improved service delivery.
- indicates how well an institution is meeting its aims and objectives, and which policies and processes are working. Making the best use of available data and knowledge to track and report on performance is crucial for improving the execution of government's mandate.
- facilitates effective accountability, enabling relevant legislatures, members of the public and other interested parties to track progress of government activities, identify the scope for improvement and hold government to account.

Public entities must ensure that there is alignment in terms of the strategic outcome orientated goals, strategic objectives, performance indicators and targets between the Strategic Plans, Annual Performance Plans and budget related documents.

The performance information must clearly show public entity's achievements against performance indicators and targets as identified in the Strategic Plans, Annual Performance Plans and budget documents

2.4.1 Auditor-General's Report: Predetermined Objectives

Guideline

The AGSA/auditor currently performs the necessary audit procedures on performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

For a user of the annual report, reading the findings of the work performed by the AGSA/ auditors on the performance information will be more useful and relevant if it is read with the reporting of the performance information in the annual report.

Format of disclosure



Reference must be made to the paragraph in the Auditor General's report (Reporting on other legal and Regulatory requirements) published as Part E (Annual Financial Statement's) of the public entity's annual report.

2.4.2 Situational analysis

This section must cover the performance of the public entity in its entirety for each of the headings detailed below. Information shouldn't be discussed at a programme level, as this is covered in a separate section "programme performance".

Service delivery environment

Guideline

In order to assist users of the annual report to gain an understanding of the challenges, successes and other factors that might impact on a public entity's performance, it is necessary to provide the users with an overview of the context within which the public entity operated and sought to implement its strategic plan and annual performance plan.

The public entity should seek to give a balanced overview of the environment in which it operated during the past year and not merely focus on factors that might be offered as 'mitigating circumstances' to support the public entity's delivery record.

The overview should include:

- commentary on the public entity's overall performance, outlining its key outputs, particularly relating to services rendered directly to the public.
- commentary on the problems encountered by the public entity when providing the relevant services, and what corrective steps were/are to be taken in dealing with such problems,
- a description of any significant developments, external to the public entity, that may have impacted either on the demand for the public entity's services or on the public entity's ability to deliver those services

Format of disclosure

This information must be provided in a narrative form

Organisational environment

Guideline

The annual report should provide readers with an understanding of the organisational challenges and successes experienced by the public entity in the year under review. The aim of this 'overview of the organisational environment' is to provide a description of any significant developments internal to the public entity that may have impacted on the public entity's ability to deliver on its Strategic Plan and Annual Performance Plan e.g. the resignation and/or appointment of key personnel such as the CEO or the CFO, a strike by significant portions of the personnel employed by the public entity, or restructuring efforts, significant system failures or cases of corruption.

Given that these are factors internal to the public entity and therefore ostensibly within the public entity's control, it would be expected that the public entity gives some indication of any measures that were adopted to mitigate the impact of these events on service delivery.

Format of disclosure

This information must be provided in a narrative form

Key policy developments and legislative changes

Guideline

The public entity should describe any major changes to relevant policies or legislation that may have affected its operations during the period under review or future financial periods. If there have been no changes this must be stated.

Format of disclosure

This information must be provided in a narrative form.

2.4.3 Strategic Outcome Oriented Goals

Guideline

Each public entity should state their strategic outcome oriented goals as per the Strategic Plan and the progress made towards the achievement of the goals.

Format of disclosure

This information must be provided in a narrative form

2.4.4 Performance information by programme/activity/objective

Each programme/activity/objective needs to be commented on in respect to each of the headings below. The general purpose of programme/activity/objective assessments and reviews are to evaluate each programme's/activity/objective quality and effectiveness, to support me planning and improvement, and to encourage programmes to develop directions and manage in ways that reflect the public entity's strategic goals.

Each programme/activity/objective will have a separate sub-heading

Description of each Programme/activity/objective

Guideline

- Discuss purpose of the programme/activity/objective
- List the sub-programmes /activity/objective, where applicable
- List the strategic objectives relating to each programme/activity/objective

Format of disclosure

This information must be provided in a narrative form.

Strategic objectives, performance indicators, planned targets and actual achievements

Guideline

This section must provide a narrative of the significant achievements of targets of each programme/activity/objective (where applicable) for the 20YY/20ZZ financial year. The narrative must also provide a synopsis on how the achievement of targets has contributed towards achieving the entity's strategic outcome orientated goals, which will invariably impact on the strategic priorities of government.

A table must also be provided where public entities should report on performance indicators and targets as specified in the Annual Performance Plan

Provide the following information

- List the strategic objectives with the actual achievements in the prior year, the planned targets as per the annual performance plan and the actual achievements for the financial year under review.
- List performance indicators as per the annual performance plan.
- Include the actual achievements for prior year, which must agree to the previous year's annual report.
- Include the planned targets as per the Annual Performance Plan and actual achievements for the under review.
- Calculate the variance between the planned targets and actual achievements for the year under review.
- Comment on all deviations.

Format of disclosure

The following tables must be presented with the relevant performance information. Include any narratives after the table.

Strategic objectives

Programme/activity/objective:					
Strategic objectives	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

Programme/activity/objective:					
Performance Indicator	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

Strategy to overcome areas of under performance

Public entities should provide the strategies to address under performance.

Changes to planned targets

The public entity must provide reasons per performance indicator if the indicators or targets have been changed in-year. In year changes to targets are only permitted if there has been an adjustment in the budget.

Linking performance with budgets

In assessing the achievement of the outputs in comparison to the planned targets, the public entity must consider the linkages and the relation to the resources available to the public entity, in particular the financial resources. Therefore the following financial information should be presented. The financial information must agree to the information in the annual financial statements. Include the narrative after the table discussing how expenditure contributed to the achievement of outputs during the period under review.

Programme/activity/objective	20YY/20ZZ			20XX/20YY		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

2.4.5 Revenue collection

Guideline

The public entity must describe in some detail how they have delivered on the plans for revenue collection. Where there is under collection of revenue indicate the reasons for the under collection. Indicate what measures were taken during the course of the year to keep on target. Indicate what impact the under collection of revenue has had on service delivery.

Where it exceeded its target, the public entity should provide reasons for the better than anticipated performance. The public entity can also use this section to report on new measures instituted during the course of the year to raise additional revenue or to ensure more efficient/effective collection.

Format of disclosure

The following table must be presented with the relevant financial information. Include the narratives after the table.

Sources of revenue	20YY/20ZZ			20XX/20YY		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

2.4.6 Capital investment

Capital investment, maintenance and asset management plan

Guideline

Public entities are required to develop a capital investment and asset management plan.

Provide commentary on the following:

- Progress made on implementing the capital, investment and asset management plan.
- Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances
- Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed,
- Plans to close down or down-grade any current facilities,
- Progress made on the maintenance of infrastructure
- Developments relating to the above that are expected to impact on the public entity's current expenditure.
- Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft
- Measures taken to ensure that the public entity's asset register remained up-to-date during the period under review
- The current state of the public entity's capital assets, for example what percentage is in good, fair or bad condition
- Major maintenance projects that have been undertaken during the period under review
- Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not why not, and what measures were taken to keep on track

Format of disclosure

The following table must be presented with the relevant financial information. The financial information must agree to the annual financial statements. Include the narratives after the table.

Infrastructure projects	20YY/20ZZ			20XX/20YY		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

2.5 Part C: Governance

2.5.1 Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Boards of the public entity are responsible for corporate governance.

2.5.2 Portfolio Committees

Parliament exercises its role through evaluating the performance of the public entity by interrogating their annual financial statements and other relevant documents which have to be tabled as well as any other documents tabled from time to time.

The Standing Committee on Public Accounts (SCOPA) reviews the annual financial statements and the audit reports of the external auditor.

The Portfolio Committee exercises oversight over the service delivery performance of public entity and, as such, reviews the non-financial information contained in the annual reports of public entity and is concerned with service delivery and enhancing economic growth.

Provide commentary on the number of meetings held with the portfolio committees and the key issues raised by the portfolio committees.

2.5.3 Executive Authority

Oversight by the Executive Authority rests by and large on the prescripts of the PFMA. The PFMA governs/gives authority to the Executive Authority for oversight powers.

The Executive Authority also has the power to appoint and dismiss the Board of a public entity. The Executive Authority must also ensure that the appropriate mix of executive and non-executive directors is appointed and that directors have the necessary skills to guide the public entity.

Provide commentary on the reports submitted to the Executive Authority and the dates submitted. Discuss any issues raised by the executive authority.

2.5.4 The Accounting Authority/The Board

Introduction

The Board of Directors is the accounting authority of a public entity. The Board of a public entity constitutes a fundamental base for the application of corporate governance principles in the public entity. All public entity's should be headed by and controlled by an effective and efficient Board, comprising of the appropriate mix of executive and nonexecutive directors representing the necessary skills to strategically guide the public entity. The majority of the members should be non-executive to ensure independent and objectivity in decision-making. The Board has an absolute responsibility for the performance of the public entity and is fully accountable to the public entity for such performance. The Board should also give strategic direction to the public entity.

The role of the Board is as follows:

- It holds absolute responsibility for the performance of the public entity
- It retains full and effective control over the public entity
- It has to ensure that the public entity complies with applicable laws, regulations and government policy
- It has unrestricted access to information of the public entity
- It formulates, monitors, reviews corporate strategy, major plans of action, risk policy, annual budgets and business plans
- It ensures that the shareholders' performance objectives are
- achieved
- It manages potential conflicts of interest;
- It develops a clear definition of levels of materiality
- The Board must attend annual meetings;
- It ensures financial statements are prepared;
- The Board must appraise the performance of the Chairperson;
- It must ensure effective Board induction;
- Must maintain integrity, responsibility and accountability.

In the annual report provide the roles and responsibilities of the board.

Board Charter

As recommended by the King Code, the Board has a charter setting out its responsibilities, which should be disclosed in its annual report. At a minimum, the charter should confirm:

- The board's responsibility for the adoption of strategic plans,
- Monitoring of operational performance and management,
- Determination of policy processes to ensure the integrity of the public entity risk management and internal controls,
- Communication policy, and director selection, orientation and evaluation

Provide commentary on the board's charter and comment on the progress made on complying with the charter.

Composition of the Board

Provide a brief description of:

- The number of executive and non-executive directors
- State the composition of the Board of Directors /members and state alternate members (if applicable);
- Who appointed the board members
- Attendance of the Board Meetings;
- Also state outgoing Board members and their designation;
- New appointments
- Resignations

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended

Committees

Since a Board cannot attend to all the matters effectively it is recommended that the establishment of the following committees:

- Audit Committee;
- Remuneration Committee;
- Nomination Committee; and
- Risk Management Committee

In the annual report provide the list the members for each of these committees, the roles and responsibilities of these committees, the no. of meetings held during the year.

Committee	No. of meetings held	No. of members	Name of members

Remuneration of board members

Provide the following information, in a tabular format, on the remuneration to board members:

- How remuneration of Board members is determined;
- Those members that are not remunerated;
- Other expenses e.g. Travel , reimbursed by the public entity
- State the amount of remuneration paid to each board member.

Name	Remuneration	Other allowance	Other imbursements	re-	Total

2.5.5 Risk Management

Provide a brief description of the following:

- Whether the public entity has a risk management policy and strategy.
- Whether the public entity conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks.
- Whether there is a Risk Management Committee that advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.
- Whether the Audit Committee advises the public entity on risk management and independently monitors the effectiveness of the system of risk management.
- Whether the public entity sees progress in the management of risks, whether this has transmitted into improvements in the entity's performance, and if not, what it plans on doing to address this problem.

2.5.6 Internal Control Unit

Discuss the work performed by internal control unit during the year.

2.5.7 Internal Audit and Audit Committees

Provide a brief description of the following:

- Key activities and objectives of the internal audit
- Specify summary of audit work done
- Key activities and objectives of the audit committee;
- Attendance of audit committee meetings by audit committee members (Tabular form);

The table below discloses relevant information on the audit committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended

2.5.8 Compliance with laws and regulations

State what the public entity has done in order to ensure compliance with regulations.

2.5.9 Fraud and Corruption

Provide a brief description of the following:

- Fraud Prevention Plans and the progress made in implementing the fraud prevention plan

- Mechanisms in place to report fraud and corruption and how these operate.eg: Whistle blowing - The need for officials to make confidential disclosure about suspect fraud and corruption;
- How these cases are reported and what action is taken

2.5.10 Minimising Conflict of Interest

Brief description on the processes implemented to minimise conflict of interest in supply chain management. Discuss the process followed where conflict of interest has been identified.

2.5.11 Code of Conduct

Brief description and nature of Code of conduct /ethics and the effect it has on the public entity. Discuss the process followed for the breach of code of conduct.

2.5.12 Health, Safety and Environmental Issues

Provide a brief description of the Health Safety and Environmental Issues and the effect it has on the public entity.

2.5.13 Company Secretary (if applicable)

Discuss the role and responsibilities of the company secretary and the reports and returns as required by the Companies Act are lodged and that the returns are complete and accurate.

2.5.14 Social Responsibility

Provide a summary of what the public entity has accomplished during the year in meeting its social responsibility.

2.5.15 Audit Committee Report

This report should state the following:

- Has the audit committee adopted a format terms of reference
- Has the audit committee satisfied its responsibilities
- Effectiveness of internal control systems
- The quality of the in-year management and monthly/.quarterly reports submitted in terms of legislation.
- Evaluation of annual financial statements:
 - review and discussion of the audited / unaudited annual financial statements to be included in the annual report, with the Auditor-General and the Chief Executive Officer
 - review of the Auditor-General's management report and management's response thereto
 - review of any changes in accounting policies and practices

- review of the entity's compliance with legal and regulatory provisions
- review of the information on predetermined objectives to be included in the annual report
- review of any significant adjustments resulting from the audit
- the quality and timeliness of the financial information availed to the audit committee for oversight purposes during the year such as interim financial statements.
- Summary of main activities undertaken by audit committee during the financial year under review. Achievements of internal audit plan, staffing constraints and unresolved audit findings
- Internal Audit
 - Effectiveness of internal audit function, has internal audit addressed risks
 - State any specific investigations undertaken in the entity and whether adequately resolved
- External Audit
 - state unresolved issues raised and not adequately addressed by entity
- Risk management
 - How the committee obtains assurance on the overall system of risk management
 - Effectiveness of the overall system of risk management
 - Any major incidents/losses attributable to the failure of risk management, and any major successes/gains achieved or losses/incidents avoided through applying a rigorous risk management process
- Any issues /matters that pertain specifically to the entity
- Conclusion
- Date Audit Committee recommended AFS be approved;

Refer to annexure B for the format of the Audit Committee report

2.6 Part D: Human Resource Management

2.6.1 Introduction

- Overview of HR matters at the public entity
- Set HR priorities for the year under review and the impact of these priorities
- Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce
- Employee performance management framework
- Employee wellness programmes
- Policy development
- Highlight achievements;
- Challenges faced by the public entity
- Future HR plans /goals

2.6.2 Human Resources Oversight Statistics

The public entity must provide the following key information on human resources. All the financial amounts must agree to the amounts disclosed in the annual financial statements. Where considered appropriate provide reasons for variances.

Personnel Cost by programme/activity/objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management				
Senior Management				

Professional qualified				
Skilled				
Semi-skilled				
Unskilled				
TOTAL				

Performance Rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management			
Senior Management			
Professional qualified			
Skilled			
Semi-skilled			
Unskilled			
TOTAL			

Training Costs

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee

Employment and vacancies

Programme/activity/objective	20XX/20YY No. of Employees	20YY/20ZZ Approved Posts	20YY/20ZZ No. of Employees	20YY/20ZZ Vacancies	% of vacancies

	20XX/20YY No. of Employees	20YY/20ZZ Approved Posts	20YY/20ZZ No. of Employees	20YY/20ZZ Vacancies	% of vacancies
Top Management					
Senior Management					
Professional qualified					
Skilled					
Semi-skilled					
Unskilled					
TOTAL					

Explanations: Detail the attempts made to fill the posts of senior management and highly skilled supervision and explain why there are no appropriate internal staff to fill the vacancies. Explain how long, at a minimum, vacancies have remained unfilled and the reasons for this. Explain measures taken to successfully attract and retain staff.

Employment changes

Provide information on changes in employment over the financial year. Turnover rates provide an indication of trends in employment profile of the public entity.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management				
Senior Management				
Professional qualified				
Skilled				
Semi-skilled				
Unskilled				
Total				

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death		
Resignation		
Dismissal		
Retirement		

Ill health		
Expiry of contract		
Other		
Total		

Explanations: Provide explanations for staff leaving and what attempts are made to replace these staff.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	
Written Warning	
Final Written warning	
Dismissal	

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management								
Senior Management								
Professional qualified								
Skilled								
Semi-skilled								
Unskilled								
TOTAL								

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management								
Senior Management								
Professional qualified								
Skilled								
Semi-skilled								
Unskilled								
TOTAL								

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management				
Senior Management				
Professional qualified				
Skilled				
Semi-skilled				
Unskilled				
TOTAL				

Explanations: Provide explanations for major variances between target and current and attempts made by the public entity to address the variances.

2.7 Part E: Financial Information

2.7.1 Report of the External Auditor

This is the audit report as issued by the External Auditor

2.7.2 Annual Financial Statements

As per the applicable standards of GRAP issued by the Accounting Standards Board.

3. Annexures

3.1 Annexure A: Statement of responsibility and confirmation of accuracy

Statement of responsibility and confirmation of accuracy for the annual report

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the _____ standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 20ZZ.

Yours faithfully

Chief Executive Officer

Name

Date

Chairperson of the Board

Name

Date

3.2 Annexure B: Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 20ZZ.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. 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, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

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

The following internal audit work was completed during the year under review:

- xxxxxx
- xxxxxx

The following were areas of concern:

- xxxxxx
- xxxxxx

In-Year Management and Monthly/Quarterly Report

The public entity has reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entity.

Auditor's Report

We have reviewed the entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for the following:

- xxxxxx
- xxxxxx

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

(Full Name of Chairperson)
Chairperson of the Audit Committee
(Name of public entity)
(Date)

3.3 Annexure C: Specimen of the Annual Report

Refer to the specimen copy of the annual report for public entities.

Annexure A: Statement of responsibility and confirmation of accuracy

Statement of responsibility and confirmation of accuracy for the annual report

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the _____ standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 20ZZ.

Yours faithfully

Chief Executive Officer
Name
Date

Chairperson of the Board
Name
Date

Annexure B: Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 20ZZ.

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The Effectiveness of Internal Control

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

The following internal audit work was completed during the year under review:

- xxxxxx
- xxxxxx

The following were areas of concern:

- xxxxxx
- xxxxxx

In-Year Management and Monthly/Quarterly Report

The public entity has reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entity.

Auditor's Report

We have reviewed the entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for the following:

- xxxxxx
- xxxxxx

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

(Full Name of Chairperson)
Chairperson of the Audit Committee
(Name of public entity)
(Date)

ANNEXURE C:

SPECIMEN ANNUAL REPORT FOR PUBLIC ENTITIES

NAME OF PUBLIC ENTITY
ANNUAL REPORT
20YY/20ZZ FINANCIAL YEAR

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PART A: GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	XXXX
REGISTRATION NUMBER (if applicable):	XXXX
PHYSICAL ADDRESS:	XXXX
	XXXX
	XXXX
POSTAL ADDRESS:	XXXX
	XXXX
	XXXX
TELEPHONE NUMBER/S:	027 XX XXX XXXX
FAX NUMBER:	027 XX XXX XXXX
EMAIL ADDRESS:	XXXX
WEBSITE ADDRESS:	XXXX
EXTERNAL AUDITORS:	XXX
BANKERS:	XXX
COMPANY/ BOARD SECRETARY	XXX

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management

3. FOREWORD BY THE CHAIRPERSON

<p>Photo of Chairperson of the Board</p> <p>Name:</p> <p>Title:</p>

- Introduction
- High level overview of the public entity's strategy and the performance of the public entity in its respective sector
- Strategic Relationships
- Challenges faced by Board
- The year ahead
- Acknowledgements /Appreciation
- Conclusion

Name of the Chairperson
Public Entity
(Date)

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

Photo of CEO
Name:
Title:

- General financial review of the public entity
- Spending trends of the public entity
- Capacity constraints and challenges facing the public entity
- Discontinued activities / activities to be discontinued
- New or proposed activities
- Requests for roll over of funds
- Supply chain management
- all concluded unsolicited bid proposals for the year under review
- whether SCM processes and systems in place
- challenges experienced and how resolved
- Audit report matters in the previous year and how would be addressed
- Outlook/ Plans for the future to address financial challenges
- Events after the reporting date;
- Economic Viability
- Acknowledgement/s or Appreciation
- Other (information that needs to be communicated to users of AFS)

(Name)
Chief Executive Officer
Name of public entity
Date:

5. Statement of responsibility and confirmation of accuracy for the annual report

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the _____ standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 20ZZ.

Yours faithfully

Chief Executive Officer
Name
Date

Chairperson of the Board
Name
Date

6. STRATEGIC OVERVIEW

6.1. Vision

This must be as per the public entity's strategic plan.

6.2. Mission

This must be as per the public entity's strategic plan.

6.3. Values

This must be as per the public entity's strategic plan.

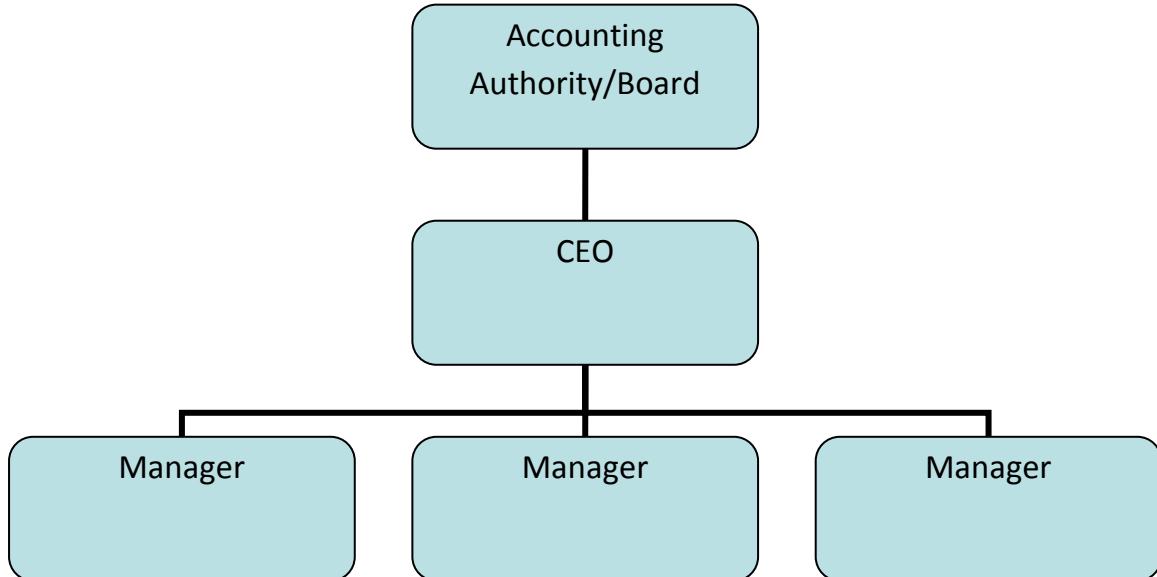
7. LEGISLATIVE AND OTHER MANDATES

State what schedule Public Entity falls under in terms of the PFMA.

Set out the specific constitutional and other legislative, functional and policy mandates of the public entity, as per the relevant act(s) that govern(s) its establishment and operations. This should not be the entire list of legislation that the public entity is subject to in the course of its operations. Also include government policy frameworks that govern the public entity.

This information must be consistent with the information provided in the strategic plan and annual performance plan.

8. ORGANISATIONAL STRUCTURE



PART B: PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page XXXX of the Report of the Auditors Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

In order to assist users of the annual report to gain an understanding of the challenges, successes and other factors that might impact on a public entity's performance, it is necessary to provide the users with an overview of the context within which the public entity operated and sought to implement its strategic plan and annual performance plan.

The public entity should seek to give a balanced overview of the environment in which it operated during the past year and not merely focus on factors that might be offered as 'mitigating circumstances' to support the public entity's delivery record.

The overview should include:

- commentary on the public entity's overall performance, outlining its key outputs, particularly relating to services rendered directly to the public.
- commentary on the problems encountered by the public entity when providing the relevant services, and what corrective steps were/are to be taken in dealing with such problems,
- a description of any significant developments, external to the public entity, that may have impacted either on the demand for the public entity's services or on the public entity's ability to deliver those services

2.2. Organisational environment

The annual report should provide readers with an understanding of the organisational challenges and successes experienced by the public entity in the year under review. The aim of this 'overview of the organisational environment' is to provide a description of any significant developments internal to the public entity that may have impacted on the public entity's ability to deliver on its Strategic Plan and Annual Performance Plan e.g. the resignation and/or appointment of key personnel such as the CEO or the CFO, a strike by significant portions of the personnel employed by the public entity, or restructuring efforts, significant system failures or cases of corruption.

Given that these are factors internal to the public entity and therefore ostensibly within the public entity's control, it would be expected that the public entity gives some indication of any measures that were adopted to mitigate the impact of these events on service delivery.

2.3. Key policy developments and legislative changes

The public entity should describe any major changes to relevant policies or legislation that may have affected its operations during the period under review or future financial periods. . If there have been no changes this should be stated.

2.4. Strategic Outcome Oriented Goals

Each public entity should reflect their strategic outcome oriented goals as reflected in the Strategic Plan and the progress made towards the achievement of the goals.

3. PERFORMANCE INFORMATION BY PROGRAMME/ ACTIVITY/ OBJECTIVE

3.1. Programme/activity/objective 1: XXXX

Description of each programme/activity/objective

- Discuss purpose of the programme/activity/objective
- List the sub-programmes /activity/objective, where applicable
- List the strategic objectives relating to each programme/activity/objective

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

List the programme's strategic objectives with the actual outputs achieved in the prior year, the planned targets as per the Annual Performance Plan and the actual outputs for the financial year under review.

Programme/activity/objective:					
Strategic objectives	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

Key performance indicators, planned targets and actual achievements

Programme/activity/objective:					
Performance Indicator	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

- List performance indicators as per the annual performance plan.
- Include the actual outputs achieved in the prior year, which must agree to the previous year's annual report.
- Include the planned targets as per the Annual Performance Plan.
- Calculate the variance between the planned targets and actual achievements for the current year.

Provide commentary on the following

- How the performance for programmes/activities/objectives has contributed to the achievement of the public entity's strategic outcomes orientated goals.
- Comment on all deviations.

Strategy to overcome areas of under performance

Public entity must provide the strategies on how they plan to address under performance.

Changes to planned targets

The public entity must provide reasons per performance indicator if the indicators or targets have been changed in-year. In year changes to targets are only permitted if there has been an adjustment in the budget.

Linking performance with budgets

In assessing the achievement of the outputs in comparison to the planned targets, the public entity must consider the linkages and the relation to the resources available to the public entity, in particular the financial resources. Therefore the following financial information should be presented. The financial information must agree to the information in the annual financial statements.

Programme/ activity/objective	20YY/20ZZ			20XX/20YY		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

3.2. Programme/activity/objective 1: XXXX

Description of each programme/activity/objective

- Discuss purpose of the programme/activity/objective
- List the sub-programmes /activity/objective, where applicable
- List the strategic objectives relating to each programme/activity/objective

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

List the programme's strategic objectives with the actual outputs achieved in the prior year, the planned targets as per the Annual Performance Plan and the actual outputs for the financial year under review.

Programme/activity/objective:					
Strategic objectives	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

Key performance indicators, planned targets and actual achievements

Programme/activity/objective:					
Performance Indicator	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

- List performance indicators as per the annual performance plan.
- Include the actual outputs achieved in the prior year, which must agree to the previous year's annual report.
- Include the planned targets as per the Annual Performance Plan.
- Calculate the variance between the planned targets and actual achievements for the current year.

Provide commentary on the following

- How the performance for programmes/activities/objectives has contributed to the achievement of the public entity's strategic outcomes orientated goals.
- Comment on all deviations.

Strategy to overcome areas of under performance

Public entity must provide the strategies on how they plan to address under performance.

Changes to planned targets

The public entity must provide reasons per performance indicator if the indicators or targets have been changed in-year. In year changes to targets are only permitted if there has been an adjustment in the budget.

Linking performance with budgets

In assessing the achievement of the outputs in comparison to the planned targets, the public entity must consider the linkages and the relation to the resources available to the public entity, in particular the financial resources. Therefore the following financial information should be presented. The financial information must agree to the information in the annual financial statements.

Programme/activity/objective	20YY/20ZZ			20XX/20YY		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

4. Revenue collection

Sources of revenue	20YY/20ZZ			20XX/20YY		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

The public entity should describe in detail how they have delivered on the plans for revenue collection. Where there is under collection of revenue indicate the reasons for the under collection. Indicate what measures were taken during the course of the year to keep on target. Indicate the impact the under collection of revenue has had on service delivery. Where the target for revenue collection has been exceeded, the public entity should provide reasons for the better than anticipated performance. The public entity can also use this section to report on new measures instituted during the course of the year to raise additional revenue or to ensure more efficient/effective collection.

4.1. Capital investment

Provide commentary on the following:

- Progress made on implementing the capital, investment and asset management plan.
- Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances
- Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed,
- Plans to close down or down-grade any current facilities,
- Progress made on the maintenance of infrastructure
- Developments relating to the above that are expected to impact on the public entity's current expenditure.
- Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft
- Measures taken to ensure that the public entity's asset register remained up-to-date during the period under review
- The current state of the public entity's capital assets , for example what percentage is in good, fair or bad condition
- Major maintenance projects that have been undertaken during the period under review
- Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog increased or become smaller? Is the rate of progress according to plan? If not why not, and what measures were taken to keep on track

	20YY/20ZZ	20XX/20YY
--	-----------	-----------

Infrastructure projects	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total						

PART C: GOVERNANCE

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

2. PORTFOLIO COMMITTEES (if applicable)

Provide commentary on the following:

- The dates of the meeting
- Areas of risk and what implementation plans / actions did the public entity undertake

3. EXECUTIVE AUTHORITY

Provide commentary on the reports submitted to the Executive Authority and the dates submitted. Discuss any issues raised by the executive authority.

4. THE ACCOUNTING AUTHORITY / BOARD

Introduction

- The importance and purpose of the Board;
- Board's responsibilities and accountable for the public entity's performance and strategic direction.

The role of the Board is as follows:

Provide the roles and responsibilities of the board.

Board Charter

Provide commentary on the board's charter and comment on the progress made on complying with the charter.

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended

- State alternate members (if applicable);
- Also state outgoing Board members and their designation;

Committees

Committee	No. of meetings held	No. of members	Name of members

Remuneration of board members

- How remuneration of Board members is determined;
- Those members that are not remunerated;
- Other expenses e.g. Travel , reimbursed by the public entity
- State the amount of remuneration paid to each board member.

Name	Remuneration	Other allowance	Other imbursements re-	Total

5. RISK MANAGEMENT

Provide a brief description of the following:

- Whether the public entity has a risk management policy and strategy.
- Whether the public entity conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks.
- Whether there is a Risk Management Committee that advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.
- Whether the Audit Committee advises the public entity on risk management and independently monitors the effectiveness of the system of risk management.
- Whether the public entity sees progress in the management of risks, whether this has transmitted into improvements in the entity's performance, and if not, what it plans on doing to address this problem.

6. INTERNAL CONTROL UNIT

Discuss the work performed by internal control unit during the year.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

Provide a brief description of the following:

- Key activities and objectives of the internal audit
- Specify summary of audit work done
- Key activities and objectives of the audit committee;
- Attendance of audit committee meetings by audit committee members (Tabular form);

The table below discloses relevant information on the audit committee members

Name	Qualifications	Internal external	or	If internal, position in the public entity	Date appointed	Date Resigned	No. Meetings attended	of

8. COMPLIANCE WITH LAWS AND REGULATIONS

State what the public entity has done in order to ensure compliance with regulations.

9. FRAUD AND CORRUPTION

Provide a brief description of the following:

- The public entity’s fraud prevention plan and the progress made in implementing the fraud prevention plan
- Mechanisms in place to report fraud and corruption and how these operate.eg: Whistle blowing - The need for officials to make confidential disclosure about suspect fraud and corruption
- How these cases are reported and what action is taken

10. MINIMISING CONFLICT OF INTEREST

Brief description on the processes implemented to minimise conflict of interest in supply chain management. Discuss the process followed where conflict of interest has been identified.

11. CODE OF CONDUCT

Brief description and nature of Code of conduct /ethics and the effect it has on the public entity. Discuss the process followed for the breach of code of conduct.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Provide a brief description and nature of Health Safety and Environmental issues and the effect it has on the public entity.

13. COMPANY /BOARD SECRETARY (IF APPLICABLE)

Discuss the role and responsibilities of the company secretary and the reports and returns as required by the Companies Act are lodged and that the returns are complete and accurate.

14. SOCIAL RESPONSIBILITY

Provide a summary of what the public entity has accomplished during the year in meeting its social responsibility.

15. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 20ZZ.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

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

The following internal audit work was completed during the year under review:

- xxxxxx
- xxxxxxxxx

The following were areas of concern:

- xxxxxx
- xxxxxx

In-Year Management and Monthly/Quarterly Report

The public entity has submitted monthly and quarterly reports to the Executive Authority.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entity.

Auditor's Report

We have reviewed the public entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for the following:

- xxxxxx
- xxxxxx

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

(Full Name of Chairperson)
Chairperson of the Audit Committee
(Name of public entity)
(Date)

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

- Overview of HR matters at the public entity
- Set HR priorities for the year under review and the impact of these priorities
- Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce
- Employee performance management framework
- Employee wellness programmes
- Policy development
- Highlight achievements
- Challenges faced by the public entity
- Future HR plans /goals

2. HUMAN RESOURCE OVERSIGHT STATISTICS

The public entity must provide the following key information on human resources. All the financial amounts must agree to the amounts disclosed in the annual financial statements. Where considered appropriate provide reasons for variances.

Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management				
Senior Management				
Professional qualified				
Skilled				
Semi-skilled				
Unskilled				
TOTAL				

Performance Rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management			
Senior Management			
Professional qualified			
Skilled			
Semi-skilled			
Unskilled			
TOTAL			

Training Costs

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee

Employment and vacancies

Programme/activity/objective	20XX/20YY No. of Employees	20YY/20ZZ Approved Posts	20YY/20ZZ No. of Employees	20YY/20ZZ Vacancies	% of vacancies

Programme/activity/objective	20XX/20YY No. of Employees	20YY/20ZZ Approved Posts	20YY/20ZZ No. of Employees	20YY/20ZZ Vacancies	% of vacancies
Top Management					
Senior Management					
Professional qualified					
Skilled					
Semi-skilled					
Unskilled					
TOTAL					

Explanations: Detail the attempts made to fill the posts of senior management and highly skilled supervision and explain why there are no appropriate internal staff to fill the vacancies. Explain how long, at a minimum, vacancies have remained unfilled and the reasons for this. Explain measures taken to successfully attract and retain staff.

Employment changes

Provide information on changes in employment over the financial year. Turnover rates provide an indication of trends in employment profile of the public entity.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management				
Senior Management				
Professional qualified				
Skilled				
Semi-skilled				
Unskilled				
Total				

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death		
Resignation		
Dismissal		
Retirement		
Ill health		
Expiry of contract		
Other		
Total		

Explanations: Provide explanations for staff leaving and what attempts are made to replace these staff.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	
Written Warning	
Final Written warning	
Dismissal	

Equity Target and Employment Equity Status

Explanations: Provide explanations for major variances between target and current and attempts made by the public entity to address the variances.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management								
Senior Management								
Professional qualified								
Skilled								
Semi-skilled								
Unskilled								
TOTAL								

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management								
Senior Management								
Professional qualified								
Skilled								
Semi-skilled								
Unskilled								
TOTAL								

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management				
Senior Management				
Professional qualified				
Skilled				
Semi-skilled				
Unskilled				
TOTAL				

PART E: FINANCIAL INFORMATION

1. REPORT OF THE EXTERNAL AUDITOR

This is the audit report as issued by the external auditor.

2. ANNUAL FINANCIAL STATEMENTS

Insert the public entities audited annual financial statements



Reference: 3/3/1/3/2 2014/15

Enquiries: Louise Esterhusye

CORPORATE SERVICES CENTRE CIRCULAR NO.44 OF 2014/15

HEAD OF DEPARTMENT: AGRICULTURE (MS JS ISAACS)
HEAD OF DEPARTMENT: COMMUNITY SAFETY (DR GA LAWRENCE)
HEAD OF DEPARTMENT: CULTURAL AFFAIRS AND SPORT (MR BC WALTERS)
HEAD OF DEPARTMENT: ECONOMIC DEVELOPMENT AND TOURISM (MR SW FOURIE)
HEAD OF DEPARTMENT: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR PS VAN ZYL)
HEAD OF DEPARTMENT: HUMAN SETTLEMENTS (MR T MGULI)
HEAD OF DEPARTMENT: LOCAL GOVERNMENT (DR HH FAST)
HEAD OF DEPARTMENT: SOCIAL DEVELOPMENT (DR R MACDONALD)
HEAD OF DEPARTMENT: TRANSPORT AND PUBLIC WORKS (MS JF GOOCH)
HEAD OF DEPARTMENT: PROVINCIAL TREASURY (MR Z HOOSAIN)
HEAD OF DEPARTMENT: PREMIER (ADV B GERBER)

HEADS OF BRANCHES: DEPARTMENT OF THE PREMIER

COMPILATION OF HR OVERSIGHT REPORTS: PART D OF ANNUAL REPORT 2014/15

Annual reports are an integral part of national and provincial departments' reporting. The publication of financial and non-financial information of departments promotes accountability and transparency.

As agreed in our Service Level Agreement the Corporate Services Centre (CSC) will take responsibility for the compilation of Part D (HR Oversight Report) of your Department's Annual Report.

As illustrated in the attached process map (Annexure A) and project plan (Annexure B), various role players within the CSC will provide input, while the Directorate Policy and Planning will take overall responsibility for the collation of data and completion of the Report. The Provincial Treasury will assist with the extraction of data from Persal.

The due date for submission of draft Annual Reports, as contained in Chapter 1 of the National Treasury's Departmental Reporting Framework Guide, is 31 May 2015. The first draft of Part D will therefore be submitted to your Department by no later than 15 May 2015. Consequently the time available for the completion of the draft Report is very restricted. Although the CSC takes responsibility for Part D, it cannot be completed by the CSC in isolation, particularly where tables require additional management information. It will therefore be appreciated if you could assign a

person/s in your Department to assist with the verification of tables, especially where information cannot be extracted from Persal.

Kindly forward contact details of such designated person/s as soon as possible to:

Mr Jannie Morkel, Tel (021) 483-3081 or e-mail Jannie.Morkel@westerncape.gov.za or
Mr Vernon Robert Titus, Tel (021) 483-6682 or e-mail VernonRobert.Titus@westerncape.gov.za or
Mr Warren Wilson, Tel (021) 483-9467 or e-mail Warren.Wilson@westerncape.gov.za

Please be reminded that the CSC is not in a position to complete the table on the utilisation of consultants (last table in Part D), as these services are usually obtained through procurement processes. This table will therefore be excluded from the final draft to be provided to you for consideration and must be completed by your Supply Chain Manager before the complete Annual Report is printed.

The approved establishment as captured on Persal at 23 March 2015 will be directed to the CFO in order for him/her to ratify it against the funded establishment. This verification must be done prior to the compilation process of Part D commencing on 1 April 2015.

Furthermore, as indicated during the previous reporting cycle, the section related to Service Delivery Improvement has moved to Part B and should to be completed by the Department. For further enquiries and support regarding this matter, kindly contact:

Mr Jacob Boonzaaier, Tel (021)466 9500 or email Jacob.Boonzaaier@westerncape.gov.za

Kind regards



Mr André Joemat
Head: Corporate Services Centre
Date: 17/02/2015

Annexure A

Part D: HR Oversight Report High Level Project Flow Chart 2014/15

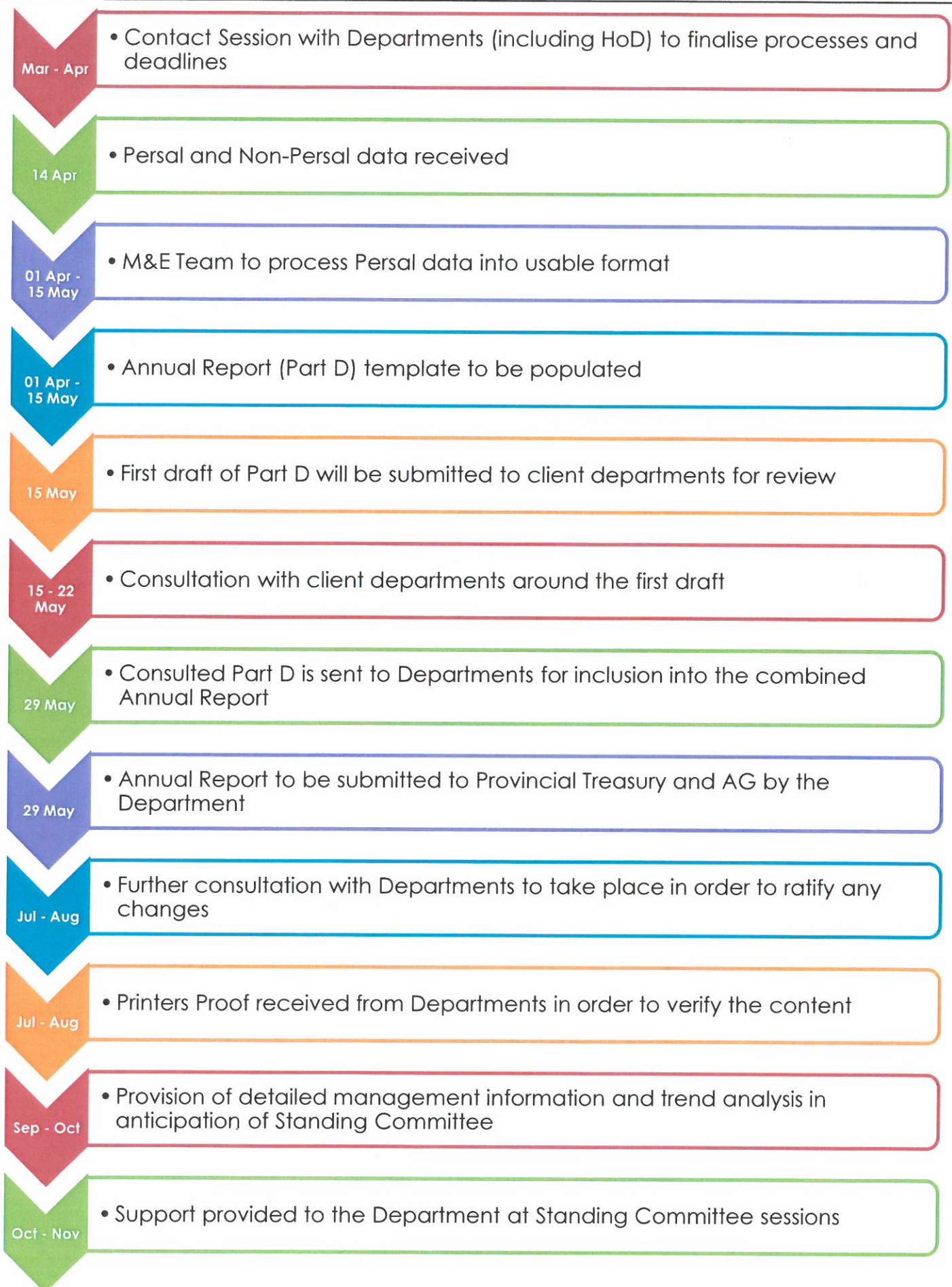


TABLE NO.	ITEM	RESOURCES	TARGET DATE
3.1	EXPENDITURE		
3.1.1	Personnel expenditure by programme	• Dept (CFO) (final AFS information)	11 May 2015
		• Policy and Planning (M&E)	13 May 2015
3.1.2	Personnel costs by salary bands	• Policy and Planning (M&E)	13 May-2015
3.1.3	Salaries, Overtime, Home Owners Allowance and Medical Aid by programme		
3.1.4	Salaries, Overtime, Home Owners Allowance and Medical Aid by salary bands		
3.2	EMPLOYMENT AND VACANCIES		
3.2.1	Employment and vacancies by programme	• Recruitment & Selection (Persal Controllers) • Organisational Development • Policy and Planning (M&E)	13 May-2015
3.2.2	Employment and vacancies by salary bands	• Recruitment & Selection (Persal Controllers) • Organisational Development • Policy and Planning (M&E)	13 May-2015
3.2.3	Employment and vacancies by critical occupation	• Recruitment & Selection (Persal Controllers) • Organisational Development • Policy and Planning (M&E)	13 May-2015
3.3	FILLING OF SMS POSTS		
3.3.1	SMS posts information as at 31 Mar 2015	• Policy and Planning (M&E)	13 May-2015
3.3.2	SMS posts information as at 30 Sep 2014		
3.3.3	Advertising and Filling of SMS posts	• Priority Unit	4 May-2015
3.3.4	Reasons for vacancies not advertised within six months	• Priority Unit • Policy and Planning (M&E)	17 Apr-2015
	Reasons for vacancies not filled within 12 months		4 May-2015
3.3.5	Disciplinary steps taken for not complying with the prescribed timeframes for advertising SMS posts within 6 months	• Priority Unit	17 Apr-2015
	Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months	• Priority Unit	17 Apr-2015

3.4	JOB EVALUATION		
3.4.1	Job Evaluation by Salary Band	<ul style="list-style-type: none"> Organisational Development Policy and Planning (M&E) 	24 Apr-2015 13 May-2015
3.4.2	Profile of employees whose salary positions were upgraded due to their posts being upgraded	<ul style="list-style-type: none"> Policy and Planning (M&E) 	13 May-2015
3.4.3	Employees whose salary level exceed the grade determined by job evaluation		
3.4.4	Profile of employees who have salary levels exceed the grade determined by job evaluation.		
3.5	EMPLOYMENT CHANGES		
3.5.1	Annual turnover rates by salary band	<ul style="list-style-type: none"> Policy and Planning (M&E) 	13 May-2015
3.5.2	Annual turnover rates by critical occupation		
3.5.3	Reasons why staff is leaving the employ of the department		
3.5.4	Promotions by critical occupation		
3.5.5	Promotions by salary band		
3.5.6	Different age groups of staff who retired from the Public Service / terminated		
3.5.7	Reasons why staff resign from the Public Service		
3.6	EMPLOYMENT EQUITY		
3.6.1	Total number of employees (including employees with disabilities) in each of the following occupational bands	<ul style="list-style-type: none"> Policy and Planning (M&E) 	13 May-2015
3.6.2	Total number of employees (with disabilities only) in each of the following occupational bands		
3.6.3	Recruitment for the period		
3.6.4	Promotions		
3.6.5	Terminations		
3.6.6	Disciplinary actions	<ul style="list-style-type: none"> Labour Relations 	17 Apr-2015
3.6.7	Skills development	<ul style="list-style-type: none"> People Empowerment 	17 Apr-2015
3.7	SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS		
3.7.1	Signing of Performance Agreements by SMS Members as at 31 May 2011	<ul style="list-style-type: none"> Performance Management/ Priority Unit Policy and Planning (M&E) 	17 Apr-2015 13 May-2015
3.7.2	Reasons for not having concluded Performance Agreements with all SMS as at 31 May 2011		
3.7.3	Reasons for not having concluded Performance Agreements with all SMS as at 31 May 2011		

3.8	PERFORMANCE REWARDS		
3.8.1	Performance Rewards by race, gender, and disability	<ul style="list-style-type: none"> • Policy and Planning (M&E) 	13 May-2015
3.8.2	Performance Rewards by salary bands for personnel below Senior Management Service		
3.8.3	Performance Rewards by critical occupations		
3.8.4	Performance related rewards (cash bonus), by salary band, for Senior Management Service		
3.8.5	Notch progression by salary band		
3.8.6	Notch progression by critical occupation		
3.9	FOREIGN WORKERS		
3.9.1	Foreign Workers by salary band	<ul style="list-style-type: none"> • Policy and Planning (M&E) 	13 May-2015
3.9.2	Foreign Worker by occupation		
3.10	LEAVE UTILISATION		
3.10.1	Sick leave	<ul style="list-style-type: none"> • Policy and Planning (M&E) 	13 May-2015
3.10.2	Incapacity leave (temporary and permanent)		
3.10.3	Annual Leave		
3.10.4	Capped leave		
3.10.5	Leave pay-outs		
3.11	HIV AND AIDS & HEALTH PROMOTION PROGRAMMES		
3.11.1	Steps taken to reduce the risk of occupational exposure	<ul style="list-style-type: none"> • Organisational Development 	24 Apr -2015
3.11.2	Details of Health Promotion and HIV and AIDS Programmes		
3.12	LABOUR RELATIONS		
3.12.1	Collective agreements	<ul style="list-style-type: none"> • Labour Relations • Policy and Planning (M&E) 	17 Apr-2015 13 May-2015
3.12.2	Misconduct and disciplinary hearings finalised		
3.12.3	Types of misconduct addressed at disciplinary hearings		
3.12.4	Grievances lodged		
3.12.5	Disputes lodged with Councils		
3.12.6	Strike actions		
3.12.7	Precautionary suspensions		

3.13	SKILLS DEVELOPMENT		
3.13.1	Training needs identified	<ul style="list-style-type: none"> • Performance Management • Policy and Planning (M&E) 	17 Apr-2015
3.13.2	Training provided		13 May-2015
3.14	INJURY ON DUTY		
3.14.1	Injury on duty	<ul style="list-style-type: none"> • Employee Benefits • Policy and Planning (M&E) 	17 Apr-2015
			13 May-2015
3.15	UTILISATION OF CONSULTANTS		
3.15.1	Report on consultant appointments using appropriated funds	<p>Information on this table is the responsibility of each department (final AFS information)</p> <p>11 May 2015</p>	
3.15.2	Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)		
3.15.3	Report on consultant appointments using Donor funds		
3.15.4	Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)		



Reference: T 7/2/1

TREASURY CIRCULAR NO. 10/2015

THE PREMIER

THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT

THE MINISTER OF COMMUNITY SAFETY

THE MINISTER OF CULTURAL AFFAIRS AND SPORT

THE MINISTER OF EDUCATION

THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM

THE MINISTER OF HEALTH

THE MINISTER OF HUMAN SETTLEMENTS

THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

THE MINISTER OF SOCIAL DEVELOPMENT

THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)

THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS BH FAKIRA)

THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR Z HOOSAIN)

THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (DR GA LAWRENCE)

THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MS P VINJEVOLD)

THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KC HOUSEHAM)

THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)

THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR T MGULI)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)

THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)

THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)

THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)

THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)

THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (DR H FAST)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)

THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)

THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)

THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)

THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)

THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)

THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)

THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)

THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)

THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)

THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)

THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAM)

THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)

THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)

THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)

THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN) (ACTING)

THE HEAD: PUBLIC POLICY SERVICES (MS M KORSTEN)

THE HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)

THE HEAD: LOCAL GOVERNMENT PUBLIC FINANCE (MR H MALILA) (PRO TEM)

THE HEAD: ASSET MANAGEMENT (MR IG SMITH)

THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)

THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)

THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)

} For information

THE SENIOR MANAGER: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
THE SENIOR MANAGER: FINANCIAL GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: FISCAL POLICY (MS S DAVIDS) (ACTING)
THE SENIOR MANAGER: INFRASTRUCTURE (MR P CHANDAKA)
THE SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING (MR Z HENDRICKS) (ACTING)
THE SENIOR MANAGER: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR H MALILA) (PRO TEM)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
THE SENIOR MANAGER: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR S MAYEKISO) (ACTING)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS M KORSTEN) (PRO TEM)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
THE PROVINCIAL AUDITOR
MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

MONTH-END CLOSURE PROCEDURES FOR 2015/16, TO MEET THE REPORTING REQUIREMENTS IN TERMS OF SECTION 32 READ WITH SECTION 40(4)(C) OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999

Purpose

1. The purpose of this circular is to retract and replace Treasury Circular 19 of 2014 in its entirety and to inform Accounting Officers (AOs) and Chief Financial Officers (CFOs) of departments of their revised month end closure procedures to meet the reporting requirements in terms of Sections 40 and 41 of the Public Finance Management Act (Act 1 of 1999) as prescribed in National Treasury Instruction no. 05 of 2014/15.

Legislative Background

2. Chapter 5 of the Public Finance Management Act (Act 1 of 1999) prescribes the responsibilities of AOs in respect of financial reporting. In terms of section 41 an AO must submit to the Provincial Treasury such information, returns, documents, explanations and motivations as may be prescribed.
 - 2.1 To ensure the completeness and accuracy of the information supplied to the Provincial Treasury in terms of section 40(4)(b) and (c), all AOs must certify on a monthly basis that they have complied with the financial performance indicators below, and submit it to the Provincial Treasury within **15 days** of each month following on the reporting month.

Monthly Reporting Requirements

3. Compliance Certification
 - 3.1 Section 40(1)(a) requires AOs to keep full and proper records of the financial affairs of the department in accordance with any prescribed norms and standards. To ensure the completeness and accuracy of the information supplied in terms of section 40(4)(c), AOs must certify on a monthly basis, compliance to the minimum financial performance indicators (**see Annexure B**).

- 3.1.1 To ensure uniformity in respect of such certification, a pro forma covering letter has been included for use by all departments. The covering letter must be completed and signed by both the CFO the AO and submitted monthly to the Provincial Treasury (**see Annexure A**).
- 3.2 Performance indicators
- 3.2.1 **Annexure B** contains the minimum financial management performance indicators to be complied with that would assist in the completion of **Annexure A**.
- 3.2.2 If a department is unable to comply with any of the minimum prescribed performance indicators of **Annexure B**; the AO must provide reasons as well as remedial steps. Action plans with timeframes to address the non-compliance, validated by the CFO, should be attached.
- 3.2.3 **Annexure B** Performance Indicators 5.6 has been added as follows:
- "All supporting documentation are readily available."
- 3.2.4 Failure to comply with this Circular could be construed as financial misconduct in terms of Treasury Regulations 4.
- 3.3 Monthly Book closure

ACCOUNTING MONTH	CLOSURE DATES
MARCH 2015 – reporting to Vulindlela	2015/04/06(no month/year close transaction)
MARCH 2015 – PRELIMINARY	2015/04/30
APRIL 2015	2015/05/07
MAY 2015	2015/06/08
JUNE 2015	2015/07/07
JULY 2015	2015/08/06
AUGUST 2015	2015/09/07
SEPTEMBER 2015	2015/10/06
OCTOBER 2015	2015/11/06
NOVEMBER 2015	2015/12/07
DECEMBER 2015	2016/01/07
JANUARY 2016	2016/02/08
FEBRUARY 2016	2016/03/08
MARCH 2016- Reporting to Vulindlela	2016/04/06 (no month/year close transaction)
MARCH 2016 – PRELIMINARY	2016/05/02

- 3.3.1 Departments are to align their departmental processes to ensure that month-end closure can occur timeously on or before these dates. National Treasury will force-close any general ledgers that are still open by the closing dates.
- 3.3.2 Departments should reflect the actual date of month-end closure in the above table and if forced-close, to please indicate the reasons for such forced-closure.
- 3.3.3 CFOs or delegated officials are to ensure that the above due dates are complied with.
- 3.3.4 The above actions (3.3.1-3.3.3) are to be certified per **Annexure B (performance indicator: 2.1)**.
- 3.4 Monthly exceptions/adjustments/interfaces/reconciliations
- 3.4.1 CFOs or delegated officials must ensure that bank reconciliations are performed on a daily basis to detect unauthorised entries [TR 15.10.1.2 (j)].
- 3.4.2 Departments must immediately report all unknown or erroneous items arising from banking interfaces to Provincial Treasury.
- 3.4.3 The CFO or a delegated official must review and sign all reconciliations for the reporting month to ensure that unauthorized transactions are detected and long outstanding amounts are followed up and cleared. By signing reconciliations the CFO or the delegated official confirms concurrence and approval thereof.
- 3.4.4 It is a requirement that the CFO or the delegated official should indicate that all interfaces with BAS have taken place and are reconciled. To this end **Annexure D** must be completed and submitted with your monthly IYM input.
- 3.4.5 Monthly reconciliation must be submitted in terms of the following Treasury Circulars:
- BAS/LOGIS Reconciliation ito Treasury Circular 39/2007
 - BAS/LOGIS Reconciliation on Major Assets ito Treasury Circular 39/2007 (Supplementary 1 of 2008)
 - BAS/PERSAL Reconciliation ito Treasury Circular 23/2008
 - BAS/LOGIS Reconciliation on Minor Assets ito Treasury Circular 36/2008
 - BAS/PMG Reconciliation
- 3.4.6 The above actions (3.4.1-3.4.5) are to be certified per **Annexure B (performance indicators: 3.1 - 3.5)**.
- 3.5 Managing of Payables and Receivables
- 3.5.1 Performance indicator number 4.1-4.4 (**Annexure B**) requires that the CFO or the delegated official should indicate that inter-departmental balances and debts have been recorded, reconciled and paid within a prescribed or agreed time/period.

3.5.2 To enhance reporting and to avoid year-end disputes between Western Cape provincial departments, as well as to facilitate the consolidation of annual financial statements at provincial level on inter-departmental claims, **Annexure E** (inter-departmental receivables) and **Annexure F** (inter-departmental payables) should be completed and submitted with your monthly IYM. The final report for March is compulsory (refer to Provincial Treasury Circular 42 of 2013).

3.6 Amounts in disallowance/control and suspense accounts:

3.6.1 Compliance with Paragraph 17.1 of Chapter 17 of the National Treasury Regulations must also be certified in terms of the following:

3.6.1.1 That all the transactions of an institution are supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation.

3.6.1.2 That in all exceptional cases, where it is necessary to account for revenue and expenditure transactions in a disallowance/control/suspense accounts because the classification has not been resolved, that the CFO has ensured that the requirements of **Annexure B** (see paragraph 3.6.1.5 below) regarding items in control/disallowance/suspense accounts have been complied with.

3.6.1.3 Submit, on a monthly basis, an analysis of balances in disallowance/control and suspense accounts older than 90 days in the template provided in **Annexure G**. It is recommended that steps taken to clear amounts older than 90 days, be indicated in an attached report.

3.6.1.4 AOs, as part of their monthly IYM reporting, certify that the forecast/projections for the remainder of the year adequately makes provision for all amounts not yet cleared from disallowance/control/ suspense accounts that may form a possible charge against the Vote.

3.6.1.5 The above actions (3.6.1.1-3.6.1.3) are to be certified per **Annexure B (performance indicators: 5.1 - 5.6)**

3.7 Reporting on Irregular, Fruitless and Wasteful and Unauthorised Expenditure

3.7.1 The Loss Control System has been upgraded to facilitate the recording of Irregular, Fruitless and Wasteful and Unauthorised expenditure.

3.7.2 All cases of irregular, fruitless and wasteful and unauthorised expenditure must be timeously recorded on the Loss Control System and reported monthly to Provincial Treasury in terms of 38(1)(g) and (h) of the PFMA.

3.7.3 **Annexure H, I and J** have been revised to include full reporting of Irregular and Fruitless and Wasteful expenditure in terms of opening balances, new cases, condoned expenditure and expenditure transferred to receivables for recovery, as well as the closing balance.

3.7.4 Monthly reporting in terms of 38(1)(g) and (h) of the PFMA, on Irregular, Fruitless and Wasteful and Unauthorised Expenditure as provided in **Annexure H, H1 and H2, I, I1, I2 and J** must be signed by the CFO or delegated official .

3.8 Expenditure management

3.8.1 Finance lease expenditure has been classified and split as required by **performance indicators: 6.3.1 – 6.3.3 of Annexure B.**

Required

4. AOs and CFOs to take cognisance of the following:

4.1 That, the content of this Circular is effective from **1 April 2015.**

4.2 That monthly IYM reporting signed by the AO/CFO must be submitted to the Provincial Treasury: Accounting Services in a PDF (scanned) format by no later than the **21st of each month** following on the reporting month.

4.3 CFOs are to utilize the electronic version of the amended IYM certificates, which will be advanced to them via e-mail.

4.4 A list of key dates for the 2015/16 financial year relating to monthly and annual reporting is included as per **Annexure K.**

4.5 Departments may use the option of submitting the signed IYM report in PDF format electronically via email. A hard copy must be kept on file for audit and enquiry purposes.

5. Any further enquiries in this regard may be directed to:

5.1 Nic van Niekerk (021) 483 4252 Nicolas.VanNiekerk@pgwc.gov.za

5.2 Henri du Toit (021) 483 3023 Henri.DuToit@pgwc.gov.za



PROVINCIAL ACCOUNTANT -GENERAL

DATE: 27. 03. 2015

ANNEXURE A

From:

Enquiries:

Telephone:

To: The Provincial Accountant-General

Directorate: Provincial Governance: Accounting and Compliance

For Attention:

MONTH-END CLOSURE PROCEDURE FOR 2015/16, TO MEET THE REPORTING REQUIREMENTS IN TERMS OF SECTION 32 OF THE PUBLIC FINANCE MANAGEMENT ACT

1. Treasury Circular /2015.
2. Attached herewith please find the certificates of compliance (Annexure B-J) to the Financial Management Performance Indicators for the month and the following reconciliation certificates:
 - 2.1 BAS/LOGIS Reconciliation on Major Assets ito Treasury Circular 39/2007
 - 2.2 BAS/PERSAL Reconciliation ito Treasury Circular 23/2008
 - 2.3 BAS/LOGIS Reconciliation on Minor Assets ito Treasury Circular 36/2008
 - 2.4 BAS/PMG Reconciliation

ACCOUNTING OFFICER

Initials and Surname

Date:

ANNEXURE B

MINIMUM FINANCIAL MANAGEMENT PERFORMANCE INDICATORS TO BE COMPLIED WITH

NO.	PERFORMANCE INDICATOR	YES	NO	REASON/COMMENT, ACTION PLAN AND TIME FRAMES
1.	Financial transactions			
1.1	All transactions are supported by authentic and verifiable source documents.			
1.2	All deposits and receipts have been recorded in the General Ledger of the department and reconciled.			
1.3	All departmental revenue has been paid timeously to the Provincial Revenue Fund.			
1.4	All Electronic funds transfer (EFT)/Bank credits have been recorded in the General Ledger of the department and the EFT control account reconciled.			
1.5	All reporting requirements of Division Revenue Act (DORA) have been adhered to.			
1.6	The Budget or the adjusted budget has been captured on the financial systems as per Standard Chart of Accounts (SCOA), per Programme and Sub-programme. The Budget on the financial system has been reconciled to the estimates documents.			
1.7	All journals have been recorded and authorised on the financial system of the department.			
1.8	All SCoA inconsistencies classified have been cleared.			
2.	Closure dates: Annexure C			
2.1	Departmental processes are aligned ensuring timeous month-end closure.			
3.	Exceptions/Adjustment/Interface/Reconciliation: Annexure D			
3.1	The Bank adjustment/exception account has been reconciled.			
3.2	All Bank Reconciliations have been performed and reconciling items cleared			

NO.	<u>PERFORMANCE INDICATOR</u>	YES	NO	REASON/COMMENT, ACTION PLAN AND TIME FRAMES
	(proof documentation attached).			
3.3	All interfaces for the month have taken place reconciled.			
3.4	All Logis integration transactions in relation to BAS have taken place and failed transactions resubmitted.			
3.5	Reconciliations including the reporting month were compiled, reconciled and signed off by Chief Financial Officer (proof documentation attached). BAS vs PERSAL BAS vs PMG (Bank reconciliation) BAS vs LOGIS (major assets – additions & revenue) BAS vs LOGIS (minor assets – additions)			
4.	Payables and Receivables: Annexures E&F			
4.1	All inter-departmental balances and debts have been recorded, confirmed, reconciled and paid within the prescribed or agreed period.			
4.2	All claims received have been acknowledged within 15 working days after receipt of claim (Annexure F).			
4.3	Claims were settled within 30 days of receipt of claim.			
4.4	Submission of information to the Provincial Treasury in terms of Provincial Treasury Circular 17/2013 read with National Treasury Instruction Note Number 34: Effecting payments within thirty (30) days from date of receipt of an invoice as required in terms of Treasury Regulation 8.2.3.			
5.	Disallowance/Control and Suspense Accounts (Annexure G)			
5.1	The sources of the transactions are readily identifiable (supported by authentic and verifiable source documentation), enabling Departments to follow-up and clear these balances within a reasonable period of time.			
5.2	Monthly reconciliation of all control or suspense accounts is performed to identify and confirm (confirmed) and (unconfirmed) balances as recorded in the confirmation letters issued and received and also those balances to available			

NO.	<u>PERFORMANCE INDICATOR</u>	YES	NO	REASON/COMMENT, ACTION PLAN AND TIME FRAMES
	supporting documentation.			
5.3	Amounts included in control or suspense accounts are cleared and correctly allocated to the relevant cost centres on a monthly basis.			
5.4	All staff debts have been recorded and reconciled.			
5.5	Reports of uncleared items are provided to the Accounting Officer and followed up on a monthly basis by the Chief Financial Officer.			
5.6	All supporting documentation are readily available.			
6.	Expenditure management: Annexures H-J			
6.1	All Irregular, Fruitless & Wasteful and Unauthorised Expenditure identified have been recorded and reported to Provincial Treasury.			
6.2	All Irregular, Fruitless & Wasteful and Unauthorised Expenditure identified have been updated in the Loss Control System.			
6.3	Management of leases			
6.3.1	A lease agreement register has been implemented and updated.			
6.3.2	All leases have been classified as either finance or operating leases.			
6.3.3	Finance lease payments were classified as capital expenditure.			

CHIEF FINANCIAL OFFICER
or Delegated Official

DATE:

ANNEXURE C

MONTH-END CLOSURE DATES FOR THE 2015/16 FINANCIAL YEAR, TO MEET THE REPORTING REQUIREMENTS IN TERMS OF SECTION 32 OF THE PUBLIC FINANCE MANAGEMENT ACT

ACCOUNTING MONTH	CLOSURE DATES	ACTUAL CLOSURE DATES
MARCH 2015 – reporting to Vulindlela	2015/04/06(no month/year close transaction)	
MARCH 2015 – PRELIMINARY	2015/04/30	
APRIL 2015	2015/05/07	
MAY 2015	2015/06/08	
JUNE 2015	2015/07/07	
JULY 2015	2015/08/06	
AUGUST 2015	2015/09/07	
SEPTEMBER 2015	2015/10/06	
OCTOBER 2015	2015/11/06	
NOVEMBER 2015	2015/12/07	
DECEMBER 2015	2016/01/07	
JANUARY 2016	2016/02/08	
FEBRUARY 2016	2016/03/08	
MARCH 2016- Reporting to Vulindlela	2016/04/06 (no month/year close transaction)	
MARCH 2016 – PRELIMINARY	2016/05/02	

- i) The dates reflect close of business for that day.
- ii) The dates are the latest possible closure date; however departments are encouraged to enhance their internal procedures to close earlier.
- iii) **Departments to indicate the actual date of closure for that particular month in column three (3).**
- iv) Please note for BAS Departments:

The PRELIMINARY close for March must be dealt with in accordance with the prescripts as detailed in **BAS notice 1 of 2015**.

ANNEXURE D

DEPARTMENT	BAS INTERFACES						
	Persal	Housing Debtors (applicable to Housing & Local Govt only)	MEDSAS (applicable to Health only)	SISPRO (applicable to Health only)	E-WORKS (applicable to Transport & Pub Works only)	PMG	Telkom
Premier: Western Cape	(date)					(date)	
Provincial Parliament	(date)					(date)	
Provincial Treasury	(date)					(date)	
Community Safety	(date)					(date)	
Education	(date)					(date)	
Health	(date)		(date)	(date)		(date)	
Social Development	(date)					(date)	
Human Settlements	(date)	(date)				(date)	
Environmental Affairs and Development Planning	(date)					(date)	
Transport and Public Works	(date)				(date)	(date)	
Agriculture	(date)					(date)	(date)
Economic Development and Tourism	(date)					(date)	
Cultural Affairs and Sport	(date)					(date)	
Local Government	(date)						

Information of interfaces that did not take place or which have not been reconciled:

Interface description:

Previous reporting months-

Reconciliation:

Reason/s:

Financial implications –

Expenditure / Revenue not allocated : R

Remedial steps taken -

Note : The above information to be submitted separately for every interface that did not take place.

SIGNATURE:

DATE:

CHIEF FINANCIAL OFFICER
or delegated official

ANNEXURE E

Month:

Receivables		
Inter-Departmental (Provincial)	Balance R'000	Follow up on claims older than 90 days.
Inter-Governmental (National)	Balance R'000	Follow up on claims older than 90 days.

SIGNATURE:

DATE:

CHIEF FINANCIAL OFFICER
or delegated official

Month:

Payables		
Inter-Departmental (Provincial)	Balance R'000	Follow up on outstanding claims older the 30 days after date of receipt of claim
Inter-Governmental (National)	Balance R'000	Follow up on outstanding claims older the 30 days after date of receipt of claim

SIGNATURE:

DATE:

CHIEF FINANCIAL OFFICER
 or delegated official

ANNEXURE G

Report on balances in disallowance/control/suspense accounts to meet the reporting requirements in terms of Section 17, subsection 17.1 of the Treasury Regulation for the reporting month:

	Month		Month	
	Closing balance	R	Closing balance	R
A	Accounts that must be zero: month and year end			
	Bank exception Account			
	Conversion Control Account			
	Debt Receipt Control Account			
	Debt Suspense Account			
	Debt Transfer Account			
	Erroneous Persal Cheque cancel			
	Fund Requisition Account			
	Inter Responsibility Account			
	PMG Schedules			
	Receipt Pending Control Acct			
	Sal: Persal Interface Account			
	Telephone exception Account			
	Transport Exception Account			
	Unallocated Cancel Receipts			
B	Only report the balances of those accounts that include transactions older than 90 days; provide split between less than and more than 90 days			
	Account name:			
	Transactions less than 90 days			
	Transactions older than 90 days			
	Total = Trail Balance			

SIGNATURE: _____
DATE: _____
CHIEF FINANCIAL OFFICER
 or delegated official

MONTHLY REPORT ON IRREGULAR EXPENDITURE IN ACCORDANCE WITH THE PFMA, 1999, SECTION 38(1)(g) and (h)

Department: _____

Month: _____

	Amount	Annexure
Opening Balance (Closing balance of previous month)		
Irregular Expenditure relating to current year		H1
Irregular Expenditure relating to prior year		H1
Amounts condoned (less)		H2
Amounts transferred to receivables for recovery (less)		H2
Closing balance		

I hereby certify that all irregular expenditure for the mentioned period have been reported to you as prescribed in the PFMA and the necessary steps have been taken to record/ condone/ recover the irregular expenditure.

SIGNATURE: _____

DATE: _____

CHIEF FINANCIAL OFFICER

or delegated official

MONTHLY REPORT ON IRREGULAR EXPENDITURE IN ACCORDANCE WITH THE PFMA, 1999, SECTION 38(1)(g) and (h)

IRREGULAR EXPENDITURE CASES REPORTED RELATING TO THE CURRENT YEAR

Date of discover	Date reported to Accounting Officer (AO)	Payment date	Payment number	Amount	Incident description	Responsible person (committed the IR)	Status (refer to key)			General comments
							UI	DP	TR	
TOTAL										

IRREGULAR EXPENDITURE CASES REPORTED RELATING TO THE PRIOR YEAR

Date of discover	Date reported to Accounting Officer (AO)	Payment date	Payment number	Amount	Incident description	Responsible person (committed the IR)	Status (refer to key)			General comments
							UI	DP	TR	
TOTAL										

- Key:** UI - Irregular expenditure Under Investigation
 DP - Disciplinary process initiated against responsible person
 TR - Transferred to receivables for recovery

I hereby certify that all irregular expenditure for the mentioned period have been reported to you as prescribed in the PFMA and the necessary steps have been taken to record and recover the expenditure.

SIGNATURE: _____
DATE: _____
CHIEF FINANCIAL OFFICER

MONTHLY REPORT ON IRREGULAR EXPENDITURE CONDONED/TRANSFERRED FOR RECOVERY

Department:

Month:

IRREGULAR EXPENDITURE CONDONED

Date	Case Number	Incident description	Amount	General comments
TOTAL				

IRREGULAR EXPENDITURE TRANSFERRED FOR RECOVERY

Date	Case Number	Incident description	Amount	General comments
TOTAL				

SIGNATURE:

CHIEF FINANCIAL OFFICER

or delegated official

DATE:

MONTHLY REPORT ON FRUITLESS AND WASTEFUL EXPENDITURE IN ACCORDANCE WITH THE PFMA, 1999, SECTION 38(1)(g) and (h)

Department:

Month:

	Amount
Opening Balance	
F&W expenditure relating to current year	11
F&W Expenditure relating to prior year	11
Amounts resolved(less)	12
Amounts transferred to receivables for recovery(less)	12
Closing balance	

I hereby certify that all fruitless and wasteful expenditure for the mentioned period have been reported to you as prescribed in the PFMA and the necessary steps have been taken to record and recover the expenditure.

SIGNATURE:

DATE:

CHIEF FINANCIAL OFFICER

or delegated official

FRUITLESS AND WASTEFUL EXPENDITURE CASES REPORTED RELATING TO THE CURRENT YEAR

Date of discovery	Date reported to Accounting Officer (AO)	Payment date	Payment number	Amount	Incident description	Responsible person (committed the F&W)	Status (refer to key)			General comments
							UI	DP	TR	
TOTAL										

FRUITLESS AND WASTEFUL EXPENDITURE CASES REPORTED RELATING TO THE PRIOR YEAR

Date of discovery	Date reported to Accounting Officer (AO)	Payment date	Payment number	Amount	Incident description	Responsible person (committed the F&W)	Status (refer to key)			General comments
							UI	DP	TR	
TOTAL										

- Key:** UI - Fruitless and wasteful expenditure Under Investigation
 DP - Disciplinary process initiated against responsible person
 TR - Transferred to receivables for recovery

I hereby certify that all fruitless & wasteful expenditure have been reported to you as prescribed in the PFMA and the necessary steps have been taken to record and recover the expenditure.

SIGNATURE: _____
DATE: _____
CHIEF FINANCIAL OFFICER
 or delegated official

FRUITLESS AND WASTEFUL EXPENDITURE RESOLVED

Date	Case Number	Incident description	Amount	General comments
TOTAL				

FRUITLESS AND WASTEFUL EXPENDITURE TRANSFERRED TO RECEIVABLES FOR RECOVERY

Date	Case Number	Incident description	Amount	General comments
TOTAL				

SIGNATURE:

DATE: **CHIEF FINANCIAL OFFICER**

or delegated official

MONTHLY REPORT ON UNAUTHORISED EXPENDITURE IN ACCORDANCE WITH THE PFMA, 1999, SECTION 38(1)(g) and (h)

Department:

Month:

Date of discovery	Date reported to Accounting Officer	Payment date	Payment number	Amount	Incident description	Status (refer to key)			General comments
						UI	DP	AA A	
TOTAL									

- Key:**
- UI - Unauthorised expenditure Under Investigation
 - DP - Disciplinary process initiated against responsible person
 - AA - Awaiting approval (by Parliament/Legislature)
 - A - Approved (by Parliament/Legislature)

I hereby certify that all unauthorised expenditure for the mentioned period have been reported to you as prescribed in the PFMA and the necessary steps have been taken to record and recover the expenditure.

SIGNATURE:

DATE:

_____ **CHIEF FINANCIAL OFFICER**

or delegated official

LIST OF KEY DATES FOR 2015/16	
DATE	EVENT
APRIL 2015	
03	March 2015 reporting to Vulindlela
10	30 day reports submission to PT
21	IYM reports submission to PT
30	Preliminary Month end book closure for March 2015
MAY 2015	
07	Month-end book closure for April 2015
09	30 day reports submission to PT
21	IYM reports submission to PT
16	Submit AFS 2014/15 to PT for preliminary review
29	Submission of AFS to PT and Auditor General
JUNE 2015	
08	Month-end book closure for May 2015
10	30 day reports submission to PT
21	IYM reports submission to PT
JULY 2015	
07	Month-end book closure for June 2015
10	30 day reports submission to PT
21	IYM reports submission to PT Submission of AFS to Audit Committee for final evaluation
31	Submission of IFS for the period ending 30 June 2015 Audited AFS submitted to PT
AUGUST 2015	
06	Month-end book closure for July 2015
10	30 day reports submission to PT
21	IYM reports submission to PT
28	Submission of printed Annual Report
SEPTEMBER 2015	
07	Month-end book closure for August 2015
10	30 day reports submission to PT
21	IYM reports submission to PT
OCTOBER 2015	
06	Month-end book closure for September 2015
09	30 day reports submission to PT
21	IYM reports submission to PT
30	Submission of IFS for the period ending 30 September 2015
NOVEMBER 2015	
06	Month-end book closure for October 2015
10	30 day reports submission to PT
21	IYM reports submission to PT
DECEMBER 2015	
07	Month-end book closure for November 2015
10	30 day reports submission to PT
21	IYM reports submission to PT
JANUARY 2015	
08	Month-end book closure for December 2015
10	30 day reports submission to PT
21	IYM reports submission to PT

Annexure K

29	Submission of IFS for the period ending 31 December 2015
FEBRUARY 2015	
08	Month-end book closure for January 2015
10	30 day reports submission to PT
21	IYM reports submission to PT
MARCH 2015	
08	Month-end book closure for February 2015
10	30 day reports submission to PT
21	IYM reports submission to PT
31	Submit AFS to Audit Committee



**Western Cape
Government**

Provincial Treasury

Hisham Allie
Provincial Government Budget Office
Email: Hisham.Allie@westerncape.gov.za
tel: +27 21 483 8692 fax: +27 21 483 6601

APPENDIX A

CONTACT DETAILS: VOTE

VOTE: [INSERT VOTE NAME]		
Section of Annual Report	Departmental Responsibility	Contact Person and e-mail address
Part A: General Information		
Part B: Performance Information		
Part C: Governance		
Part D: Human Resource Management		
Part E: Financial Information		