Departmental Guide

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Guide for the Preparation of the Annual Report

For the year ended
31 March 2012

Main Contents

A   BACKGROUND

The purpose of this Annual Report Guide is to provide minimum requirements of information that must be included in a National or Provincial Department's Annual Report. The Annual Report provides information of performance against plans and budgets.

Adherence to the format of this guide will enhance departments' coverage of all aspects pertaining to the departments' activities and financial performance, and will promote ease of reference and comparison for users of the Annual Report. The guide is congruent to other frameworks issued for national and provincial departments such as the *Framework for Strategic Plans and Annual Performance Plans, Framework for Managing Programme Performance Information* and the *Departmental Financial Reporting Framework Guide.*

In line with the *Transfer of Functions – Financial Accounting and Reporting Guide*, new departments that have fully completed the organisational approval process, including obtaining approval for the new establishment, function shifts and the new budget programme structures from the Department of Public Service and Administration (DPSA) and the National Treasury respectively, will have to report separately on activities of the financial year in the annual report.

Departments must note that 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 section. The Annual Financial Statements 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. It is imperative that any narrative or figures in the non-financial information part of the Annual Report correspond with information reported in the Annual Financial Statements.

The following must be noted:

- The areas written in *italics* and in the colour red must be updated accordingly,
- Additional relevant information can be provided at the department's discretion,
- Where necessary, pictures, graphs and diagrams can be added to enhance the information,
- The sequence of information to be reported on must not be changed, even if additional information is provided,
- A reporting requirement that is included in the guide that is not applicable to the department can be excluded from the annual report,
- Departments must exercise due care when spending to produce an annual report,
- The annual report, including the information on predetermined objectives must be submitted to the AGSA by 31 May.

	Submission of the annual report to the Auditor-General (AGSA):
	The annual report must be submitted to the Auditor-General by 31 May 2011. The Auditor–General will review the contents of the annual report to ensure that the content of the annual report is consistent with the annual financial statements. A confirmation letter must be completed by the Accounting Officer to accept responsibility for the accuracy and fair presentation of the Annual Report including the information on predetermined objectives submitted to the AGSA and relevant treasury, and confirms that the Annual Report conforms to certain set guidelines. A copy of this letter is attached to this guide. It is the same letter as the one included in Chapter 1 of the *Departmental Financial Reporting Framework Guide*.

B   LEGISLATION

Section 40 of the PFMA and chapter 18 of the Treasury Regulations set out the legal requirements for departments' annual reports.

PFMA

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;

(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

(d) significant achievements in relation to outputs of a trading and/or public entity.

C THE ANNUAL REPORT

Cover page

	The Department to use format desired by the Department for the cover page.

COVER PAGE

(Department's own format)

Submitting the Annual Report to the Minister

	The following serves as an example of wording that may be included by the department as indication of submitting the annual report to its executive authority.

NAME OF DEPARTMENT

Annual Report

2011/12

(Mr/Mrs/Miss/Dr/Prof Name of Minister)

Minister of *(Name of Department)*

I have the honour of submitting the Annual Report of the *(Name of Department)* for the period 1 April 2011 to 31 March 2012.

(Signature of Accounting Officer)

_____

(Name of Accounting Officer)

(Date of Submission)

DEPARTMENT OF XXXXXX

VOTE XX

2011/12 ANNUAL REPORT

Contents

1. GENERAL INFORMATION

Vision, Mission and Values

Vision

	A vision is an inspiring picture of a preferred future. It is not time-bound and serves as a foundation for all policy development and planning, including Strategic Planning. It should be specific to the institution but linked to the overall vision of a particular sector or cluster.

(The department must state the Vision of the Department.)

Mission

	A mission statement sets out the reason for an institution's existence based on its legislative mandates, functions and responsibilities. The mission should succinctly identify what the institution does, why and for whom. In the budget documentation, the stated mission of the department should be the same as the Vote aim.

(The department must state the Mission of the Department.)

Values

	Values identify the principles for the conduct of the institution in carrying out its mission. Institutional values are derived in conjunction with the institution's mission. These values should define a citizen-oriented approach for producing and delivering government services in line with the Batho Pele principles.

(The department must state the Values of the Department.)

Organisational Structure

The organisational structure must include details of the Minister, Deputy Minister/s, Director General/Head of Department and Deputy Director-Generals (or equivalent). Pictures may be added to the organisational structure.

(The Department must provide its organisational structure.)

Legislative Mandate

The legislative mandate refers to the legislation that governs the existence of the department and its operations. There is an overarching mandate for the existence of each department. There is also legislation that is not entity-specific but governs other departments in the cluster, province or/and national sphere of government. An example of non-entity-specific legislation is the PFMA.

(The department must state:

- *Its legislative mandate stating the actual legislation reference starting with the "overarching mandate" ,*

- *Non-entity-specific legislation, and,*

- *List of all legislation tabled in parliament during 2011/12 financial year.*

Entities Reporting to the Minister

The department must provide information on any other entities that report to its executive authority. The information is meaningful as it provides details of entities related to the department. The information furnished in this section should correlate with information provided in the related party transactions disclosure note to the financial statements.

The department may elect to provide details about the name, legislation and nature of the business of the entity reporting to its executive authority in tabular format (example provided below) or in narrative format.

The following entities report to the Minister of (*Name of Department)*:

Name of entity	Legislation	Nature of Business
State name of the entity	*State legislation that established the entity*	*Provide a brief description of the nature of the entity's business*

OR

Narrative covering Name of entity, Legislation and Nature of Business of the entity

Minister's/MEC's Statement

(The department must include a message from the Department's Minister about activities of the 2011/12 financial year.)

Deputy Minister's Statement

(For department's that have a Deputy Minister/s, the department must include a message from the Department's Deputy Minister/s about activities of the 2011/12 financial year.)

Accounting Officer's Overview

(The department must include an overview from the Department's Director-General/Head of Department about activities of the 2011/12 financial year.)

2.   INFORMATION ON PREDETERMINED OBJECTIVES

[info icon]	The guidance provided in this section is based on *Framework for Strategic Plans and Annual Performance Plans* and *Framework for Managing Programme Performance Information* which are available on the National Treasury website.
	Any input or clarification required should be directed to:-
	National Departments
	Euody Mogaswa
	Budget Office, National Treasury
	Euody. Mogaswa@treasury.gov.za
	Provincial Departments
	Edeshri Moodley
	Intergovernmental Relations (IGR), National Treasury
	Edeshri.Moodley@treasury.gov.za

Performance information, (i.e. information on predetermined objectives), is key to effective management planning, budgeting, implementation, monitoring, evaluation and reporting. Measuring performance ensures that policy, planning, budgeting and reporting are aligned in order to achieve improved service delivery. Performance information 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 is crucial for improving the execution of government's mandate.

Performance information also facilitates effective accountability, enabling legislators, members of the public and other interested parties to track progress of government activities, identify the scope for improvement and better understand the issues involved.

The performance information reported in the annual report enables parliament, provincial legislatures and the public to track government performance, and to hold it accountable. Performance information also 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.

Departments must ensure that there is alignment in terms of the strategic objectives and its associated targets between the Strategic Plans, Annual Performance Plans and budget documents. The programme performance must clearly report on the department's performance against service

delivery objectives and targets as identified in the Strategic Plans, Annual Performance Plans[1] and budget documents.

2.1 Overall Performance

Departments should customise the framework and the content to reflect their own specific circumstances.

2.1.1 Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
(Appropriated amount as per ENE for National Departments and Estimates of Provincial Revenue and Expenditure)	*(Adjusted appropriation as per National /Provincial Adjustment Appropriation Act)*	*(Total Expenditure which as per Statement of Financial Performance)*	*(The difference between Adjusted Appropriation and Actual Amount Spent)*
Responsible Minister/ MEC	Minister of (*title of responsible Minister/MEC to be completed by the relevant department*)		
Administering Dept	Department of (*name of relevant department to be included*)		
Accounting Officer	Director-General of/Head of Department (*title of responsible Accounting Officer to be completed by the relevant department*)		

2.1.2 Aim of vote

Each department should describe the main aim of its vote. The aim of the vote described here should be supportive of the mission statement as stated in the annual report. Additional information may be included to expand on the mission, provided this information is in no way contrary to the mission statement.

2.1.3 Strategic Outcome Oriented Goals

Each department should reflect their strategic outcome oriented goals as reflected in the Strategic Plan.

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[1] Applicable to Provincial Departments from 1 April 2010. National Departments will only be required to submit Annual Performance Plans in 2011/12.

2.1.4   Overview of the service delivery environment for 2011/12

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 department's performance, it is necessary to *provide the users with an overview of the context within which the department operated and sought to implement its Strategic Plans and Annual Performance Plans.*

A department 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 department's delivery record.

The overview should include:

- commentary on the department's overall performance, outlining its key outputs, particularly relating to services rendered directly to the public. The department should list all the key services that it renders to the public, and provide relevant information on each such service, for example, how many people used that service during the financial year, how many people were turned away or could not be served and what was the quality of that service,

- commentary on the problems encountered by the department when providing the relevant services, and what corrective steps were/are to be taken in dealing with such problems,

- explanations/reasons for any additions to or virement between the main appropriation allocations,

- a report on any rollovers from the previous financial year, and

- 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.

The department must also 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).

2.1.5   Overview of the organisational environment for 2011/12

The annual report should provide readers with an understanding of the organisational challenges and successes experienced by the department 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 department that may have impacted on the department's ability to deliver on its Strategic Plan and Annual Performance Plan. For example:

- the resignation and/or appointment of key personnel such as the Accounting Officer or the Chief Financial Officers,

- a strike by significant portions of the personnel employed by the department, or,

- 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.

2.1.6   Key policy developments and legislative changes

The department should describe *any major changes to relevant policies or legislation* that may have effected its operations during the period under review or for future financial periods.

2.1.7   Departmental revenue, expenditure, and other specific topics

Collection of departmental revenue

Departments must describe in some detail how they have delivered on the plans for *collecting departmental revenue.* Where a department has under-performed, 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-performance. Where it exceeded its target, the department should 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.

The table below should be used to provide a breakdown of the sources of revenue:

	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual	% deviation from target
Tax revenue						
(Specify)						
Non-tax revenue						
(Specify)						
Sales of capital assets						
(specify)						
Financial transactions (Recovery of loans and advances)						
TOTAL DEPARTMENTAL RECEIPTS						

🔓ℹ	Amounts in the 2010/11 Actual and 2011/12 Actual columns above must agree to the note of Departmental Revenue in the Annual Financial Statements.

2.1.8   Departmental expenditure

The primary aim of *the departmental expenditure* section is to explore how actual expenditure differed from planned expenditure and how this may have impacted on service delivery. The secondary aim is to provide the department with an opportunity to report on measures that were adopted to improve the economy and efficiency of spending on each programme.

2.1.9   Transfer payments (if applicable)

The *transfer payments* section provides for funds that have been transferred to other institutions, provinces, municipalities, public entities, business enterprises and individuals and, therefore, does not

constitute final expenditure by the department. Public entities however receive sizeable transfer payments from government and are often the front-line providers of services. It is therefore important to understand the impact of these services on the community. Departments are requested to provide a narrative on the services provided by these entities as well as a summary of all transfers to entities. Most important, the department must assess the actual amount spent by such entities (excluding individuals or social grant payments), and indicate when a full spending report can be provided (in the next annual report). 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.

2.1.10 Public Entities

This section must provide a narrative of the significant achievements of targets for each trading and/or public entity that has received transfer payments from the oversight department for the 2011/2012 financial year. Any other deliverables by the trading and/or public entity can also be stated here.

The narrative must also briefly provide a synopsis on how the achievement of targets has <u>contributed towards achieving the department's outcomes</u> which will invariably <u>impact on the strategic priorities</u> of government.

Legislation	
s38(1)(j) (PFMA)	Departments are further requested to provide a summary report on the institution's compliance with section 38(1)(j) of the PFMA which requires the accounting officer of the transferring department to ensure that "before transferring any funds to an entity within or outside government
	must obtain written assurance from the entity that the entity implements effective
	efficient and transparent financial management and internal control systems
	or,
	if such written assurance is not or cannot be given
	render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective
	efficient and transparent financial management and internal control systems."

2.1.11 Conditional grants and earmarked funds

These grants were introduced in 1998/99 to support national priorities, particularly in the social services sector. They enable national priorities to be provided for in the budgets of other spheres of government. They are viewed as part of voted funds.

(Further details regarding conditional grants must be given in note 1 to the annual financial statements.)

The Division of Revenue Act 1 of 2011 (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. Section 13(3) and (4) of DORA outlines information that should be included in the annual reports 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, transfer 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 a comparative analysis of provincial performance against their 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.

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.

2.1.12 Capital investment, maintenance and asset management plan

Departments are required to develop a *capital investment and asset management plan*. The Estimates of Provincial Revenue and Expenditure should be used as a guide for provincial departments to report on capital projects, while the ENE should be used for national departments to report on the capital investment, asset management and maintenance within departments.

Capital investment

The following information must be provided with regard to the department's capital investment programme:

- Building 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,

- The current maintenance backlog and how the department plans to deal with such over the Medium Term Expenditure Framework (MTEF) period,

- Developments relating to the above that are expected to impact on the department's current expenditure.

Asset Management

Departments are required to provide an overview of the fixed and significant movable assets under the control of the department. The following information should be included:

- 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 stock, for example what percentage is in good, fair or bad condition,

- Major maintenance projects that have been undertaken during the period under review,

- Facilities that were closed down or down-graded during the period under review,

- Projects that will be carried forward to the forthcoming financial year,

- New projects that will commence in the forthcoming financial year,

- Processes in place for the tendering of projects.

The Government Immovable Asset Management Act (GIAMA) has been promulgated. It promotes the sound management of the immovable assets that national and provincial departments use or control. It makes a distinction between users and custodians. The intention is for Accounting Officers of user or custodian departments to be accountable for the use of immovable assets as prescribed by the PFMA and the GIAMA. The User Immovable Asset Management Plan (UAMP) ensures the following:

- Accountable, fair and transparent management of immovable assets,

- Effective, efficient and economic use of immovable assets,

- Reduced overall cost of service delivery,

- Reduced demand for new immovable assets.

The UAMP for each government department must inform the budget allocation process in terms of the annual performance plans of the Department. The UAMPs relate to the accommodation requirements and current utilization of immovable assets by National Government Departments and some agencies, aligned to their strategic objectives and Strategic Plans.

	Refer to Government Immovable Asset Management Act, 2007 (GIAMA)

Maintenance

Departments must provide details of expenditure on normal maintenance of property assets during the period under review as far as applicable to the department. (The National Treasury's Asset Management Guidelines should also be used as a guide when reporting on capital assets.) The details should include the following:

- How the actual expenditure compares to what the department planned to spend on maintenance.

- Whether the expenditure is more or less than the property industry norms.

- 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?

2.2   Programme Performance

The activities of the (Name of Department) are organized in the following programmes:

Programme 1: Administration

Programme 2: XXXXXXXXXXXXXXX *(Department to state name of Programme)*

Programme 3: XXXXXXXXXXXXXX *(Department to state name of Programme)*

Programme 4: XXXXXXXXXXXXXX *(Department to state name of Programme)*

Etc (Department to list all the programmes of the Department)

Programme 1: Administration

Purpose: (*Department to describe the purpose of the programme)*

Strategic Objectives: (*Department to describe the strategic objectives relating to the programme)*

Performance indicators and targets: This section must provide a narrative of the significant achievements of targets of each programme/ sub-programme for the 2011/2012 financial year. The narrative must also provide a synopsis on how the achievement of targets has contributed towards achieving the department's outcomes, which will invariably impact on the strategic priorities of government.

In the table below, departments should report on performance indicators and targets for each programme or every sub-programme under each Programme[2] as specified in the ENE and Annual Performance Plan (APP) for both national and provincial departments.

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[2] Departments have an option to provide details at programme or sub-programme level. Ideally, details should be provided at sub-programme level as information at sub-programme level is more comprehensive.

The following table should be completed to complement the narrative above:

Sub-programme/programme: (Name of sub-programme/programme)				
Performance Indicator	**Baseline (Actual Output) 2010/11**	**Actual Performance against Target**		**Reason for Variance**
		Target (2011 /12)	**Actual(2011/12)**	
Measures performance in relation to inputs, activities, outputs, outcomes and impacts.	*Level of performance, based on previous year's performance*	*Express a specific level of performance that the institution, programme or individual is aiming to achieve within a given time period.*	*The actual service that was delivered by the department*	*Reasons for variance between the actual performance and the target. Where relevant, this prompts a department to determine corrective measures.*

Changes to planned targets: *The department must provide reasons per performance measure/indicator if the targets have been changed in-year.*

Programme 2: XXXXXXXXXXXXX

(Department to refer to Programme 1 above for guidance)

Programme 3: XXXXXXXXXXXXX

(Department to refer to Programme 1 above for guidance)

Programme 4: XXXXXXXXXXXXX

(Department to refer to Programme 1 above for guidance)

Etc (Department to list and report on all the programmes of the Department)

3.   ANNUAL FINANCIAL STATEMENTS

The Framework and Guidance on the Annual Financial Statements, (except the Report of the Auditor-General), is on the OAG website: http://oag.treasury.gov.za

> Publications

> Annual Financial Statements

> For Prov. And Nat. Departments

> For fin. Year ending 31-03-2012

> Preparation guide

In addition to the Preparation Guide (the *Departmental Financial Reporting Framework Guide*) in Chapter format, the *Specimen Annual Financial Statements for National and Provincial Departments* is published on the OAG website.

The Annual Financial Statements in the Annual Report must consist of the items listed below:

Report of the Audit Committee

Report of the Accounting Officer(s)

Report of the Auditor-General

Appropriation Statement

Notes to the Appropriation Statement

Statement of Financial Performance

Statement of Financial Position

Statement of changes in Net Assets

Cash Flow Statement

Statement of Accounting Policies and Related Matters

Notes to the Annual Financial Statements (including Accounting Policies)

Disclosure notes to the Annual Financial Statements

Annexures (Unaudited supplementary schedules)

Annual Financial Statements of other entities (if applicable)

Some departments have entities that are small in size and activity. It is recommended that the department publishes such entities' financial statements in the department's annual report.

4. HUMAN RESOURCE MANAGEMENT

The statistics and information published in the Human Resources Management part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2002 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

The tables were obtained from Department of Public Service and Administration (DPSA). Any input or clarification required should be directed to:-

Ledule Bosch

Department of Public Service and Administration

leduleb@dpsa.gov.za

For a detailed description and explanation of the terminology used in this section of the report, please consult the publication from the DPSA entitled 'A guide to understanding the oversight report of departmental annual reports'. A copy of the guide is available from all departments or can be accessed from the DPSA website (www.dpsa.gov.za).

Service delivery

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

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards

Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements

Table 1.3 – Service delivery access strategy

Access Strategy	Actual achievements

Table 1.4 – Service information tool

Types of information tool	Actual achievements

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual achievements

Expenditure

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

TABLE 2.1 – Personnel costs by programme, 2011/12

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Total						

TABLE 2.2 – Personnel costs by salary bands, 2011/12

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (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 following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2011/12

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

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2011/12

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)								
Skilled (Levels 3-5)								
Highly skilled production (Levels 6-8)								
Highly skilled supervision (Levels 9-12)								
Senior management (Levels 13-16)								
Total								

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 (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2012

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

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2012

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
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)				

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2012

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Total				

The information in each case reflects the situation as at 31 March 2012. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

Job evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or 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. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) 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 4.1 – Job Evaluation, 1 April 2011 to 31 March 2012

Salary band	Number of posts	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 salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2011 to 31 March 2012

Beneficiaries	**African**	**Asian**	**Coloured**	**White**	**Total**
Female					
Male					
Total					
Employees with a disability					

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

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

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 in 2011/12				
Percentage of total employment				

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

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Beneficiaries	**African**	**Asian**	**Coloured**	**White**	**Total**
Female					
Male					
Total					
Employees with a disability					

[If there were no cases where the remuneration bands exceeded the grade determined by job evaluation, use the following table as TABLE 4.3]

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2011/12	None

Employment changes

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

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These "critical occupations" should be the same as those listed in Table 3.3).

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2011 to 31 March 2012

Salary Band	Number of employees per band as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
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				

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2011 to 31 March 2012

Occupation:	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Total				

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

Table 5.3 – Reasons why staff are leaving the department

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

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2011	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Total					

Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2011	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)					
Skilled (Levels 3-5)					
Highly skilled production (Levels 6-8)					
Highly skilled supervision (Levels9-12)					
Senior management (Levels13-16)					
Total					

Employment equity

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

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2012

Occupational categories (SASCO)	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
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									

6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2012

Occupational Bands	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management(L15-L16)									
Senior Management(L13-L14)									
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									

6.3 – Recruitment for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
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									

6.4 – Promotions for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
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									

6.5 – Terminations for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
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									

6.6 – *Disciplinary action for the period 1 April 2011 to 31 March 2012*

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

6.7 – *Skills development for the period 1 April 2011 to 31 March 2012*

Occupational categories	Male				Female				
	African	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Total**
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									

Performance rewards

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

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2011 to 31 March 2012

Gender & Race	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male					
Female					
Asian					
Male					
Female					
Coloured					
Male					
Female					
White					
Male					
Female					
Employees with a disability					
Total					

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2011 to 31 March 2012

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

production (Levels 6-8)					
Highly skilled supervision (Levels 9-12)					
Total					

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2011 to 31 March 2012

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

TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior
            Management Service

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

Foreign workers

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

TABLE 8.1 – Foreign Workers, 1 April 2011 to 31 March 2012, by salary band

Salary Band	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)						
Highly skilled production (Levels 6-8)						
Highly skilled supervision (Levels 9-12)						
Senior management (Levels 13-16)						
Total						

TABLE 8.2 – Foreign Worker, 1 April 2011 to 31 March 2012, by major occupation

Major Occupation	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% change
Total						

Leave utilisation for the period 1 January 2011 to 31 December 2011

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

TABLE 9.1 – Sick leave, 1 January 2011 to 31 December 2011

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 skilled (Levels 1-2)						
Skilled (Levels 3-5)						
Highly skilled production (Levels 6-8)						
Highly skilled supervision (Levels9-12)						
Senior management (Levels 13-16)						
Total						

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2011 to 31 December 2011

Salary Band	Total days taken	% 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						

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

TABLE 9.3 – Annual Leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days taken	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 9.4 – Capped leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2011
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 9.5 – Leave payouts for the period 1 April 2011 to 31 March 2012

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

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle			
Capped leave payouts on termination of service for 2011/12			
Current leave payout on termination of service for 2011/12			
Total			

HIV and AIDS & health promotion programmes

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

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

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the 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.			

Labour relations

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

TABLE 11.1 – Collective agreements, 1 April 2011 to 31 March 2012

Subject Matter	Date

If there were no agreements, then use the following table

Total collective agreements	None

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

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2011 to 31 March 2012

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

If there were no disciplinary hearings, then use the following table

Disciplinary hearings – 2011/12	None

TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Total		

TABLE 11.4 – Grievances lodged for the period 1 April 2011 to 31 March 2012

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

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2011 to 31 March 2012

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

TABLE 11.6 – Strike actions for the period 1 April 2011 to 31 March 2012

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

TABLE 11.7 – Precautionary suspensions for the period 1 April 2011 to 31 March 2012

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

Skills development

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

12.1 – Training needs identified 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female					
	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						

12.2 – Training provided 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	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						

Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2011 to 31 March 2012

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

Fatal		
Total		

Utilisation of consultants

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Total number of projects	**Total individual consultants**	**Total duration: Work days**	**Total contract value in Rand**

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

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

Table 14.3 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Total number of projects	**Total individual consultants**	**Total duration:**	**Total contract value in Rand**

		Work days	

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

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

5. OTHER INFORMATION

Acronyms

(An alphabetic list of acronyms/abbreviations stating what each acronym/abbreviation stands for.)

List of contact details

(The department to provide a list of names and contact details of individuals within the department that can be contacted by users of the department's annual report)

Additional information

(Any information that the department deems relevant to users may be included in this section provided it was not already included in the rest of the annual report. For example a Department may deem it necessary to include a list of all key documents published on their website.)

D   PROVINCIAL DEPARTMENTS

i)   WITH CUSTOMISED PERFORMANCE MEASURES

In alignment to information stated under 2.1 above, Provincial departments with customised performance measures must report on their full set of customised performance measures in their annual performance plans. The list of performance measures for customised provincial sectors which needs to be report on for the 2011/12 financial year is available on the website of the OAG website in an Excel format.

http://oag.treasury.gov.za

> Publications

> Annual Financial Statements

> For Prov. And Nat. Departments

> For fin. Year ending 31-03-2012

> Performance reports

Where the department is unable to do so either due of lack of data or because a measure was poorly specified, this must be stated explicitly.

A department shall also articulate clear strategies to realise efficiency savings to meet the target set and report on the efficiency savings. The order in which the department reports on performance measures and targets must be exactly as presented in the strategic and annual performance plans. This is to facilitate comparisons, and to ensure that none are left out. Where departments numbered their performance measures in their annual performance plans, the same numbering system should be used in their annual report.

ii)   WITHOUT CUSTOMISED PERFORMANCE MEASURES

The order in which the department reports on performance measures and targets must be exactly as presented in the annual performance plans. This is to facilitate comparisons, and to ensure that none are left out. Where departments numbered their performance measures in their annual performance plans, the same numbering system should be used in their annual report.

ANNEXURE A

CONFIRMATON OF THE ACCURACY AND FAIR PRESENTATION OF THE ANNUAL REPORT (INCLUDING INFORMATION ON PREDETERMINED OBJECTIVES) SUBMITTED

TO: …………………………………………..[3] **DATE:** …………….………………[4]

CC: The Auditor-General

ANNUAL REPORT FOR THE 200X/200Y FINANCIAL YEAR END

I hereby acknowledge that the annual report of ………………….. [5], have been submitted to the Auditor-General for auditing in terms section ……. of the ………………………[6].

I acknowledge my responsibility for the accuracy of the accounting records and the fair presentation of the financial statements and confirm, to the best of my knowledge and belief, the following:

- the financial statements have been prepared in accordance with ………………………[7] as prescribed in the …………………….[8] and relevant guidelines specified / issued by the National Treasury

- the report on predetermined objectives is complete and accurate and has been prepared in accordance with the Framework For Managing Programme Performance Information and relevant guidelines specified / issued by the National Treasury

- the annual report is complete and accurate

- all amounts appearing on the annual report and information in the annual report are consistent with the financial statements submitted to the Auditor-General for audit purposes and;

- the annual report is free from any omissions.

Yours faithfully

_____

Chief Financial Officer

_____

Accounting Officer

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[3] The letter should be addressed to the relevant treasury, Auditor-General, and external auditor as required by the PFMA / Treasury regulations.
[4] The date of submission of the financial statements for auditing should be reflected here, being a date before or on 31 May in respect of national and provincial departments, trading entities and constitutional institutions and public entities.
[5] Insert the name of the entity.
[6] Insert the relevant reference, for example for national and provincial departments, trading entities and constitutional institutions – section 40(1)(c) of the PFMA; for public entities – section 55(1)(c) of the PFMA.
[7] Insert the applicable accounting framework. For example GRAP, GAAP, NT determined framework.
[8] Insert the relevant reference, for example for national and provincial departments, trading entities and constitutional institutions and public entities - the Treasury Regulations and the PFMA,