



OFFICE OF THE PREMIER
Province of the Eastern Cape

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OFFICE OF THE PREMIER
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Annual Report 2004

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Annual Report

2004 - 2005

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"People in progress" photographs courtesy of Guy Stubbs
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PART: 1 General Information

1.1 Presentation of Annual Report

In terms of the requirements of Section 40, 3(a) of the Public Finance Management Act, Act 1 of 1999 as amended, I, Sibongile Muthwa, in my capacity as Accounting Officer for the Office of the Premier for the period under review, declare that:

The Annual Report and Audited Financial Statements fairly represent the state of affairs of the department, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial period under review.



Dr. Sibongile Muthwa
Accounting Officer & Director General

		
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Ikamva eliquambileyo!

1.2 Introduction by Head of Institution

1.2.1 Premier's Overview

In presenting the annual report for 2004/5, I wish to showcase ways in which we have been working to make the Eastern Cape a compelling place in which to live, work and invest. Continuing in our quest to build a vibrant and participatory democracy, we have based our work firmly on the three strategic platforms that we built during our First Decade of Liberation. These are firstly an efficient system of government empowered to serve the people; secondly a strong and growing First Economy and a revolutionized Second Economy; and, thirdly an inclusive people's contract that transforms as many of our people as possible into conscious agents of change for the construction of a winning and humane society, based on the principles and practice of letsema and vuk'uzenzele, acting in unity and uniting in action.



Mrs Nosimo Balindlela
PREMIER OF THE EASTERN CAPE

In growing the efficiency of government, the thrust has been to strengthen the centre, primarily through building transversal capacity in the Office of the Premier and through filling key Heads of Department posts as well as other critical vacancies across departments. In advancing readiness for greater efficiency, senior managers have received training for service optimization. This approach rests on a comprehensive monitoring and evaluation system, which has been conceptualized and designed in anticipation of roll-out in the new financial year. A cornerstone of monitoring service delivery is to hear the voices of beneficiaries. This sharpens departmental responsiveness. Thus customer care functionality has been introduced across government. In pursuit of co-ordination and integration, particular attention has been focused on harmonizing the three spheres of government towards seamless service delivery. The programs bundled as the Provincial Growth and Development Plan (PDGP) have provided fertile ground for effecting this form of integrated planning and boundary-less implementation. Many lessons have been learnt and it is getting easier. Work lies ahead to fine-tune the provincial model, particularly a financial architecture for inter-departmental and inter-sphere program roll-out, and to make sure that inter-governmental structures are functional and bear tangible results.

Economic inclusion remains elusive, but that does not mean that people have remained unproductive. Fields have been ploughed and harvested; livestock breeds have been strengthened and cattle dipped; poultry has been raised and packaged for market. Thus there is food on the table for some. Encouraging developments within the first economy have been achieved, with the automotive sector taking the lead and signing significant export contracts. Both the Coega and the East London Industrial Development Zones (IDZs) are consolidating negotiations with anchor investors, leveraging off the infrastructure construction that has taken place in each. In the second economy, the foundation for economic revival has been laid through planning for labour-intensive extended public works initiatives; local economic development; and skills training. Positive initiatives are on track in a number of sectors, including forestry; quarrying; and agriculture. What remains is to stoke entrepreneurial drive so as to ignite real growth and increased job creation within the first and the second economy, with a strong emphasis on rural areas. Such economic viability with a healthy return on investment is central to provincial stability.

Social cohesion is the mainstay of government's ongoing dialogue with communities. It is only through regular outreach programs and izimbizo that government remains alive and responsive to people's needs. We have created a government-on-wheels by setting up service delivery points at these events. This has multiplied access to services such as application for identity documents, registration for social grants and voluntary counselling and testing for HIV. Listening to our people's voices holds us to account and remind us of our promise to serve with honesty, humility and integrity. Much more can and must be done to achieve real participatory governance throughout the planning and budgetary cycle. Only in this way will vuk'uzenzele be taken further, allowing people take charge of their own destinies with dignity and purpose.

I would like to thank all who have worked together during the year – the managers in departments and in the public entities; our colleagues in other spheres of government; our social and our international partners. As a team in service to the people of the province, we remain committed to doing everything possible to push back the frontiers of poverty and expand access to a better life for all.

We are a province at work.

Nosimo Balindlela

Mrs Nosimo Balindlela
PREMIER OF THE EASTERN CAPE

1.2.2 Overview of Eastern Cape Administration - DG

The year under review stands at the confluence of significant milestones in the Province's onward journey. It marks the beginning of the second decade of democracy, ushered in by the third term of provincial governance. This new dawn has heralded leadership migration, culminating in the appointment of a new Director General, with full accounting officer responsibilities. Further organizational re-engineering saw the creation of two deputy director-general posts. These movements created a window for enhancing gender representivity at senior level, with the appointment of women as the Director General and one Deputy Director General respectively.



Dr. Sibongile Muthwa
ACCOUNTING OFFICER
& DIRECTOR GENERAL

The provincial administration has set a new pace, approach and form for service delivery. This is anchored by cluster-based institutional arrangements which foster strong inter-sectoral co-ordination. The three administrative clusters, namely Governance and Administration; Economic Growth and Infrastructure; and Social Needs, mirror Cabinet Committees, from which their mandates are derived. The 12 departments have functional allocation across the respective clusters. Intergovernmental structures ensure provincial harmonization with national sphere policy and legislative imperatives, whilst offering the opportunity for progressive planning, budgeting and delivery synergy with the local sphere. It is anticipated that the proposed national legal framework for inter-governmental relations will consolidate and strengthen the existing arrangements.

This integrated approach has ensured tangible delivery on key Provincial Growth and Development Plan (PGDP) programs, thus making the People's Contract for a better Eastern Cape real in the lives of the people in the province. In particular, in-roads have been made in addressing poverty in all its dimensions. Hunger is being driven away with the harvesting of crops in the Siyazondla Household Food Production Program, and food provided by the School Nutrition Program. Income poverty is being addressed with the Expanded Public Works Program, which uses labour intensive methods to construct infrastructure. The feminization of poverty is being confronted with increasing numbers of women engaged in livelihood projects. Further expansion of the financial and asset base of the poor must continue, alongside the on-going creation of opportunities for full participation in the economy as envisaged in the industrial, manufacturing and tourism growth trajectories outlined in the outer years of the PGDP. Work has also commenced on the design of a government-wide monitoring and evaluation system to capture progress and to extract lessons for future program enhancement. The system is intended to provide information on value-for-money and output quality, in-so-doing sharpening accountability.

The Office of the Premier has continued to fulfil its role of providing strategic support to build transversal capacity across the provincial administration. This embraces both the "soft" and "hard" components of organizational life. Soft aspects include moulding attitudes and values, by championing the internalization of Batho Pele principles to re-orientate public servants to behave in ways that firstly expand people's dignity; secondly are grounded in a rights-based approach; and thirdly are strongly corruption-averse. Hard aspects include providing an internal consultancy service to line-departments in respect of organizational design and human resource development. This is essential if the administration is to be modernized and have the responsiveness and capacity for accelerated service delivery.

Strides have been made in reaching out to communities to strike partnerships for service delivery. Communication initiatives are structured on the premise that government must meet its obligation to provide communities with information so as to enable and encourage them to engage in dialogue in pursuit of service delivery improvement. The information must be provided regularly, and must be accurate and accessible. Various approaches have been used, including outreach programs during which communities are visited by government representatives to listen to and hear the voices of people; live broadcasts of key events such as the State of the Province address by the Premier in the Provincial Legislature; increased electronic connectivity at one-stop multi-purpose community centres; the provincial website and customer care channels across government. This needs to be rolled into a consolidated provincial branding strategy.



Risk management has become central in business processes. This has been strengthened by conducting regular risk assessments; deploying internal audit capacity and implementing supply chain management. Shared legal services have further seen a decrease in incidents of litigation against the administration. Centralized fleet management presents an additional opportunity for streamlined asset management, though close attention must be paid to contract management if the full financial benefit is to be realized.

Thus the provincial administration has progressively succeeded in implementing transformative policies that have a direct impact on people's lives. This visible delivery has begun to permeate public perception, positioning government more and more as a dependable partner who honours the People's Contract. However, human development and deprivation indices are still unacceptably high. The Provincial Administration therefore must, and is committed to doing more to propel the province on its profound journey of social and economic transformation for a better life for all.



Dr. Sibongile Muthwa
Accounting Officer & Director General

1.3 General Information on the Department

1.3.1 Departmental Structure

The Office of the Premier functioned according to the organisational structure as depicted in figure 1.1. An intensive review of this structure is planned for the 2005/06 financial year.

Alongside the normal departmental responsibilities, the Office of the Premier also has the following mandate and responsibility to co-ordinate and monitor the following throughout the Province:

- Legal Advisory Service
- Information Communication Technology (ICT)
- Organisational Development and Governance (ODG)
- Security Management
- Anti Corruption
- Internal Audit Service

The Office of the Premier is responsible for three public entities which are:

- The Youth Commission which addresses the development of the youth within the Province
- Eastern Cape Appropriate Technology Unit (ECATU) is responsible for the research and development of alternative technologies ideal for implementation in the province.
- Eastern Cape Socio Economic Consultative Council (ECSECC) is responsible for applied socio-economic research, development planning and facilitation, within the province, which are funded through transfer payments.

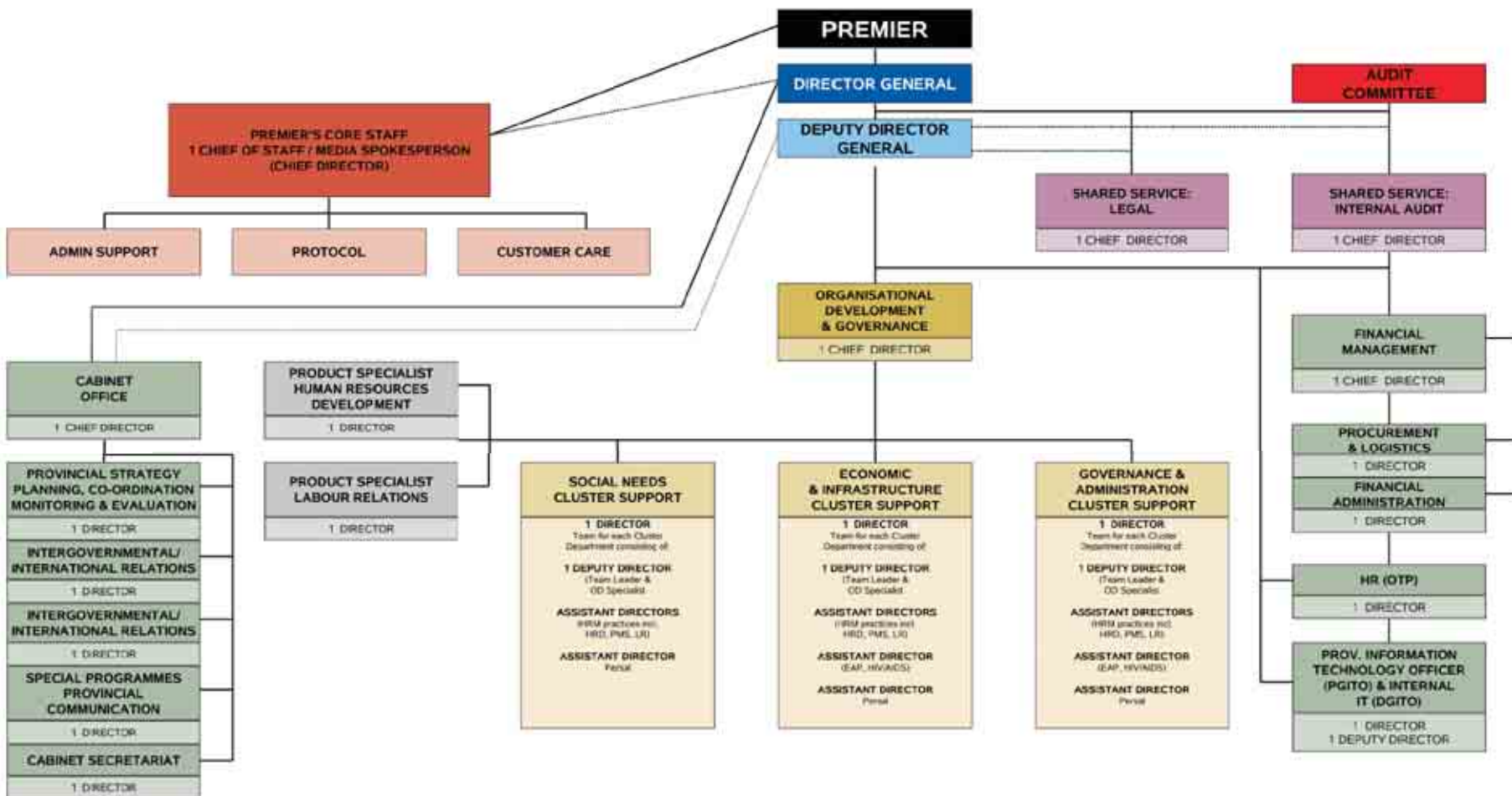
1.3.1 The following legislation was passed by the provincial legislature during the period under review

- Provincial Tender Board Repeal Act, 2004 (Act No. 6 of 2004)
- Adjustment Appropriation Act of 2004
- Adjustment Appropriation Act of 2005

1.3.2 Trips overseas

Honourable Premier Balindlela led an Eastern Cape Delegation to Germany in August 2004. The outcome of the trip was a Joint Declaration signed by the Eastern Cape and the Federal State of Lower Saxony on 23 August 2004 in Hanover.





1.4 Vision, Mission and Values

VISION

The vision of the province is "Eastern Cape a compelling place to live, work and invest in"

MISSION

The mission of the Office of the Premier is "Ensuring integrated service delivery to the citizens of the Eastern Cape through strategic leadership, critical interventions and co-ordinated effective provincial governance."

VALUES

The Office of the Premier believes in:

- | | |
|--|--|
| <ul style="list-style-type: none">• Honesty• Integrity• Humility• Stewardship• Respect | <ul style="list-style-type: none">• Loyalty and discipline• Diligence and dedication• Service before self• Collaboration and Mutual support |
|--|--|

1.5 Legislative and other Mandates

The Office of the Premier is a government department at the centre of the provincial administration. It is a department created in terms of the Constitution (Act 108 of 1996) and the Public Service Act of 1994 to enable the Premier to lead the Eastern Cape government in the service of the public. It is thus mandated to ensure that:

- The Constitution, national and provincial laws, rules and regulations as well as policies, are faithfully and effectively executed;
- Through the Executive Council, the Premier drives the transformation process in the province;
- Government is effectively co-ordinated, and
- The Office of the Premier strives to be an exemplary and effective centre of administration.

In addition to the Constitution and the Public Service Act, other important legislative guidelines include inter alia: Employment Equity Act, Skills Levy Act, Skills Development Act, Public Finance Management Act, Labour Relations Act, Promotion of Access to Information Act, Domestic Violence Act, the Electronic Communication and transaction Act, Public Access to Information Act, the Convention on the elimination of all forms of discrimination against women, the Integrated National Disability Strategy, the International Beijing Platform for Action, the United Nations Children's Charter and the Public Service Regulations.

In addition to the acts referred to above, the Provincial Communications Policy and the nationally adopted Development Communication Policy provide a legislative and policy framework for provincial communications.

The Promotion of Access to Information Act that came into effect in February 2001, places the obligation on government to make information accessible to the public in order for them to realise their constitutional right of access to information;

The Provincial Communications and the Development Communication Policies place an obligation on government to innovatively establish and sustain methods of ensuring that even the poor are helped to realise their constitutional rights (Section 32.1 a of the South African Constitution).

Section 41 (1) and 154 (1) of the Constitution provide guidelines for intergovernmental relations characterised by principles of cooperative government and international relations.

The Provincial Growth and Development Strategy and the Batho Pele principles documents are among the key overall development guidelines used by the Office of the Premier.

The Office of the Premier as executive authority over the Youth Commission plays a supportive role in ensuring the implementation of an integrated youth development strategy for the province.

With the focus the national government is giving to the protection and development of the potential of children, it has been decided to establish a children's desk in the Office of the Premier. This will facilitate a more focussed approach by the government to the development of children.



PART: 2 Programme Performance

Programme 1: THE PREMIER'S CORE STAFF

The core function of this unit is to provide support service to the Premier in terms of designing, planning and managing the Premier's schedule and other government activities that relate to the Premier's work.

2.1.1 Purpose

To provide efficient and effective strategic support as well as general administrative support to the Premier.

2.1.2 Measurable Objectives

Ensuring that the Premier meets all appointments and provision of logistical support to the Premier.

Efficient and effective administrative support.

Managing the Premier's special projects and community interventions.

Provision of Customer Care Services.

Maintaining of good working relations between Legislature and Government.

Monitor, evaluate, support and report on policy implementation and mediation.

Promotion of Public & Media relations.

Promotion of Intergovernmental relations.

Poverty Mediation.

2.1.3 Service Delivery Objectives and Indicators (highlights)

Co-ordination of events in a manner that ensured that the Premier was accessible to diverse communities and organisations across the Province.

All correspondence and actions thereof is captured on an electronic database, using MS Excel spreadsheet. Status of the correspondence is known immediately when enquiries are made. The database is updated on a continuous basis. Simple, yet effective document tracking system.

Premier's Discretionary Fund: The funding is utilized for poverty alleviation, job creation, community development, black economic empowerment, rural development, economic empowerment, entrepreneurial ventures and any other suitable project as identified by the Premier. In 2004/5 such funding has been made out to 117 recipients totally in the amount of R3,111,385.25.

The Bursary Contingency Fund has assisted 75 students with registration / tuition / accommodation fees who come from indigent / poor families who experienced difficulties in accessing finance for Tertiary Education to the value of R878,726.75.

Community Interventions: (a) assisted in the building of speed humps to avoid accidents in Mdantsane, and (b) a house which was struck by lightning in Umzimkulu, killing 4 children, was rebuilt for the mother through private partnership.

Provision of Customer Care Service: We have been able to create a culture of a caring government that promptly responds to people's needs. We have piloted a system of one-stop service. We have been able to influence positively all departments to establish and appoint customer care officials. A workshop was held to distil the customer care concept and its recommendations are shared with all departments. Bringing the government services closer to



people especially in addressing inter-departmental issues some of which were not resolved. Instilled problem-solving skills to clients who had lost hope.

Maintaining of good working relations between Legislature & Government: Set-up and co-ordinated of the PLOs Forum. Met the deadline on responding to reports and findings. Ensured timeous responses are provided by all departments to questions that are raised by Members of the Provincial Legislature.

Policy Implementation and Mediation: Quarterly consolidation of PGDP/IDP & EPWP, Projects and reports for Provincial Departments & Districts, Metro and Local Municipalities. Monitoring and evaluation of all projects funded by the Premier's Discretionary Fund. One-on-one meetings held with MECs and HODs of all departments, including public entities.

Public & Media Relations: Co-ordination of MECs' Spokespersons' Forum. Co-ordination of Premier's meeting with Ward Committees in various District Municipalities.

Intergovernmental Relations: Foot soldiers have been earmarked and deployed for the implementation of Intergovernmental Forums in the various district and local municipalities. Linkages on service delivery projects have been established between the Office of the Premier and Provincial Departments, National Departments operating within the Province, Metro, District and Local Municipalities, NGOs and parastatals and private sector. Premier led the Cabinet visit to Limpopo Province to meet their counterparts and share best practices on various government matters. Premier led outreach to district and local municipalities and to all kingdoms.

Poverty Mediation: R10m seed funding given to ECPCC, EC NGO Coalition, House of Traditional Leaders and Commission on Gender Equality for supporting and initiating projects aimed at poverty alleviation.

2.1.4 Service Delivery Achievements
No sub-programmes in this Programme.

Programme 2: CABINET OFFICE

2.2.1 Sub Programme 2.1: Director General's Office

The Director General's office provides support to all of the strategic goals of the Office of the Premier, with a definitive interest in establishing and managing it as a best practice organization. The leadership team is headed by the Director-General, supported by a Deputy Director General and the requisite administrative personnel.

2.2.1.1 Purpose

The purpose of the Director General's office is to co-ordinate and manage the provincial administration effectively and efficiently, indicated by effective strategic leadership to departments and the Province, and integrated administration.

2.2.1.2 Measurable Objectives

The Office of the Director General's primary role was to ensure the sub-programs reporting in to it, achieved their respective measurable objectives, namely:

Co-ordination of internal audit; security management; anti-corruption and the Provincial Growth and Development Plan (PGDP);

Inter and intra-governmental relations;

Suitable ICT and communications systems and infrastructure to meet provincial needs; and

Co-ordination of international and donor relations.

These are reported on in detail per sub-program in the sections that follow.



2.2.1.3 Service Delivery Objectives and Indicators (highlights)

These relate to the respective sub-programs, and include the following service delivery objectives:

PGDP implemented on schedule, indicated by improved service delivery;

Program alignment with national and local government spheres, indicated by improved relations between departments and spheres of government;

Increased communication and level of service delivery to rural areas, indicated by greater awareness of government projects; and

Increased donor involvement in the province, indicated by improved service delivery.

2.2.1.4 Service Delivery Achievements

This section is reflected throughout the respective sub-programmes.

2.2.2 Sub Programme 2.2: Provincial Strategy & Planning

2.2.2.1 Purpose

To coordinate provincial strategy planning, monitor and evaluate implementation

2.2.2.2 Measurable Objectives

Coordinate and facilitate integrated development in the Province

Manage Service Level Agreements of Public Entities

Facilitation and coordination of cluster programmes and projects

Managing strategic interventions and special assignments from Presidency and Premier

2.2.2.3 Service Delivery Objectives and Indicators (highlights)

Provincial role players have integrated and coordinated development plans, programmes and projects and aligned to PGDP.

Service Level Agreements negotiated and agreed upon between the OTP and Public Entities namely ECATU, ECSECC and Youth Commission

Provide secretariat and technical support to clusters namely Social Needs, Economic Growth and infrastructure and Governance and Administration

Strategic interventions and special assignments from the Presidency and Premier are integrated in the government and departmental programmes



2.2.2.4 Service Delivery Achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Provincial Strategy Planning.	Facilitate, Planning, Coordinating, Monitoring, Evaluation and Reporting in line with PGDP.	Provincial Roleplayers have integrated and coordinated development plans, programmes and projects and aligned to PGDP.	Packaging of flagship programmes into implementation plans. The development of monitoring and evaluation plan inter alia to include the development of performance measures/ indicators, data collection and management institutional and capacity development.	Facilitation of the development and the approval of PGDP medium term priority programmes. Facilitation of alignment of 2004/5 departmental programmes and budgets to PGDP priority programmes. Participated in various learning/study forums on M&E systems in the country has contributed in the streamlining the development of a more appropriate M&E framework in the province. Facilitated the establishment of reference group and Technical Task Team for the development of M and E System and ensuring that meetings are held regularly.
Provincial Strategy Planning.	Ensuring cooperation between Public Entities and the OTP is enhanced.	Service level Agreements negotiated and agreed upon between OTP and 3 Public Entities namely, ECATU, ECSECC and ECYC.	To develop a policy and strategy on the proper management of Public Entities. Ensuring compliance with provisions of Service Level Agreements, PFMA, Treasury Regulations as well as other appropriate legislation and legal documents.	Facilitated and coordinated performance review sessions with the Public Entities. Supported the three Public Entities to finalise their strategic plans, annual reports and Service Levels Agreements
Provincial Strategy Planning.	Provision of secretarial and technical support to 3 clusters namely, Governance and Administrations, Social Needs and Economic Growth and Infrastructure.	Minutes and reports produced and distributed timeously to all cluster members. Effective Coordination taking Place.	To develop a proposal on the strategy and operations of the clusters.	Facilitated and coordinated 36 cluster meetings, the attendance and participation of key departments and relevant strategic partners as reporting format
Provincial Strategy Planning.	Integration of strategic interventions and special assignments from presidency and the premier into the governmental and departmental programmes.	Special assignments/ interventions are reflected in the departmental strategic and business plans and municipal IDPs. Close out and hand over reports are finalised and made available	Facilitation of special assignments and interventions into sector departments as directed by Premier and EXCO from time to time. All Premier's funded projects are handed over to the relevant municipalities	Facilitation and coordination of scoping study of ecotourism development project at Alicedale. Facilitation and coordination of tri district Lake Gariep ecotourism development project involving Eastern Cape, Free State and Northern Cape. Facilitation and coordination of public sector stakeholder participation in the Ncemerha Valley Local Economic Development programme.

2.2.3 Sub Programme 2.3: Intergovernmental Relations & Protocol

Maintain and strengthen an effective intergovernmental relations system, to enhance cooperative governance and integrate service delivery. Create awareness and ensure compliance to the South African Foreign Policy when co-ordinating, monitoring the implementation and soliciting international partners and donors.

2.2.3.1 Purpose

- The demand for services and the existing services being delivered by this sub-programme include:
- Strengthening of the intergovernmental relations forums which are essential to the achievement of the strategies set out in the PGDP so that functions are decentralised to the districts.
 - Donor co-ordination. The strategies contained in the PGDP for better coordination promotes expectation that



- twinning agreements are properly managed and that new opportunities for donor involvement are identified.
- Managing inter-provincial relationships to ensure that the Eastern Cape learns from experiences in other provinces.
- Providing protocol support and advisory services to departments and municipalities.
- Providing provincial co-ordination of state events.

2.2.3.2 Measurable Objectives

Rendering effective and efficient international relations service in order to meet constitutional, legislative, Policy and developmental challenges of the province. Facilitate the establishment of future strategic international agreements. Ensure compliance with the co-operative governance mode of service delivery. Provide support to Inter Governmental Forums. Establish and maintain fully fledged international protocol components.

2.2.3.3 Service Delivery Objectives and Indicators (highlights)

1. International Relations

- 1.1 The South African High Commission in the United Kingdom contribution to the 10th Anniversary/ Commemoration was a School Essay Competition theme "Remembering Those Who Fought and Died in Foreign Lands". Nine Eastern Cape High Schools participated.
- 1.2 The Provincial Municipal International Relations Co-ordinating Group was established to co-ordinate international relations within the Province.
- 1.3 The Eastern Cape Province and the Federal State of Lower Saxony, Federal Republic of Germany renewed their agreement which dates back to 1995. A new PGDP Compliant Joint Declaration was signed by Honourable Premier Balindela and the Prime Minister Christian Wulff on 23 August 2004 in Hannover.
- 1.4 The Office of the Premier participated for the first time in the Eastern Cape Donors Working Breakfast Meetings on 1st December 2004, in East London. It is this meeting that gave birth to the Eastern Cape Donor Conference ADHOC Preparatory Committee and to the actual Donor Conference which took place on the 27th May 2005.

2. Diplomatic Protocol

- 2.1 There were two special official funerals during this financial year, one was that of Mr Wilton Mkwayi in July 2004 and the other was that of Mr Raymond Mhlaba in February 2005.
- 2.2 Several international dignitaries paid courtesy calls to Honourable Premier Balindela notably the People's Republic of China and Republic of India where investment opportunities have been identified.

3. IGR

- 3.1 In compliance with the stipulations of the IGR Framework Bill the Premier's Coordinating Forum (PCF) sat for the first time on 8 February 2005 and focussed primarily on the formulation of a protocol and terms of reference for the PCF.

2.2.3.4 Service Delivery Achievements

Hosting of Training Workshop on Official Development Aid (ODA) conducted by National Treasury on 31 August 2004, The Regent, East London. It was attended by Heads of Departments, Chief Financial Officers and relevant incumbents within the Premier's Office. As a result of the workshop a database for Donor funded programmes was established.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Co-ordination of effective utilisation of existing partnership and twinning agreement	Optimum utilisation of each partnership or twinning agreement whilst continuously assessing relevance vis-à-vis PGDP	Ensure servicing of existing twinning agreement and donor funded programmes to meet constitutional policy and development challenges of the province	Service all existing twinning agreement and donor funded programmes as well as pave way for meaningful donor co-ordination in the province	Lower Saxony and Eastern Cape re-entered into a new partnership which is PGDP compliant a joint declaration was signed on 23 August 2004 in Hannover

Ensure and facilitate ongoing transformation of the provincial sector	Establish and manage effective intergovernmental relations system	In compliance with the IGR Framework Bill the name of the former IGF changed TSG and four meetings are scheduled annually attended by all Heads of Provincial Departments, District and Metro Municipal Managers and National Departments Representatives e.g. Home Affairs, Water Affairs, etc.	There were 4 scheduled meetings per annum	Only one TSG meeting was held on 15 July 2005 the rest were suspended indefinitely
Establish and manage capacity to deliver a globally sound international protocol component	Render and create opportunities for appropriate international protocol service	Capacitate all relevant entities on protocol matter ensure adherence to internationally recognised legal instruments and South African Protocol and Etiquette	Ensure that all Members of Executive Council have diplomatic passports. Formulate Official International Travel Policy. Render all hands on diplomatic protocol necessary	All these were achieved

2.2.4 Sub Programme 2.4: Status of Women

2.2.4.1 Purpose

To facilitate, coordinate and monitor gender mainstreaming and the empowerment of women.

2.2.4.2 Measurable Objectives

Development and popularization of a Provincial Gender Policy Framework

Development of a database of institutions and organizations that offer technical support and funding for aspirant women entrepreneurs.

Raising awareness on gender-based violence and facilitating the translation of SADC commitments into programmes of action.

Coordinating the celebration of National Women's month

Coordinating the 16 Days of Activism Campaign

Leading the celebration of International Women's Day

Collation and management of gender inclusive research

2.2.4.3 Service Delivery Objectives and Indicators (highlights)

WOMEN'S MONTH: The Eastern Cape had its first female Premier in 2004. This fact coupled with the celebration of 10 years of freedom induced a heightened celebratory and triumphant mood among women in the province. This resulted in a much bigger women's month celebration and a much bigger 16 Days of Activism campaign.

National Ministers and Deputy Ministers converged in our province. Speakers during Women's Day included Minister Dlamini-Zuma and our Premier. Some of the highlights of the day included the marching of the guard, traditional dancing as well as the usual fanfare of music, dancing, arts and crafts, and speeches.

In addition to this a Ministerial Committee which included Minister Maphisa-Ngakula, Minister Pahad and others decided that a Women's Caravan programme should be added to the celebrations. This was a partnership between National, Provincial and Local spheres of government which brought services to the doorstep of people who live in far off rural areas. Our programme was launched in Mzimkhulu in Alfred Nzo by our Premier and Deputy Minister Nomatyalala Hangana. The caravan programme also went to Sterkstroom in Chris Hani, Marselle in Cacadu, and Alilwal North in Khahlamba.. Services brought to the people included screening for: eye sight, diabetes, cervical cancer and other diseases. Registration for birth, ID, child grants etc was also on offer as was a follow up service on police cases that had not been solved. Gender-based violence cases including sexual offences were given priority. An inter-faith



service at the Union Building in Pretoria gave a fitting closure to women's month.

16 DAYS OF ACTIVISM: Our province was nominated for the National launch of the campaign. Once again we had National Ministers, Deputy Ministers, Provincial MECs, Mayors and other dignitaries gracing our event in Port Elizabeth. Our President, Thabo Mbeki gave the key note address and our Premier the vote of thanks at the event.

A three day door to door campaign in Kwazakhele, Motherwell, New Brighton and other townships around Port Elizabeth, led by the Premier and the gender machinery preceded the launch. Residents in these townships were given the opportunity to discuss their concerns and offer insights in terms of solutions. They were also given information packs on where and how to get support on child maintenance, domestic violence and various government grants.

MEN'S SUMMIT: As part of awareness raising on gender-based violence and in collaboration with Men For Change we also had a Men's summit which generated a lot of interest in the province with calls for more such events on an ongoing basis. We had speakers from academia, traditional leaders, faith based organisations and the leadership of Men For Change. Speaker after speaker castigated men who abuse women and children. This has given rise to the rallying "Not in our name" call, which will culminate in this year's 16 Day Campaign. . . .

UKHAHLAMBA SAWEN: The launch of a branch of South African Women Entrepreneur (SAWEN) in rural Ukhahlamba District Municipality was another highlight.

2.2.4.4 Service Delivery Achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Office on the Status of Women	Development, collation and management of gender inclusive research and information	Liaise with academic and research institutions in relation to gender research. Facilitation of a process of accessing information on the various aspects of the gender programme.	Academic institutions, research institutions and NGOs.	16 Days of Activism activities informed by gender inclusive research.
Office on the Status of Women	Development of a Provincial Gender Policy Framework that incorporates the PGDP. Facilitation of a process of marketing, implementing and monitoring of the Policy Framework. Rolling out of the Policy Framework document.	Draft Eastern Cape Policy Framework Rollout of draft policy to all Gender focal points, district municipalities and stakeholders' inputs received for finalisation of policy.	12 government departments and 7 district municipalities.	Integration of policy into departmental plans.

Office on the Status of Women	Putting in place strategies that will improve the quality of life and status of women.	Facilitate a workshop to develop an action plan for the Economic Empowerment of Women cluster with the aim of incorporating it into the business of Provincial Economic cluster. Monitor implementation of the action plan and have site visits where necessary. Identification of gaps that need capacity building for provincial departments. Facilitate a feedback process (1 meeting per quarter) with the consultative forum.	Plans and programmes of the Economic Empowerment of Women Cluster are incorporated in the broader plans of the Provincial Economic Cluster.	Detailed cluster project plan.
Office on the Status of Women	Development of database of women organisations, institutions that offer funding and technical support.	Draft directory of funding and technical support institutions for women is available.	100 copies per district municipality.	Access by all women in the province to database either by hard copy or on the provincial website.
Office on the Status of Women	Raising awareness on gender based violence and translation SADC commitments into programmes of action	Facilitation, coordination and monitoring of working teams to deal with Women's moth, 16 Days of Activism Against Women, and International Women's Day with special focus on gender based violence.	Calendar of departmental build-up programmes developed. Updated departmental reports on SADC commitments and progress made.	Co-ordinated planning of programmes between stakeholders and government. Shared ownership of plans and programmes. Updated SADC report.

2.2.5 Sub Programme 2.5: Office of the Rights of the Child and Elderly

The Office on the Rights of the Child and Elderly

2.2.5.1 Purpose

To facilitate, monitor co-ordinate the implementation of national and international mandates.

2.2.5.2 Measurable Objectives

- Raise awareness within departments and district municipalities on the need for the establishment of the children and elderly person's desks.
- Facilitate the co-ordination of the Provincial Programme (PPA) of Action for children through lobbying, advocacy and regular meetings both provincially and at local level.
- Conduct field visits to prisons to assess the number and condition of young children being held with incarcerated mothers and those children in places of safety.
- Facilitate workshops in partnership with the Department of Education and UNICEF to eliminate gender-based violence against the Girl Child in schools
- Facilitate three workshops on ICT, Agriculture and Engineering for girls.
- Facilitate and co-ordinate meetings on Child Protection with the department of Safety and Liaison.
- Popularization of the Elderly Prison's Bill.
- Facilitate and co-ordinate workshop for stakeholders on Draft Bill
- Conduct snap surveys on conditions at pay points.
- Facilitate National Children's Day and International Day for Elderly Persons.

2.2.5.3 Service Delivery Objectives and Indicators (highlights)

- Launch of the provincial Girls Education Movement (GEM) project



- Launch of UNICEF state of the world's children report 2004
- Provincial winners of national children's day competitions with prize money totalling R300 000, computers and printers to six schools and educational laptops to all prize winners
- Provincial Thakaneng sessions held with approximately 500 children in Molteneo where children interact with Premier, MECs and Councillors of the Chris Hani District Municipality
- Co-ordination of the mid-term review report for UNICEF
- Workshop held with all stakeholders and implementation plan development to combat trafficking in the province
- Conducted field visits to prisons to assess the number of young children being held with incarcerated mothers and developed plan of action with the Department of Correctional Services

2.2.5.4 Service Delivery Achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Office on the Rights of the Child and Elderly Persons	Raise awareness within departments and district municipalities on the need for the establishment of the children's desks	4 departmental meetings held to raise awareness 1 strategic planning workshop with all departments to ensure integration of children's rights into all action plan	Children and Elderly Persons Desks established within 12 departments and the core functions integrate children's rights	Each department and district municipality has integrated children and Elderly Persons Rights in their core functions .1 Department (Public Works) has even launched theirs.

2.2.6 Sub Programme 2.6: Office of the Status of Disabled Persons

2.2.6.1 Purpose

The purpose of the Office on the Status of Disabled Persons is to facilitate, coordinate, monitor and evaluate the integration of disability into government plans, strategies and programmes, raise awareness on disability issues, build capacity of government officials so that they are able to implement the recommendations of the Integrated National Disability Strategy and undertake research where necessary.

2.2.6.2 Measurable Objectives

- Implementation of the Integrated Provincial Disability Strategy
- Participation in the implementation of International and National mandates
- Coordination of Disability Awareness Programme
- Economic Empowerment Programme of Disabled People
- Linkages with the Disability Sector
- Human Resource Development Programme
- Sustainable Housing in Accessible and Developed Environment

2.2.6.3 Service Delivery Objectives and Indicators (highlights)

1. Implementation of the IPDS - Alignment of the IPDS to the PGDP,
2. During the launch of Disability Month received 44 wheelchairs donated by GAME and four sports wheelchairs donated by the Thabo Mbeki Development Trust. Furthermore disabled people in the O.R. Tambo presented a document on Economic Empowerment of Disabled people and the Department of Education, Labour, Economic Affairs and UNITRA committed themselves to address the issues raised. 30 Disabled Women trained in soap making and screen printing during women's month.
3. Economic Empowerment - Participation in the Eastern Cape Disability Economic Empowerment Trust attended launch of sprinter where issue of accessibility of the sprinter raised with Daimler Chrysler. Masimanyane project in Flagstaff sustainable as a result the Department of Social Development and the Thabo Mbeki development Trust pledged support for the project.

2.2.6.4 Service Delivery Achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Office on the Status of Disabled Persons	Implementation of the Integrated Provincial Disability Strategy	Departments and District Municipalities have integrated disability within their plans, programmes and strategies	Four Interdepartmental meetings, one workshop and minimum of one meeting per district municipality	Final draft of the Nelson Mandela Metro Disability Policy consulted upon. Funding of the O.R. Tambo Disability Forum operational costs by the District Municipality and launch of Disability Month and celebration of International Day of Disabled Persons Launch of Amahathi and Maletswai Disability Fora
Office on the Status of Disabled Persons	Implementation of International and National mandates	Active participation in meetings, workshops and conferences on disability	Four Inter-provincial OSDP meetings. Conferences and workshops as per invitation	DICAG and ACCESS conferences attended. Inter-provincial OSDP meetings held, outcomes of these meetings integrated into the provincial plans and strategies
Office on the Status of Disabled Persons	Coordination of Disability Awareness Programme	Meetings of the ECFCD. Observance of Blindness, Deaf, Epilepsy and Mental Health Weeks Observance of International Day of Disabled Persons	Three meetings of the ECFCD Observance of Blindness, Deaf, Epilepsy and Mental Health Weeks and International Day of Disabled Persons	Meetings of the ECFCD and a consultative meeting. Officials of the departments participated in the Epilepsy Workshop and Mental Health Awareness Workshop. International Day held in the O.R. Tambo District with a focus on Economic Empowerment and education of disabled people.
Office on the Status of Disabled Persons	Economic Empowerment Programme of Disabled People	Economic Empowerment of disabled people in Chris Hani, Alfred Nzo, O.R. Tambo and Cacadu Eastern Cape Disability Economic Empowerment Trust (ECDDET)	Chris Hani - Shiloh and Ncorha Irrigation Schemes Alfred Nzo - Gospel Group Participation in meetings of ECDDET	ECDDET - Raised issue of making sprinter bus accessible to disabled people with Daimler Chrysler Disabled People fully involved in the Shiloh and Ncorha Irrigation Scheme. Department of Agriculture providing technical support and funding of R300 000 allocated by the Chris Hani District Municipality utilised to purchase seeds and implements. Alfred Nzo Gospel Group integrated into all activities undertaken in the province thus benefiting the group economically. Masibambane project visited and the project assisted to access funds from the Thabo Mbeki Development Trust. Initial meetings held in Cacadu with disabled people and the Makana Municipality for the fish farm and for the Kareedouw farm with the Municipality in the area

2.2.7 Sub Programme 2.7: Provincial Communications

2.2.7.1 Purpose

To provide effective communication and information service in the provincial administration to meet government communication and public information needs through : Effective coordination of communication services within the provincial spheres of government in order to improve the impact of communication campaigns and to develop and implement communication campaigns that inform and encourage maximum participation and contributions to the development efforts of the government by all publics and stakeholders.

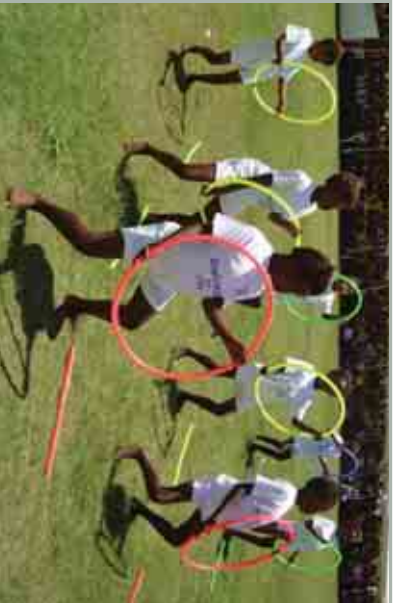
2.2.7.2 Measurable Objectives

1. Effective and Integrated Government Communication and Information System (GCIS) through the provision of leadership and facilitation across the spheres of government in the province.
2. Provision and promotion of effective internal communications to ensure ownership and passion to drive service delivery programmes of government.

3. Improve the image and reputation of the provincial administration and the Eastern Cape through creating a positive environment for the successful implementation of the Branding campaign to support PGDP objectives
4. Building and promoting productive government media relations to support PGDP objectives.
5. Improve direct communication with stakeholders and publics to overcome major barriers to communications, illiteracy and poverty.
6. Provision of professional technical media production and library support service to the OTP and Eastern Cape.

2.2.7.3 Service Delivery Objectives and Indicators (highlights)

1. A three phased Provincial Communications Strategy was developed entailing
(Phase 1 - Popularisation of new leadership,
Phase 2 - Premier's & Exco 100 days in office and
Phase 3 - Policy pronouncement period) presented to Premier, Exco Lekgotla and approved. Most departments and district municipalities were assisted to develop communications strategies in line with the provincial and national frame-work).
2. Implemented an effective and sustained media turn-around strategy targeting group 2 media (provincial media) to improve the image of the Premier from negative to neutral and ultimately positive.
3. Successfully facilitated a meeting between the Premier and Sanef - extended in the Africa high-way conference. The Premier was the first and only Premier to have had such a meeting so far.
4. Gold-Winner Public Sector category - of the Johnnic Pro-active Communication Awards - and Platinum award winner of the overall advertising awards.
5. Communication of the State of the nation address, State of the Province address as well as the provincial budget speech reached new levels of publicity, with live transmissions to big screens, advertorials, media briefings, supplements and a series of interviews for Premier and MECs.
6. Two Executive Council Outreach programmes to all district municipalities and two national Imbizo focus weeks were successfully organised.



2.2.7.4 Service Delivery Achievements

Strategic Objective	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Branding & Marketing of the Eastern Cape and the OTP	Branding and Marketing Strategy exist	Image of the Eastern Cape progressively improved	Conduct research & draw lessons from other provinces on best practice model.	Phase 1 - completed entailing the development of Terms of References.
Effective Internal Communications to build a well informed civil service	An effective Communications Strategy is developed & implemented.	All publications developed & internal communication improved with morale boosted.	Produce 4 editions of Intengu, two Internal Imbizos held, Internal Communications strategy developed.	Produced 3 Editions of Intengu, 1 Internal Imbizo held in collaboration with HR, Strategy not yet finalised
Effective media production and library support service to the OTP and Eastern Cape	All corporate publications are produced in time and library facilities optimally utilised	All corporate material is effectively graphically designed, all major events captured in Video and Photography.	Media production support is provided in all major government events.	Production of Annual Report & Strategic Plan facilitated. Various materials (brochures, posters, flyers, banners, were produced for all major government events.
Improved direct communication with stakeholders and publics.	Promote direct unmediated communications especially with the poor.	Create public awareness of government programmes & policies	Six outreach programmes are organised with two national Imbizo focus weeks held and new generation MPCCs implemented	3 Exco outreach programmes organised, and 2 national Imbizos successfully in April and October, 6 MPCCs established in the province 4 operational.
Productive government Media-Relations to support the PGDP objectives	Proactive media releases and factual responses to media queries, 4 Supplements produced to profile govt achievements, meetings between Premier & Media organised, Media analysis & Cluster media briefings.	Consistently improving coverage of the provincial government in local & national media, Improved relations with the media.	Weekly comprehensive media statements released, 4 newspaper supplements produced, a yearly media programme developed, Pro-active media management & effective media monitoring conduct.	Weekly media statements produced submitted to GCIS, 2 newspaper supplements produced, media analysis outsourced to Monitoring South Africa for 3 months.
To provide effective leadership, coordination, integration of Government Communications & Information system	A frame-work for Provincial Communications Strategy is developed and approved by Exco	Departments, District Municipalities and parastatals develop Communications Strategies in line with the Provincial Frame-work to develop a Communications system that enables government to speak with one voice.	A provincial Communications strategy and those of Departments, DM's exist & implemented.	Strategy developed with the guidance of the Premier in PE approved by Exco, three departments & three DM's assisted.

2.2.8 Sub Programme 2.8: Cabinet Secretariat

2.2.8.1 Purpose

To provide efficient and effective secretarial support to the Executive Council, Cabinet Committees, Top Management and Executive Council Outreach Programme.

2.2.8.2 Measurable Objectives

EXECUTIVE COUNCIL MEETINGS:

The Executive Council provides strategic leadership through the setting of policy priorities for the whole of the Provincial Government. It promotes participatory democracy through structured interaction with communities. Furthermore, it monitors the implementation of government policies, plans and programmes.



CABINET COMMITTEE MEETINGS:

The Cabinet Committees are sub-Committees of the Executive Council and they facilitate policy development, co-ordination and integration. This arrangement enhances the decision- making process of the Executive Council as it ensures that strategic information is provided for appropriate actions. Policy priorities of the Provincial Government are analysed by Administrative Clusters.

TOP MANAGEMENT MEETINGS:

This is a forum of all Heads of Departments and it is chaired by the Provincial Director-General.

The main objective of this forum is to facilitate the implementation of policies that emanate from the Executive Council. This approach enhances co-ordination and integration service delivery in the Province of the Eastern Cape. The Forum also contributes to policy analysis and development through the work of Administrative Clusters.

EXECUTIVE COUNCIL OUTREACH PROGRAMME:

The Executive Council Outreach Programme’s objective is to promote interactive governance. This approach improves communication between Government and communities thus enhancing the process of a people driven development. Furthermore, the Outreach Programme assists in the reprioritisation of projects for areas with serious service delivery backlogs and enriches the planning and budgeting process of the Provincial Administration.

2.2.8.3 Service Delivery Objectives and Indicators (highlights)

- During the year under review the Cabinet Secretariat had the following key achievements
- Efficiently organised the last meeting of Executive Council for the second term of Government.
 - Efficiently planned and organised the first Executive Council meeting for the third term of government
 - Organised orientation a session for the new Executive Council on the use of the Cabinet Handbook.
 - Arranged Thirty-two productive Executive Council meetings and twenty-two Cabinet Committee meetings to facilitate effective executive decision-making.
 - Organised training workshop on Handbook for Departmental Officials as well as the Policy and Strategy division Unit officials in the Office of the Premier.
 - Developed the second edition of the Provincial Cabinet Handbook
 - Planned and organized three Executive Council Outreach Programme meetings
 - Organized the Executive Council visit to the Limpopo Province

ADDRESSING THE CHALLENGES

- Improvement in the planning and management of the
- Executive Council Outreach Programme is required
- Alignment and integration of the Government business, Legislature and Provincial Budget programme
- Improve coordination and alignment of the work of the Cabinet
- Committees and Cluster
- Ensure compliance with the Cabinet Handbooks requirements
- Improvement in the quality of documents and issues discussed in the Top Management.
- Development of a monitoring tool for Executive Council resolutions.



2.2.8.4 Service Delivery Achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Cabinet Secretariat	Organise Executive Council meetings	Distribution of Executive Council resolutions for implementation by departments.	Twenty Four meetings were planned	Thirty Two Productive meetings were held
	Write Executive Council minutes.	Minutes of the Executive Council		
	Drafting of Executive Council Resolutions ensuring implementation by departments	Executive Council documents distributed to Premier and MECs timeously		
Cabinet Secretariat	Prepare documents for Cabinet Committee Meetings.	Policy documents are drafted and referred to Executive Council for endorsement.	Twenty Four	Twenty productive meetings were held
	Draft Cabinet Memoranda for presentation to Executive Council	PGDP and Policy Priorities for the Financial year implemented		
	Draft Top Management Minutes	Minutes and decision of the meetings distributed timeously	Eleven meetings were planned	Eight meetings were held
Cabinet Secretariat	Communicate the decision for action by Departments	Policy documents presented and discussed.		
	Organise and Plan Executive Council Outreach meetings.	Programme for the Executive Council Outreach drafted.	Quarterly monitoring reports prepared	Three Outreach Report drafted and distributed to all departments
	Write composite report on the visited areas	Composite reports for all departments circulated for implementation by all departments		
Cabinet Secretariat	Planning and budgeting for the Division	Facilitate training of staff.	15 July 2004 and quarterly	Quarterly PMS Appraisal Reports Training Plan for the financial year.
	Signing of the Standards Framework by staff	Improved performance to quarterly performance reviews		
	Prepare Quarterly and Annual reports	Prepared Annual Report for the directorate		



Programme 3: CORPORATE SERVICES

2.3.1 Sub Programme 3.1: Deputy-Director General

2.3.1.1 Purpose

The main aim of this sub program is to ensure efficient and effective management and provide coordination of the following projects:

- Government and Administration cluster;
- Integrated Provincial Support Program;
- South African Excellence Foundation and
- The GTZ provincial administration program.

2.3.1.2 Measurable Objectives

- Provide efficient management of the department.
- Support the Integrated Provincial Support Program
- Facilitate improvement in the Public Service Administration and enhance twinning agreements.

2.3.1.3 Service Delivery Objectives and Indicators (highlights)

- The department received an unqualified report from the auditor general. There has been a reduction in the matters of emphasis raised by the Auditor General.
- The G&A cluster improved the holding o meetings and production of its reports. Cooperation and integrated planning between departments has been improved as a result of the cluster.
- All projects that were targeted for the year were completed successfully during the year. These included:
 - Departmental and individual performance monitored through a fully operational Provincial PMDS in all Departments with particular reference to District Offices and Service Delivery Institutions;
 - Effective management and coordination of the Social Development Restructuring Programme;
 - Performance Monitoring and Evaluation for Social Development Service Delivery Institutions through 10 District Offices;
- Support the Department with the transformation associated with the splitting off of Social Security to SASSA;
- Support to CMC with particular reference to the Monitoring and Help Desks;
- Review of facilities management status quo and proposed way forward;

2.3.2 Sub Programme 3.2: Financial Management

2.3.2.1 Purpose

The purpose of this programme is to provide efficient and effective financial and administrative support to the Office of the Premier.

2.3.2.2 Measurable Objectives

1. Budgets that are linked to departmental strategies.
2. Financial management practices that comply with Provincial and National requirements.
3. Risk management practices that comply with Provincial and National requirements.

2.3.2.3 Service Delivery Objectives and Indicators (highlights)

- The budget was completed on time.
- Suspense accounts were cleared as at the end of the financial year.
- Reconciliation of BAS to Peral is up to date.
- Management of financial resources has improved with the implementation of the austerity measures which are monitored through monthly reports.
- All internal controls and processed have been documented to further strengthen the control environment in financial management.

2.3.2.4 Service Delivery Achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Budgeting - Strategically founded budgets.	Budgets that are aligned to strategy.	Budget item linked to a specific project / strategy.	Strategic plan to be completed and aligned to budget.	Strategic plan completed and tabled on time. All strategies linked to budget.
Budgeting - Consolidation of Departmental budget.	Effective and efficient department that is able to meet its core functions.	Information communicated to all programmes.	Strategic plan to be completed and aligned to budget.	Strategic plan completed and tabled on time. All strategies linked to budget.
Financial Management - Departmental compliance with the PFMA.	Legally required financial controls and procedures.	No financial offences reported.	No financial offences reported.	No financial offences reported.
Monitoring of monthly expenditure and accurate forecasting	Department that spends according to budget	In year monitoring report prepared monthly	IVM submitted by 15th of each month	IVM reports are submitted timeously.
Annual financial statements	Annual financial statements	One set of approved financial statements per year	Annual financial statements submitted by 31 May 2004	AFS were submitted on time. Unqualified opinion issued by Auditor General.
Loss control	Loss Control systems and procedures maintained	Investigate and deal with new incidents within 3 to 6 months	All losses accounted for.	A register of lost assets is maintained. Investigations not fully addressed due to lack of skills.
Minimise Departmental Audit Queries	Shorter AG management reports	Action plan for prior year queries	Reduce AG queries by 20%	Strategies to address the queries have been drafted and implemented.
Train staff in 5 key pillars of Financial Management: Budgeting; Accounting; Cash Flow Management; Information Systems & Procurement.	Improved Financial Management; updated Systems Documentation; Peral/Bas and other key control accounts reconciled monthly	Documented Systems; monthly reconciliations.	All financial processes have been documented. Suspense accounts cleared monthly.	All suspense accounts were cleared. Reconciliation of Bas and Peral up to date.

2.3.3 Sub Programme 3.3: Procurement, Logistics and Asset Management

2.3.3.1 Purpose

Is to provide the Office of the Premier with Procurement support and an effective and efficient acquisition of goods and services

2.3.3.2 Measurable Objectives

1. The finalisation of the acquisition of goods and services within thirty days of the placement of an official order
2. Officials orders generated within two working days of receipt of correctly authorized supporting documentation
3. All departmental transportation needs are met in accordance to the departmental policy
4. All assets within the Department are accounted for.
5. All incidents of losses are processed in accordance with the Departmental policies
6. All procurement within the department adheres to the delegations issued by the Accounting Officer.
7. All procurement complies with government policies of targeted procurement.



2.3.3.3 Service Delivery Objectives and Indicators (highlights)

- During the report period, this unit facilitated the conclusion of the four major contracts with service providers namely: the in-house travel and accommodation, Office Automation, HRD policies development Risk assessment and the in-house stationery contract was awarded during 2004/2005 financial year.
- iQual supplier database was implemented with effect from 10 August 2004 and supplier details are being updated continuously.
- The Provincial Supplier's Day conference and the launch of the Provincial Supply Chain Management were hosted in Feather Market Hall, Port Elizabeth on 5 August 2004. 560 persons compromising of both the public sector and the private sector attended this event.
- Redundant assets (office furniture/computers) identified during the reporting period had been disposed to previously disadvantaged schools

2.3.3.4 Service Delivery Achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Contract management	Optimum use of contracts for OTP procurement process	Improved procurement management	4 large cost areas procured through contracts- SITA, Stationery, Travel, Office automation	<p>1) The in-house travel and accommodation contract was implemented On 15/11/2004.</p> <p>2) Office automation contract commenced on 10/01/2005.</p> <p>3) The HRD Policies Development contract commenced on 10 November 2004.</p> <p>4) The stationery tender closed on 17 December 2004 and was subsequently awarded.</p> <p>5) The catering specifications could not be finalised in the last financial year due to poor responses from respective Directorates. The Supply Chain Management Unit has unilaterally embarked on the crafting of such specifications.</p> <p>6) Cleaning bid was advertised on 21 January 2005. Upon evaluation of all bids it was established that all prospective bidders did not comply with the condition of bid, as a result the bid had to be cancelled and re-advertised.</p> <p>7) Risk assessment contract was awarded on 2 March 2005 Management</p>
Development of procurement plans	Improved efficiency of procurement for goods & services greater than R 100 000 per case	Adherence to targeted procurement plans and time-frames	Consolidated departmental procurement plan	<p>During the reporting period all Directorates submitted their procurement plans directly to the Accounting Officer for the period ending 31 March 2005.</p>
Ensure the implementation and maintenance of a supply chain management system	Supplier chain management system	More efficient and effective procurement processes	10% reduction in the procurement cycle	<p>The implementation of Supply Management System was championed by Provincial Treasury. Due to problems encountered by the Provincial Treasury the appointment of the service provider was not possible to proceed with the timeous implementation. Subsequently the appointed service provider engaged with the Office of the Premier with the first stage of the departmental system. The contract subsequently came to an end mid April 2005. By 31st March 2005 the department complied with the SCM directives from Provincial Treasury.</p>

Improve communications with suppliers	Improved relationship with suppliers	Suppliers understanding of Provincial Government procurement process	At least one open supplier day	<p>1) The Provincial Supplier's Day conference and the launch of the Provincial Supply Chain Management were hosted in Feather Market Hall, Port Elizabeth on 5 August 2004. 560 persons comprising of both the public sector and the private sector attended this event.</p>
Maintenance of Baud Asset Management System	Fixed Asset	Improved management of assets	Complete, updated departmental asset register	<p>1) The Baud system has been upgraded in January 2005, therefore enabling the asset management unit to effect changes on the system 2) Final stock take has been conducted in head office and district offices and has been finalised in the first week of April 2005. 3) The data gathered during the stock take has been updated on the Baud system. 4) All inventory controllers have been appointed in writing. 5) Inventory lists have been updated and printed, reflecting all assets per location which was subsequently affix to each location. 6) Discrepancies have been detected and rectified as assets have been moved between offices. The remainder of 36 discrepancies are being investigated and will be finalise by 30 June 2005. 7) The update for 2002/2003 for all assets that have purchasing documentation was affected on Baud. A submission reflecting a list of all items that did not have purchasing documents was submitted to the Chief Financial Officer on the 14 April 2005 requesting approval to capture these assets at R1,00 instead of a nil amount as currently reflected on Baud. 8) All assets purchased during 2004 / 2005 financial year have been captured on Baud and the total value of such assets amounts to R7 546 000 which reconciles with BAS.</p>
Maintenance of infrastructure	Safe and healthy environment	Safe enabling working environment	minimal hazardous environmental defects	<p>1) There has been improvement in the general cleanliness of the environment and as a result number of complaints has decreased. Defects had been reported to the department of Public Works of which 50% was attended to promptly whilst the other 50% was attended at a later stage due to unavailability of stock.</p>
Maintenance of Logis/BAS interface to provide an effective procurement system	Official orders process expedited; suppliers deliveries followed up	More efficient and effective procurement processes	Reduced payment cycle - 30 days, delivery within 30 days	<p>1) The payment cycle has been reduced to 30 days. 2) 30 days however in so far as Rennies Travel & Flee Africa was concerned the thirty (30) day payment circle was not met due to incorrect and duplicate invoices submitted. This matter was taken up with the respective supplier's. 3) (a) The 1 day target of issuing orders up to the value of R 5000,00 was met. (b) 2 days target is also met for orders to the value of R 100 00,00. (c) The R5m orders have been met in the 3 month target. (4) It is relevant to make mention that the department experienced system problems with the BAS/Logis interface during February and March 2005, resulting in the delay in the generation of official orders.</p>



Maintenance of the Department's supplier database	Active supplier database	Single complete supplier database	Supplier rotation; 60% of purchases are channelled to BEE's	
				1) The iQual supplier data base was implemented with effect from 10 August 2004 and suppliers details are being updated continuously. The contract of Four (4) Interns who have been engaged to assist with the database project, expired at 30 April 2005 and they have since left the component. 2) Although some directorates are sourcing quotation via the Supplier date base there are still those who arrange their own quotations and some measures are being made to rectify that issue. 3) There is an improvement in monthly statistical reports as the equity status of suppliers is being verified. During the last quarter of the financial year a total of 1056 official orders were generated, of which 82,08% of the procurement was directed to HDI's. The total procurement for the financial year was R 78,395,623.52. Sita procurement amounted to R 44,520,998.36, whilst procurement directed to HDI's was R 15,202,354.42 (44.88%)
Outsourced Fleet Management	Rental fleet	Effective & efficient transport facility	18 motor vehicles	1) All log returns in respect of pool vehicles are submitted to Fleet Africa by no later than the 7th of each month. 2) Nine (9) accidents were reported during the reporting period, of which three (3) vehicles were right offs. All accident reports were submitted to Fleet Africa Eastern Cape. 3) Reconciliation of invoices has been carried out by both Logistics and Asset Management, Procurement Management and Financial Management, prior to any payments made to Fleet Africa

2.3.4 Sub Programme 3.4: Human Resource and Office Support

2.3.4.1 Purpose

To provide human resource and office support services to the department.

2.3.4.2 Measurable Objectives

Management and Implementation of Performance Management Development
Development and Implementation of Human Resource Plan
Development and Implementation of Employment Equity Plan
Management and implementation of HIV/ AND AIDS Work Place Program
Management and development of effective human resource development (including workplace skills plan, learner-ships and internship)
Ensure Sound Labour Relations in the department
Development and implementation of an effective employee assistance program in an integrated manner.
Effective Management of records (leave, employees records)
Effective management of human resource provisioning (all human resource transactions like appointments, terminations, transfers, performance bonus and other related service conditions of service)
Management and implementation of Health and Safety issues in the department
Management of Organizational structure and job evaluation
Entering into service level agreement with ODG and other line components
Multi-skilling of HR cadre in the Human Resource Component
Development of HR policies like EAP, BURSARY, RETENTION & SHE
Rendering of effective registry services.

2.3.4.3 Service Delivery Objectives and Indicators (highlights)

1. Service Delivery Objectives : Development of Human Resource Plan Indicator: Human Resource Plan in place
2. Service Delivery Indicator: Implementation and management of Performance Management Development System Indicator : All employees have signed performance plans
3. Service Delivery Objective: Effective Management of Records Indicator: Records Manager in place and functioning.

2.3.4.4 Service Delivery Achievements

Developed and implemented Human Resource Plan for the department.
Developed and implemented Resettlement policy. Drafted EAP and BURSARY POLICY .
Realized 30 % employment of women in senior management positions. Able to ensure compliance on the development and signing of performance plans by employees of the department.
Provided employees with financial support in pursuance of further studies as part of Human Resource Development Program. Supported employees on the job training and short term training within the Public Service. Managed to reconcile leave records on the leave register, persal system and leave files. Established HIV and AIDS Committee. Trained employees as HIV and AIDS counsellors and Peer Educators. Organized a successful HIV and AIDS Day for the department as part of awareness campaign. Improved turnaround time on the implementation and effective benefits on termination of service of employees especially retirements. Appointed Records Manager so as to ensure compliance to Archive Act.

Strategic Objective	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
1. Implementation and monitoring of Performance Management Development System.	1. Yearly awards in recognition of best employee.	One award ceremony per annum. Nominations from line managers.	Staff clear of awards associated with excellent performance	This could not be realized due to belt tightening.
	Availability of signed performance plans for all employees	Performance plans signed by all staff	Increased productivity	See Annexure A for components
	1. Service Charter in place	At least 75% of HR practitioners abide by the service charter	50% complaints reduction and 50% increase in compliments	Draft service standards were developed .89% reduction on complaints achieved
2. Communication of Human Resource Practices.	2. An informed workforce	All components will have information sharing sessions	Increased participation of line components in HR issues	At least 5 components have been taken through HR procedures
3. Multi-skilling and capacitation of HR practitioners	3. Versatile HR practitioner	60% of HR practitioners subjected to multi-skilling projects	At least 60% of multi-disciplinary projects are led by HR practitioners	Practitioners been involved in various projects like HIV and Aids road shows.
4. Development and Implementation of Human Resource Plan	4. Human Resource Plan, Employment Equity and Retention	Increase in the number of highly skilled personnel	Highly skilled, satisfied and motivated workforce.	HR plan was developed and signed by the EA
5. Administer employee surveys	5. To raise the awareness of wellness levels of employees	At least 90% of employees participate in the program	Marked increase in employee satisfaction	Only two quarterly surveys were done
6. Implementation of restructuring program	6. All funded posts filled and excess employees multi-killed	All employees	Right employees identified for the right jobs	Only 37 employees are not absorbed

7. Change Management	7. Employees sharing the same vision of the department	100% of employees understand the strategic purpose of the process	100% employees owning the process	Almost components have been taken through the process
8. Job Evaluation	7. Social plan for OTP 8. Report of evaluated posts	100% of affected employees All post from levels 1-9 evaluated	Employees certain of their future Equal distribution of work informed by job weight	Draft social plan developed Not all posts have been evaluated only sms posts and 13 posts at management level
9. Development of service standards	9. Availability of a service excellence plan and service charters in all components	All components have service charters displayed	Excellence Model Champions and Departmental Transformation Unit	Only six members attended the program. No service charters have been developed to the fullest
10. Safety in the workplace	10. Compliance to NOSA standards of safety and health at work Office equipment maintenance	All offices will adhere to NOSA standards.	Safe working environment	Not yet adhered due to structural changes under review in the new building
11. Updates on HR issues with Senior Management	11. Regular briefing session with senior management	Bi-monthly meetings with senior managers of the department	Compliance and co-operation by all Senior Managers on HR issues	Manuals for Senior Managers have been bought for easy use and departmental management meetings have been used for information sharing once a month. 70 % compliance by line managers. Not all senior managers are complying.
12. Development and implementation of HIV and AIDS workplace program	12. A comprehensive HIV/AIDS workplace program in place	One fully functioning HIV/AIDS support centre	Infected and Affected employees able to cope with status	Policy, committees available, draft plan in place. The centre has not been developed
13. Development of Employment Equity Plan	13. An integrated plan developed	Increase the implementation of EE and AA by 20%	Compliance to legislation like Employment Equity Act and Skill Development Act	Met the set target to employee women in management @ 30 %.
14. Management of employee wellness program	14. Employee care program in place	At least 60 % of our employees have access to employees care program	Employee wellness and care programs up and running	EAP Program Developed , EAP official has been trained. There is no established site yet for EAP activities
15. Registering HR Practitioners to Professional Registration	Competitive HR cadre to satisfy the line components	60% of the HR practitioners mentored	Improved performance with significant reduction in errors	Not yet entered

2.3.5 Sub Programme 3.5: Provincial Government Information Technology Office (PGITO)

2.3.5.1 Purpose

The establishment, development and maintenance of a fully integrated information communications technology infrastructure in the Province which enables Departments to achieve their service delivery mandates through the effective and efficient use of ICT.

2.3.5.2 Measurable Objectives

A provincial information communications technology infrastructure enabling the province and individual departments to achieve their core objectives effectively and efficiently. Integrated and interoperable information systems that ensure authorized access to integrated provincial information for all Departments.

Management and control of the province's integration into the State Information Technology Agency (SITA) including the service level agreements of the Office of the Premier. Establishment of an integrated Provincial Geographic Information System that benefits the entire province.

2.3.5.3 Service Delivery Objectives and Indicators (highlights)

The main focus of the PGITO and the council has been to strengthen the ICT capacity in the province and to improve the strength and stability of the network infrastructure. During this financial year, great strides have been made. The following is a summary thereof, with more details available in the Divisional reports attached as appendices:

- The network has been reasonably stable but has been affected by viruses during this period. The problem was however minimized due to the SMTP gateway in the province. Intermittent problems have been experienced with the mail servers in both Port Elizabeth and Bhisho, which have been resolved.
- The Eastern Cape Information Technology Initiative (ECITI) – project has commenced, with the Provincial GITO appointed to chair the steering committee. This incubator project was launched on the 16th November 2004 by the Premier.
- The Provincial Geographic Information Systems Unit has been fully established and is operational. The unit has been officially launched on the 15th February 2005 by the DG. The Unit has provided five training courses to provincial departments in order to capacitate all departments in spatial information. The unit has finalised the Internet website for spatial information and is publishing such to the internet.
- A network analysis tool has been developed by the Research and Development Division in OTP in Open Source which assists in analysing, in detail, the type of traffic now flowing through the provincial networks. This tool has been tested at Indwe House and is being rolled out to other Local Area Networks.
- The three tiered lab is in the final stages and will be evaluated in the early part of the new financial year. One of these systems is Open Source Software. If found suitable, this could lead to the Province saving millions of Rands on a yearly bases on software licensing.
- Numerous new Local Area Networks, as well as Wide Area Connections have been installed in multi Departmental centres during this period.
- The Bhisho Campus network phase one (all internally installed fibre cables and required equipment) is complete. Phase two (fibre cables that cross public streets – Telkom installation) has been completed on the 15th December 2004. The various departments are currently being switched over to the Bhisho Campus network. Phase three, the alternative connection out of Bhisho, has been approved and will be completed within the new financial year.
- The SAN tender has been finalised and a supplier has been selected and approved. The necessary components of the SAN have been delivered and are currently being configured.
- The design of the electronic document management system for the Office of the Premier has been completed, the file plan finalised and the majority of the staff trained



- Provincial website developed to include all departments, municipalities and other government institutions, allowing each institution full freedom to upload and administer their individual portion of the website. This has resulted in far closer working relations between departments and between the province and the district and local municipalities. The website was launched by the Premier in August, with the first six departments launching their individual sites simultaneously. Other Departments and Municipalities have followed suite.
- The majority of vacant posts within the PGITO structure have been filled. The post of Departmental Government Information Technology Officer and that of the GIS Analyst have still not been filled, as no suitable candidates could be found. Two new vacancies (Data Centre & GIS Systems Analyst) occurred during the third quarter with critical staff taking up more senior posts with other institutions. The GIS System Analyst post and that of the Data Centre (Assistant Manager) has been advertised and is expected to be filled by the latest 1 July 2005.
- All Service level agreements with SITA have been finalised and signed. The cost of the Data Centre SLA has been reduced by approximately R1, 5million through the movement of the mainframe information to the SITA mainframes. The first meeting to familiarise the next financial year's SLAs took place in December 2004. The draft SLAs for the next financial year has been received in March 2005, however there is still a lot of administrative work necessary on these SLAs for signing can commence.
- Departments are working together in the PGITO council on provincial ICT initiatives to eliminate duplication. A number of task teams have been set up to investigate and assist the Province with updating the Master Information Systems Plan and the implementation of various ICT initiatives.
- The installation of three video conferencing centres in multi departmental cluster offices has been completed, with the units now fully functional.
- Office Automation has been finalised with all of the different branches having access to the bulk printers installed at the OTP offices. Training on various aspects of printing has been delivered to the staff of OTP. The regional offices of OTP have been supplied with a similar solution. The PGITO office has also ensured that a dedicated person is available to manage any problems relating to Office Automation.
- The PGITO section is now primarily responsible for the telephone system of OTP. Most of the employees have been issued with a pin code to use their respective landlines. The office was successful with the implementation of these various pin codes and this has led to a significant reduction in telephone costs for OTP.

Challenges

The delays experienced with the SITA procurement process and the receipt of their invoices has had a negative impact on our spending patterns through the year.

The current structure of the PGIT Office in the Office of the Premier has been found to be inadequate for the mandate that has to fulfil. This refers to both the number and level of the posts approved. With Information Communication Technology becoming more and more integral in ensuring that the Province can successfully implement and achieve the Provincial Growth and Development Plan (PGDP), the role of this office is pivotal.

Due to some technicalities the deadline for the switching over to the Bhisho Campus network had to be extended.

The GIS unit was unable to acquire the necessary Orthographic photos for the province due to the belt tightening exercise.

Addressing the Challenges

The delays in receiving SITA invoices have been addressed with the relevant persons and the possible outcome of these discussions will be evident in the next financial year.

The structure and the level of the posts will hopefully be addressed in the restructuring exercises undertaken by HR. This process however will be finalised in mid year 2005 year.

As far as the provincial ICT infrastructure is concerned, the province has commenced upgrading the entire network. A portion of this process will continue through to the end of the new financial year due to the belt tightening exercise. A program to ensure that the network and related equipment do not become this badly outdated in future will be implemented from the beginning of the new financial year. This will ensure that the network remains updated and able to meet the provincial requirements for connectivity.

The Campus Network problem has been sorted out through the assistance of a specialist. This resulted in most of the Departments being switched over to the Bhisho Campus Network.

2.3.5.4 Service Delivery Achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
PGITO	Develop and implement a skills development programme for the IT/IS staff within OTP	OTP staff skills development programme	OTP IT/IS staff that are capable of dealing with Departmental needs	Skill development programme developed as per the various work plans.
PGITO	Extend network infrastructure upgrade to Zwelitsha, KWT and in regional/district offices	All regional and district offices connected to the provincial network with suitable bandwidth	2005/03/31	The order for the extended Bhisno Campus network issued. Project completed in December 2004. Final design of Bisho campus alternative connection completed and order issued to SITA. The Bhisno campus network has been switched on and some minor problems have been experienced. Procurement of SAN (storage device) has been completed and is currently being configured.
PGITO	Continue with the upgrade and replacement of outdated network servers	Network of servers suited to the Provincial needs offering the correct level of security and functionality	Replace 25 servers	The final few servers purchased in the last quarter are in the process of being configured and installed. Servers have been configured for all Regions to cater for both Novell and Microsoft. Total of twelve servers, two per region connected to the Network added storage devices which have also been configured and implemented in regions
PGITO	Implement a communication system using the provincial network in phases and maintain	Telecommunication system over the network with improved functionality for all users	By 2005/03/31	Two day workshop held with suppliers. Generic Specifications in final draft. Awaiting the final implementation of the GCEN for implementation of voice over IP, this will be fully legal in the new financial year.
PGITO	Extend the Video/ audio conferencing system in the Province using Internet Protocol (IP)	All regional and district offices equipped as required. Identified institutions equipped	By 2005/03/31. Maintenance - ongoing	The four units procured in the last financial year have been configured and implemented and are fully functional
PGITO	Update and monitor the implementation of the Provincial Master Information Systems Plan	MISP that caters for the specific needs of the Province	Updated Provincial MISP consisting of an Information Plan, Information Technology Plan and an Implementation Plan	Proposal for this project has been sent to SITA. Business proposal received from SITA and a commercial service provider
PGITO	Assist Departments with requirements of MISS	All Departments adhering to the standards	Departmental information secure as per MISS	The Provincial ISS policy has been extensively circulated, now finalised and presented to G&A cluster. Will be presented to Cabinet in February 2005
PGITO	Ensure all software applications on Provincial Government computers are duly licensed	All computers in the Province running licensed software	All software in use duly licensed	OTP software has been audited and the required licenses procured. Network operating system licenses have been renewed. Anti virus licenses now procured. Some licenses become due again in January 2005.
PGITO	Manage the SITA Incorporating process and the service level agreements	All Departments integrated into SITA with signed contracts	By end of 2004 financial year	All service level agreements have been signed including the ISS

	Set standards for Provincial systems through the PGITO Council and maintain OTP hardware. Implement Information Security Standards	Secure Interoperable systems with secure information	Provincial systems communicating freely	Provincial ISS policy finalised. Web site standards have been set and implemented. Web site policies are being circulated and are in the final draft stage.. New provincial web based MIS in prototype stage. Provincial suppliers database loaded on OTP servers and fully operational
PGITO	Continuously update and develop the provincial intra/extranet. Maintain Provincial website	One Provincial intranet that meets the needs of all departments	Authorised access to Provincial Information available from anywhere	The provincial internet website was launched on the 10th August 2004. Departmental Website policies for all piloted departments have been adopted by the PGITOC and LGICT. The provincial website has been extended to include all departments as well as some District municipalities and local municipalities. The provincial website has since its inception been updated through the continuous web feedback being received
PGITO	Automate the handling of documents in the Departments	Document management systems that interoperate	Full control of all documents within the Province	The electronic document management system is in the process of being implemented. The training phase is well advanced. The system has been designed, and developed and will be launched during January 2005 The server has been configured and is in operation. Single departmental file plan finalised with a separate one for the Premier.
PGITO	Provincial data centre rendering services to all Departments	All employee payslips printed as per schedule. Payroll schedules printed according to the payroll	Payslips and schedules correctly printed, glued and packed	The data centre has operated according to schedule. The mainframe information has been transferred to SITA main frames and a new SLA was signed in November with a large cost saving to the Province.
PGITO	Maintain and develop the provincial GIS supplying spatial information for decision making	One integrated Geographic information system with no duplicate data	Provincial Information that is Geographically referenced	The Provincial GIS Unit has been established and is fully staffed. The unit was formally launched by the DG on the 15 February 2005. The Internet Mapping Service has been finalised and spatial information is now available via the internet. The Metadata base has been completed. 30% of available provincial spatial information has been integrated.
PGITO	Develop and implement an IT/IS training programme to improve the level of computer literacy in the Province	Provincial IT/IS Training programme	Training schedules that will ensure the training of all Provincial staff	Service Level Agreement with SITA signed. HRD in OTP requested to create the necessary training programme.

Programme 4: ORGANIZATIONAL DEVELOPMENT & GOVERNANCE BRANCH

The Organisational Development and Governance (ODG) Branch is located in the Office of the Premier to coordinate, monitor and evaluate implementation of HRM policies and strategies and drive transformation in the provincial administration of the Eastern Cape. ODG is organised into five divisions made up of three cluster support teams, namely, Social Needs, Economic Growth and Development and Governance and Administration clusters as well as two product specialist teams, Human Resource Development (HRD) and Labour Relations (LR). The product specialist teams work through the cluster teams in providing support to line departments.

2.4.1 Purpose

The main aim of the branch is to ensure good governance through provision of strategic direction to provincial departments in respect of Organisation Development and Human Resources Management.

Services provided are:

Policy advice on transformational change and Organisational Development
Strategic leadership and direction on HRM and OD matters

Research, develop and facilitate implementation of HRD policies and strategies
 Promoting sound and effective employment relations
 Develop and facilitate implementation of innovative service delivery improvement programmes
 Providing management consultancy support to the provincial departments on HRM and OD matters
 Coordinate, monitor and evaluate implementation of HRM policies

2.4.2 Measurable Objectives

An effective and efficient ODG service
 An effective HRD Institutional Framework
 Effective and relevant transversal training that supports individual and organisational development
 Provincial HRD strategy that supports the PGDP and Youth Development in the Province
 Effective employment relations policy framework
 Effective collective bargaining processes
 Integrated HR planning and policy development
 Sustainable healthy and sound working environment
 Effective individual and organisational performance management and evaluation system
 Effective and sustainable HR Information Management
 Provincial organisational structures that are aligned with strategic objectives of departments



2.4.3 Service Delivery Objectives and Indicators (highlights)

- Exceeded the target of placing 1000 learners by placement of 2445 learners in learnerships across departments;
- Receiving an Award of Excellence from NSFAS Board for our management of the Financial Assistance Programme
- Number of excess employees reduced from 4786 to 1926 – 60% reduction- through facilitation of transfer and absorption of excess staff between departments (R&PW, Education and Transport);
- Simplified Integrated Human Resources Planning (HRP) manual resulting into 8 departments having approved HR plans. HR plan receiving In addition Treasury is using HR plans as one of the key strategic budgeting documents and a requirement for budget submissions;
- First series of workplace VCT and disclosure campaigns held in 9 districts including the metro with the Premier leading the campaign and testing publicly in one of the sites. A significant no. of employees made use of VCT on site in all the districts. 2 public disclosures in Bhisho and Sterkspruit was a significant outcome of the campaign;
- Successfully coordinated the split of the provincial HIV and AIDS equitable share across all departments. From the exercise 7,250 000 (20%) of the R36m was allocated to workplace programmes across departments;
- Introduction and Implementation of Service Level Agreements (SLAs) with departments to measure impact of interventions. This has increased buy-in on the approach with 4 departments having signed SLAs by HOD;
- Senior Managers in departments of Education and Economic Affairs empowered to conduct organisational self assessment through the use of SAEM methodology
- Adoption of the EC Employee Relations policy by the PSCBC



ADDRESSING THE CHALLENGES

- Lack of strategic thrust and slow implementation of HIV and AIDS workplace programmes in departments:
 - Roll-out HIV and AIDS training for Senior Management
 - Mainstreaming of HIV and AIDS into departmental strategic plans – aligning programme development with planning and budgeting cycle;
 - Validate and facilitate that HIV and AIDS is incorporated in PAs of those designated SMS;
 - Develop a programme implementation framework and monitoring tool.
- HRP process not aligned to strategic planning process and limited cooperation of line managers
 - Advocacy of need to align through engagements with HODs and participating in department's planning sessions
 - Promote the utilisation of HRP's as a guiding document for departments HR performance monitoring
 - Simultaneously strengthening internal HR support to be able to provide the needed technical support to line managers.
- Poor Policy implementation
 - Project management approach introduced in departments to assist with the roll-out of policies
 - Reporting to coordinating and governance structures on policy issues to be enhanced.
- South African Excellence Model (SAEM) Roll out Strategy
 - Training on the harmonized tool to ensure a critical mass of people understand SAEM
 - Roll out training for SMS to understand the importance and value of SAEM
- Slow and poor implementation of PMDS
 - Joint information sessions with MEC's and HOD's on PMDS
 - Departments to present quarterly to EXCO with respect to progress on implementation
 - Management development in monitoring, evaluation and measuring the impact of a policies in departments
 - Set up and capacitate structures in districts.
- Poor and irregular reporting
 - Coordinate reporting to the G&A cluster and Cabinet by departments on key HRM issues
 - Integrate all monitoring and evaluation templates and align it to the PGDP M&E tool
 - Capacity building of cluster consultants on information sourcing & analysis
- Knowledge gap in terms of content around HRM issues iro internal consultants
 - Competency assessments for ODG staff
 - Review and reshape Internal Consultancy Training to focus on both the technical knowledge requirements and consultancy techniques, tools and methods



- Skills Development Committees (SDCs) not fully operational in departments
- Resuscitate and provide training to SDCs again
- Lack of uniform HRD System to capture information and progress
- Procure and implement a comprehensive HRD Management Information System by 2006/7.
- Transversal training not realising the intended impact
- Implementing a more targeted Transversal Training programme
- Assist departments to target training for specific individuals and groups

2.4.4 Service Delivery Achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
CD & sec	ODG Strategy and plan; Accreditation of consultancy training; best practice case studies	Shared vision within ODG aligned with OTP vision and provincial priorities	2005-2008 ODG strategic plan finalised	
Human Resource Development	Compliance with the Skills Development Act; provincial requirements and sectoral plans of the respective SETAs	90% compliance on requirements; Evaluation of the impact of training on the organisations indicates a positive impact. Interact with Setas, Pseta and other National Institutions to ensure compliance with all requirement	All departments submit their WSP's and quarterly reports on time. Departments budget in line with national criteria and align plans accordingly	Detailed feedback submitted to all departments on their WSP's. Feedback to HOD's after G&A Cluster meeting. Plan of action implemented to support SDF's to develop WSP's by February 2005. Only four departments met deadline. Analysis now taking place
Human Resource Development	Focus on policy areas re RPL, Learnerships, Accelerated Development Programmes.	Policies approved by the EXCO, Top Management and Labour Organisations	Policies are developed	Started on 8 Nov. Phase One completed. Interviews conducted with all Departmental SDF's. Second draft distributed. Workshop conducted with all SDF's and stakeholders.
Human Resource Development	At least 30 courses are evaluated in terms of their impact	Impact and relevance of training is continuously measured and programmes are adjusted accordingly	Tender awarded to external provider	The appointment of an external evaluation agency was put on hold due to belt tightening. Will be prepared for the next financial year. Internal Evaluation was embarked upon by the OTP-HRD team. An evaluation questionnaire was developed to establish how participants have been identified by their respective departments., appropriateness of the target group, number of courses attended this year per participant, quality of course materials, facilitation and assessment methods applied. 10 visits have been undertaken and 11 courses observed in the 6 training centres. Inputs were received from 264 public servants as questionnaires were administered during the visits, and registers circulated. An executive report on the findings of the visits has been made which will be submitted to the G&A Cluster and Cabinet. A copy of the report will also be given to FHIG. FHIG also conducted their own evaluation that indicates a +90% satisfaction rate.

Human Resource Development	80% of the staff nominated for transversal training have undergone appropriate training	80% participation in all programmes. Evaluation of performance improves by 50% of those who attended training	Departments use the transversal training programme to develop their competencies	Train 6494 participants in 267 courses for the year. Funding to be made available to FHIG after receiving the reports. OTP-HRD engaging FHIG so as to reduce the cost per learner. Training to be more targeted at specific employees. Several meeting held to improve quality of provision. Training to start in May 05.
Human Resource Development	Provincial HRD Strategy is developed that supports the implementation of the PGDP Research conducted that provides guidance to HRD intervention that supports the PGDP	Consolidated information system that monitors the implementation of HRD strategy	Research results available. Stakeholders agree on their contribution to the PGDP process	3 meetings held with the DOE, DOL and ECSECC to discuss and to develop an action plan. Task Teams established to develop key areas of PGDP. Resource Experts support teams. Two drafts circulated. Workshops conducted with stakeholders on draft documents.
Human Resource Development	Disadvantaged students in the province study at institutions of higher learning in subject areas benefiting the province	Criteria for selection approved by EXCO	Funding made available via NSFAS to students in need	R 11 m paid to students. Detailed report still awaited. Career exhibitions successfully completed. Meetings held with Institutions and NSFAS to improve service. Visited NSFAS to improve working relations. Top Achiever Awards a success. New funding accepted by Institutions, await DG approval.
Human Resource Development	Departments place at least 1000 unemployed learners in learnership	At least 20% of unemployed learners are placed in full-time employment	At least 90% of unemployed learners placed completes their learnerships	300 learners placed in Learnerships in partnership with Mzantsi Technologies. Funding is made available by ISETT Seta. PSETA learnerships started, 181 learners placed for Project Management and 276 for HRM. Preparing to place learners for Public Finance Learnership. Information on all learnerships in departments are coordinated. Policy must be finalised. Managed to place 2445 learners in learnerships, target 1000
Human Resource Development	At least one IT Walk-In Centres are established	Staff in the Districts are provided with government information and IT training programmes	One centres are fully utilised by members of staff in the districts	Sterkspruit ready to be used. Already used in transversal training. Staff identified to manage the centres in Sterkspruit and Mthatha. Still acquiring furniture for Mthatha. SITA to launch a new IT Walk-in Centre in Bisho.
Human Resource Development	Implement Premier's Good Governance Award Scheme (PGGAs)	Winners are given opportunities to develop themselves and their workplaces	Awards are granted in accordance with PGGA. Monitor, control and reporting mechanisms are developed. Premier's Award for Good	Included in Cluster report



	Employment relations policy roll out. Recruitment and selection policies developed. Support the IMT interventions and outcomes.	Impact assessment to measure the effectiveness of policies in the provincial administration.	Employment relations policy and grievance procedure roll out to management and all employees. Recruitment and selection policies developed and approved by EXCO. The provincial policies are uploaded in the provincial website. ER policy booklets printed and distributed.	The Employment Relations policy was presented, discussed and adopted at the IDLRF for implementation by departments. DPSA launched the ER national policy in the ECPA which policy was influenced by our province. The two policies were merged and customised. 600 employees from levels 1-12 attended the workshop on Employment Relations policy and Grievance procedure. The appeals committee and abscondment draft procedures were presented and adopted by the Provincial Co-ordinating Chamber. The provincial policies were captured on website for easy access. The policy assessment tool was reviewed and aligned to academic standards. Abscondment, Appeals, Employment Relations, Recruitment, Selection and Promotion policies were signed off by G&A Cluster, pending approval by EXCO.
Labour Relations	Policy on abscondion and desertion.	Prior communication and correspondence to deserted employees prior expiry of 30 days.	Policy formulated and approved by EXCO and implemented. Distribute documentation and train management on abscondion procedure.	Abscondion and desertion policies were signed off by G&A Cluster, pending approval by EXCO.
Labour Relations	Post Resolution 7 monitoring guidelines.	Employees informed of their status. Monitor training for affected employees. Job and person profiling. Facilitate identification of job opportunities. Sources counselling services.	Resolution 7 winding up process implemented with monitoring structures.	Progress acknowledged by DPSA regarding the placement of 1000 + General Assistants to the Department of Education. 600 employees in excess were targeted for training in life skills.
Labour Relations	PCC guidelines. Mandating system. PSCBC and Provincial resolutions	Chamber operates within the parameters of its policy. Jurisdiction decisions affecting the province are taken. Management mandates implementation reduces conflict and results in improved people management and service delivery.	The provincial co-ordinating chamber operational guidelines developed. Mandating template utilized by departments to provide inputs prior to collective bargaining meetings. Management and Labour Organizations monthly meetings to take place in departments. Collective Bargaining agreements and Labour statutes implementation and monitoring.	Roll out of Resolution 9 of 2003 and the PSCBC Constitution to the GPSSBC Chamber to achieve effective functioning, interpretation and implementation thereof. The HIV/AIDS, PMDS and HRD policies were endorsed by the Provincial Co-ordinating Chamber as required by Resolution 9 of 2003. 7900+ applications for recognition of pensionable service for Casuals/GAs were further endorsed by the Task Team for submission to GEPI. The final draft agreement for transfer of employees from the Municipality to the Department of Health is ready for tabling to trade unions, as the job evaluation process has been finalised. The national strike of the 16th September 2004 was well managed in the ECPA, through utilisation of contingency plans by departments. The HROPT/Judge White Task Team is progressing well in case analysis in order to finalise the project.



Labour Relations	Disciplinary and grievance procedures implemented, monitored and adhered to.	Adherence and compliance to policies.	Provide advice and monitor compliance to the terms of Resolution 2 of 1999 as amended, and Resolution 14 of 2002 when dealing with discipline and grievances. Case management and accurate reporting of disciplinary cases and grievances. Trends and patterns which emanate from disciplinary hearings and grievances analysed to effect corrective measures.	Coaching and support was provided to departments to enable them to manage their own departments. Disciplinary hearings were facilitated on behalf of departments to address backlogs. Ten(10) departments were trained on persal disciplinary function. Disciplinary cases were also captured on persal. Disciplinary and Grievance statistics have shown considerable decrease on cases between November 2004 and April 2005.
Labour Relations	Capacity building, skills, training and development	Employees skills accelerated to enhance service delivery.	Competency gap analysis conducted to change employees present state to the desired state. Appropriate solution provided to address performance gaps. Training conducted assessed to measure impact and improvement in performance. Follow up with managers and assess change in performance.	40 Managers and 53 union officials were trained in dispute resolution mechanism over 5 days.182 designated employees were trained to facilitate grievances in an endeavour for speedy resolution. OTP, ODG labour relations strategic plan was presented to departments for inputs and alignment.
Labour Relations	LRA, CCMA, Bargaining Council and Labour Court processes are known and implemented.	Expeditious dispute resolution to promote win-win situation between the parties.	Managing, handling disputes and litigation in an appropriate manner through the application of :Substantive Law Jurisdictional Instruction Managing Dismissals, Conciliation and arbitration	Assistant the MEC and the union on the interpretation of the terms of the Ministerial Handbook regarding the terms of employment of the core staff.
Labour Relations	Implementation of Employment Equity Act, 1998	Employment Equity policy adhered to. Targets are met.	The Employment Equity policy is developed and approved by EXCO. Implementation is monitored and progress evaluated against set targets.	The Provincial Employment Equity policy was launched, action plan developed to assist departments on implementation. The women in leadership programme was kick started through the workshop which was held on 7&8 October 2004. Facilitated reporting to DOL by departments for the period 2003/2004. 22 Women managers participated in women leadership workshop which covered aspects of the managers job. The DOL made a presentation in a breakfast session highlighting the EEA requirements and 2002/2003 ECPA report was submitted to the DOL.

Labour Relations	Benchmarking and sharing best practices	Improved communication and networking	Continued interaction and networking with the private sector, prostates, other provinces and labour unions in sharing best practices. Research and benchmark best practices. Facilitate association and meetings on behalf of the Eastern Cape Provincial Administration with the professional structures/ institutions under the auspices of the IPM - Eastern Cape.	DBSA presented its Employment Equity structures, successes and tracking systems which achieved the bank high level of success. Dainier Chrysler participated at ODG performance reviews where it was commended that the LR systems are fairly on track and progressive.
Labour Relations	Management practices and relationship building in the departments of Education, Treasury, Housing and Local Government	Improved relations and understanding of strategic goals by the parties.	Surveys and environmental scanning conducted through out the ECPA. Strategic planning sessions held between three departments mentioned and the Labour Organizations to improve relationships and promote commonality in approach. Action plans developed to address the outcomes of the surveys.	The Employer was commended by organised labour because of its visible and progressive approach to address the long outstanding HROPT/Judge White cases and facilitation of recognition of pensionable service for Casuals and General Assistants.
Cluster teams	All Departments have a integrated HR Plans, consistent with provincial guidelines and aligned with the budget cycle.	Department's HR planning integrated and in line with strategic plan.	Maintenance of existing HR plans and focusing on the six remaining in 2004	Completed the reviewal of the Provincial HRP manual. 8 departments orientated on the new revised HRP manual. 8 Departments have HRP's and the outstanding are: Health, Economic Affairs, Housing and Education. Econ Affairs and Housing completed draft one. Health and Education draft one.
Cluster teams	model developed	Streamlined & integrated HR process	Coordinated and integrated HR related processes	Concept document developed on integration of Wellness For a. Meeting held with SIPU on the development of this framework.
Cluster teams	Service Level Agreements for all departments	SLA signed with client departments	All departments will have signed SLA with departments annually	ODG workshoped all departments and identified support areas and draft SLAs developed in relation to the current strategic plans. This initiative was endorsed by Top Management. 4 Departments have signed (i.e. OTP, Safety, Agriculture, Roads and Public Works) and the following have final drafts and awaiting signature. DSRAC, DSD, Treasury, Health, Transport, Econ Affairs have current draft SLAs awaiting for approval



Cluster teams	Departments HIV/AIDS and EAP programmes aligned to provincial programme	Provincial HIV/AIDS and EAP programme	Provincial HIV/AIDS and EAP programme costed & funded	2 implementation workshops held with departments on programme development. Integrated wellness workshop held for all cluster departments. 7 departments have programmes (i.e. Transport, Social Development, OTP, DSRAC, Education, Housing, Economic Affairs)
Cluster teams	HIV/AIDS Conference	Informed implementation plan with baseline for impact assessment.	HIV/AIDS programme incorporated in all departmental programmes HR Plan with a succession plan	Conference held on the 16, 17 September with 174 participants from all departments. Conference report ready for distribution and circulation.
Cluster teams	Trained HIV/AIDS peer educators, counsellors, line managers and PWA	Better management of HIV/AIDS in the workplace	All departments trained on HIV/AIDS	Integration of HIV and AIDS counselling and management training into FHIG. 18 Currently Trained Peer educators. 22 counsellors trained by FHIG in September. Terms of reference for line management training developed and tenders invited
Cluster teams	Awareness and educational campaign on prevention, treatment & care	Number of voluntary HIV/AIDS testing increased	Communication rolled out in all departments provincial & district level	Survey questionnaire on information needs of departments developed and responses analysed. Information handbook in final stages of completion. Information Video on HIV & AIDS developed and each department provided with a copy. HIV & AIDS candle light memorial campaigns conducted during August.
Cluster teams	Internal wellness Centre.	More officials going for voluntary testing & counselling	One internal sites -1 in March 2005 and 2 in March 2006	Concept document, potential site identified, and presentation made to the G&A cluster and an in principle approval obtained
Cluster teams	Departmental EAP policies in place for the six remaining departments	Clear direction on management of EAP by departments	All departments have approved EAP policies	5 of the six departments (Econ Affairs, Education, Transport, Safety, Treasury) except Health have draft EAP policies. 15 officials engaged in EAP Induction Programme. 17 attended module 1 of introduction to EAP
Cluster teams	Development of database of alternative EAP service provision	Accredited & competitive service providers	Database of service providers for EAP services	Conducted departmental survey on EAP needs
Cluster teams	Awareness and educational campaign on EAP	Raised awareness on EAP	Provincial & districts by 2005 and institutions by 2006	Designed of flyers and posters for circulation completed.
Cluster teams	Baseline information to measure ODG related interventions Develop Employee Care System	Clear bases for comparative analysis	Baseline information; Care package developed	Base line information research to establish the framework that will guide a full scale employee satisfaction survey
Cluster teams	Safe working environment that conforms to regulatory standards	Integrated management of risk profiles for all departments to achieve the NOSA 5 star rating	Six departments in year 1, 9 departments year 2 and 12 departments in year 3	This initiative was endorsed by Top Management. Departmental SHE coordinators trained on OHS and COD Acts. 7 Departments have established SHE structures. 10 Departments have now registered with Compensation Commission. 9 Departments are now maintaining accident registers.
Cluster teams	Progressive SHE monitoring & evaluation system. Provincial Database of incidents in place.	Departments have focused and informed planning supported by baseline information	3 departments in year 1, 9 departments year 2 and 12 departments in year 3 implementing the tool	Process of expression of interest has been advertised now awaiting closing date for further processing.

Cluster teams	Labour relations policies implemented	Adherence to labour relation practices.	Provincial LR Policies implemented at head office level.	Both provincial policies are not in place as yet
Cluster teams	PSCBC resolutions	Workshops conducted and application of the resolutions monitored.	Understanding and implementation of the PSCBC resolutions .	Facilitated post resolution 7 processes. Excess personnel reduced from 4768 to 3478. In addition, have identified 1000 general assistants to be place in the Dept of Education.
Cluster teams	PMDS implemented 2004/05 to all staff.	All Provincial Departments will be able to monitor individual and team performance	All provincial departments have implemented PMDS	Trained 2 champions per department on PMDS validation; PMDS tool kit concluded . Out of 252 Provincial SMS, 175 have signed PAs (70%), Levels 12 and below, out of 53835 excluding educators, 26230 have signed work agreements which translates to 50% . Reviewed the PMDS Policy and manual with all stakeholders. conducted PMDS validation of agreements at all levels in 8 departments for alignment to strategic plans. Assist departments of Education in Amatola distict office with PMDS project set up for implementation. Facilitate training sessions for SMS in dept. of Health
Cluster teams	200 Batho Pele trainers trained	Visible implementation of the change management programme	200 trainers	93 Champions trained, Umtata 41, Kokstad 23, Queenstown 29
Cluster teams	System to monitor and evaluate departmental impact of HR related interventions	Improved interdepartmental benchmarking on HR issues	HR Balanced scorecard available; all departments trained and 3 piloted in year 1; 9 in the 2nd year and 12 in the 3rd year	Develop first level concept documents for discussion
Cluster teams	Integrated performance recognition & rewards process	improved performance	3 departments in year 1, 9 departments year 2 and 12 departments in year 3 implementing the tool	The policy was tabled at the G&A cluster meeting of 14 June
Cluster teams	Improved PGGAs that provide for support programme for winners and applicants	Satisfaction of winners and improved organisational performance	30% improvement of current awards	Feedback to previous applicants on the 2003 process given; Conducted training on filling of applications in all districts (400 participants involved); Received 55 application for the 2004 process from all provincial department districts and assess for evaluation. Develop feedback reports to departments to improve their processes. Selected site visit applicants through the judging process.
Cluster teams	A total & all inclusive organisational monitoring and evaluation system	Organisational baseline assessment.	Three (3) departments conducted self assessments in year 1, 6 in year 2 and 12 in year 3	Out of the 350 targeted personnel to be trained from 3 pilot depts 296 have been trained to date. Coordinated the project development a planning for self assessment workshops with departments.
Cluster teams	Operational WSP in Departments	Compliance with the Skills Development Act, provincial requirements and sectoral plans of the respective SETAs	All Departments submit their WSPs and quarterly training progress reports	All departments have submitted their WSPs. Validated all WSP's against the strategic plans and gave feedback to 90% of departments.



Cluster teams	Training programme	Highly skilled staff demonstrating their new skills.	Monthly meetings and bi-monthly workshops	Have run the 6th module of consultancy training for ODG staff. Also trained internal consultants on PMDS Validation, PMDS Tool-kit and contracting: Personal Growth course attended by all ODG personnel. Train all ODG secretaries on Web design
Cluster teams	Transfer skills from consultants to provincial persal users; Training programme implemented for SMS and Persal users;	Reduction of number of rejected Persal transactions	All SMS and persal users trained	Trained 21 departmental personnel on capturing of JE data on PERSAL. Trained departmental PERSAL controllers on transforming PERSAL data into management reports. Developed a monitoring and reporting template for HR information. 26 persal users trained on data analysis. Persal user forum resuscitated with Provincial Treasury. Short-term sustainability plan developed and Persal users trained on data downloads with PGITO.
Cluster teams	ODG news letter; ODG roadshow; reviewed HR handbook and manuals; Active website; ODG helpline	Number of hits on website; Comprehensive coverage of broad ODG matters	four newsletters; one ODG roadshow; handbook revised and updated twice; Monthly updates of the website	The first issue of ODG newsletter for this financial year was issued in April. Develop ODG marketing brochure
Cluster teams	HR conference; database of relevant community of practice in ODG matters	Reaching the broader community on ODG practices	one HR conference	Postponed
Cluster teams	Credible HRM data on PERSAL. Updated and maintained	Departments timeously deal with exception reports	8 departments Keep and maintain correct records	Initiated a project to fasttrack processing of files of retiring personnel in 4 departments (Education, Health, Agriculture and Roads).
Cluster teams	Recommendations to departments on how to manage non-core functions	Departments focusing on core business	2 departments have back office support	Conducted a desktop study and information gathering on the transfer of social security function from Social Development.
Cluster teams	Mandatory jobs evaluated & job profiles developed	Proper alignment of remuneration to the value of the job	Mandatory jobs evaluated - 30% first year, 70% second year and 100% third year	Trained 26 panelists across departments; 23 analyst from Health, Sports and Transport. 76 jobs evaluated to date at levels 9 and higher.

Programme 5: LEGAL ADVISORY SERVICES

The Shared Legal Service which provides an innovative, integrative and transversal legal advisory service to the provincial administration has completed its third full year of functioning.

This successful consolidation of professional legal resources has manifest itself in improved co-ordination and control over legal matters within the provincial departments and administration.

2.5.1 Purpose

The aim of the Shared Legal Services is to provide an effective and efficient legal advisory service to the provincial administration and its constituent government departments.

2.5.2 Measurable Objectives

In fulfilling this aim, the Shared Legal Services deliver the following professional services to the provincial administration and its departments:

- The co-ordination of litigation by and against the provincial administration and its departments;
- The drafting of provincial legislation;

- The provision of support in developing policy on legislation;
- The rationalisation of provincial legislation;
- The provision of a Provincial Gazette service;
- The negotiation, drafting, settling, auditing and monitoring of contracts and agreements;
- The provision of legal advice and opinion; and
- The provision of targeted legal training and education to provincial departments.

2.5.3 Service Delivery Objectives and Indicators (Highlights)

Sub - programme 5.1: Litigation

1. The establishment and maintenance of an effective and efficient filing system to monitor, control and measure the incidence of litigation in the Department of Social Development.

Indicators include the provision of timeous instructions to the State Attorney, the maintenance of statistics on litigation, the more efficient handling of litigious matters and the reduction in the incidence of contempt of court applications.

2. The provision of workshops in all districts of the Department of Social Development.

Indicators include the strategising and arranging of workshops in all departmental districts.

3. The provision of an outreach programme in all districts of the Department of Education.

Indicators include enhanced understanding of legal compliance procedures resulting in lower levels of litigation.

4. Training on implementation of Promotion of Access to Information Act (PAIA) and Promotion of Administrative Justice Act (PAJA) at head offices of all provincial departments.

Indicators include the provision of training aimed at sensitizing officials of their legal obligations.

5. The provision of an intervention programme in the Department of Health.

Indicators include the provision of training on the handling of medico-legal claims against the department.

6. The continued efficient and effective handling of court processes.

Indicators include the elimination of contempt of court applications and the reduction of litigation costs.



Sub-programme 5.2: Legislation

1. Drafting of primary and subordinate legislation;

Indicators include translation of policies into Bills and processing of such Bills until they become Acts of the Provincial Legislature;

2. Providing assistance to departments on development of policies which culminate in drafting of Provincial legislation;

Indicators include Green and White Paper processes of the departments and publication of such policies in the Provincial Gazette;

3. Publication of Provincial legislation in the Provincial Gazette either as departmental drafts or in terms of the Standing Rules of Procedure of the Legislature;

Indicators include accessibility of provincial legislation in line with the public participation requirements of the Constitution.

Sub-programme 5.3: Contracts and Agreements

1. Involvement of the Contracts unit in the negotiations and drafting of the contracts and /or SLAs
2. Frequent and an increased number of consultations taking place
3. Reaction to the problems identified due to lack of the systems
4. Efficient ,effective and enforceable contracts or SLAs are in place and operational
5. Avoidance of an unnecessary litigation
6. Monitorable ,user-friendly and accessible system which will enable detection of non-performance of contractual obligations as well as the detection of expired contracts

2.5.4 Service Delivery Achievements

Sub - programme 5.1 : Litigation

1. The elimination of contempt of court proceedings in the Department of Social Development and the virtual eradication of non-compliance with Orders of Court by provincial departments.
2. The reduction in the incidence of litigation in the Department of Education, and the stabilisation of new cases and associated costs in the provincial departments.
3. The provision of targeted outreach programmes and interventions in the Departments of Social Development, Education and Health.
4. Training in all departments on the Promotion of Administrative Justice and Promotion of Access to Information Acts.

Sub-programme 5.2: Legislation

1. The following Acts and Bills were drafted for Provincial departments:
 - (a) Provincial Tender Board Repeal Act, 2004 (Act No. 6 of 2004)
 - (b) Application of Health Standards in Traditional Circumcision Amendment Bill
 - (c) Eastern Cape Appropriate Technology Unit Bill;
2. Various subordinate legislation were drafted for the Provincial departments including Regulations, By-laws, Notices and Proclamations

Sub-programme 5.3: Contracts and Agreements

The appointment of a new director: contracts and agreements has facilitated a paradigm shift in the approach taken be departments to the management of their contracts and agreements.

Contracts service to departments has been fully operational with numerous agreements being drafted, settled and edited on behalf of provincial departments.

The review of contracts of all provincial departments was planned during the course of the year, and is set to commence in the coming financial year.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
5.1. Litigation	1. The upgrading of existing document management and filing system in Department of Social Development.	1. The provision of timeous instructions to the State Attorney, the maintenance of statistics on litigation, the more efficient handling of litigious matters and the reduction in the incidence of contempt of court applications in Social Development.	1. The establishment and maintenance of an effective and efficient filing system to monitor, control and measure the incidence of litigation in the Department of Social Development.	1. Effective and efficient filing system established, facilitating timeous issuing of instructions to State Attorney.
5.1. Litigation	2. The provision of workshops on key legal duties and responsibilities to district managers and head office staff of Department of Social Development.	2. The strategising and arranging of workshops in all departmental districts.	2. The provision of workshops in all districts of the Department of Social Development.	2. Training conducted in all district offices of Department of Social Development that has resulted in the elimination of all contempt of court proceedings.
5.1. Litigation	3. Outreach programme with district managers in Department of Education.	3. Enhanced understanding of legal compliance procedures resulting in lower levels of litigation in the Department of Education.	3. The provision of an outreach programme in all districts of the Department of Education.	3. The conducting of training in all districts of the Department of Education and the resultant reduction of the number of new cases of litigation.
5.1. Litigation	4. Training on implementation of Promotion of Access to Information Act (PAIA) and Promotion of Administrative Justice Act (PAJA) at head offices of all provincial departments.	4. The provision of training aimed at sensitising officials of their legal obligations under PAIA and PAJA.	4. Training on implementation of Promotion of Access to Information Act (PAIA) and Promotion of Administrative Justice Act (PAJA) at head offices of all provincial departments.	4. Training in all districts of the major service delivery departments of Education, Health and Social Development.

5.1. Litigation	5.Outreach programme in the Department of Health aimed at the handling of medico-legal claims; and	5. The provision of training on the handling of medico-legal claims against the department.	5. The provision of an intervention programme in the Department of Health.	5. Training on the handling of medico-legal claims conducted in district offices of the Department of Health.
5.1. Litigation	6. The continued efficient and effective handling of court processes with a view to eliminating contempt of court applications and the reduction of litigation costs.	6. The elimination of contempt of court applications and the reduction of litigation costs.	6. The continued efficient and effective handling of court processes.	6. Contempt proceedings all but eliminated across all provincial departments.
5.2. Legislation	1. Drafting of provincial legislation.	1. Translation of policies into Bills and processing of such Bills until they become Acts of the Provincial Legislature.	1. Drafting of primary and subordinate legislation.	1. The following Acts and Bills were drafted for Provincial departments: (a) Provincial Tender Board Repeal Act, 2004 (Act No. 6 of 2004). (b) Application of Health Standards in Traditional Circumcision Amendment Bill, (c) Eastern Cape Appropriate Technology Unit Bill.
5.2. Legislation	2. Rendering of assistance to provincial departments in the development of policies.	2. Green and White Paper processes of the departments and publication of such policies in the Provincial Gazette.	2. Providing assistance to departments on development of policies which culminate in drafting of Provincial legislation.	2. Policies developed in respect of Bills drafted for client departments.
5.2. Legislation	3. Rendering and effective and efficient Provincial Gazette service.	3. Accessibility of provincial legislation in line with the public participation requirements of the Constitution.	3. Publication of Provincial legislation in the Provincial Gazette either as departmental drafts or in terms of the Standing Rules of Procedure of the Legislature.	3. Distribution of Gazettes to client departments.
5.3 Contracts and Agreements	1. Drafting of Contracts and Service Level Agreements.	1. Involvement of the directorate in the negotiation and drafting of the contracts and /or SLAs.	1. Directorate involved in monitoring and co-ordinating the conclusion of contracts and agreements by provincial departments.	1. Inroads made in assisting departments will major contracts, but hampered by perceived lack of co-operation by client departments.
5.3 Contracts and Agreements	2. Provision of legal advice on contracts and agreements.	2. Reduction in levels of contract related litigation and costs of outsourcing.	2. Effective and efficient advice service to provincial departments.	2. Number of key agreements concluded on behalf of client departments.
5.3 Contracts and Agreements	3. Auditing of contracts and agreements entered into by provincial departments.	3. Efficient, effective and enforceable contracts or SLAs are in place and operational.	3. Auditing of provincial contracts and agreements.	3. Design and initial scoping of audit completed, but delay in recruitment of senior manager has hampered execution.

2.5.4.1 Sub Programme 5.1: Litigation

The sub-programme provides an effective and efficient litigation service that provides co-ordinated and integrated interventions aimed at elimination contempt of court proceedings, reducing the incidence of litigation and lowering legal costs by the provincial administration and departments.

2.5.4.1.1 Purpose

The litigation sub-programme aims to provide the following services:

- The co-ordination of litigation by and against the provincial administration and its departments;
- The provision of legal advice and opinion; and
- The provision of targeted legal training and education to provincial departments.

2.5.4.1.2 Measurable Objectives

1. The upgrading of existing document management and filing system in Department of Social Development;
2. The provision of workshops on key legal duties and responsibilities to district managers and head office staff of Department of Social Development;
3. Outreach programme with district managers in Department of Education;
4. Training on implementation of Promotion of Access to Information Act (PAIA) and Promotion of Administrative Justice Act (PAJA) at head offices of all provincial departments;
5. Outreach programme in the Department of Health aimed at the handling of medico-legal claims; and
6. The continued efficient and effective handling of court processes with a view to eliminating contempt of court applications and the reduction of litigation costs.

2.5.4.1.3 Service Delivery Objectives and Indicators (highlights)

1. The establishment and maintenance of an effective and efficient filing system to monitor, control and measure the incidence of litigation in the Department of Social Development.

Indicators include the provision of timeous instructions to the State Attorney, the maintenance of statistics on litigation, the more efficient handling of litigious matters and the reduction in the incidence of contempt of court applications.

2. The provision of workshops in all districts of the Department of Social Development.

Indicators include the strategising and arranging of workshops in all departmental districts.

3. The provision of an outreach programme in all districts of the Department of Education.

Indicators include enhanced understanding of legal compliance procedures resulting in lower levels of litigation.

4. Training on implementation of Promotion of Access to Information Act (PAIA) and Promotion of Administrative Justice Act (PAJA) at head offices of all provincial departments.

Indicators include the provision of training aimed at sensitizing officials of their legal obligations.

5. The provision of an intervention programme in the Department of Health.

Indicators include the provision of training on the handling of medico-legal claims against the department.

6. The continued efficient and effective handling of court processes.



Indicators include the elimination of contempt of court applications and the reduction of litigation costs.

2.5.4.1.4 Service Delivery Achievements

Notable service delivery achievements by the litigation sub-programme include:

1. The elimination of contempt of court proceedings in the Department of Social Development and the virtual eradication of non-compliance with Orders of Court by provincial departments.
2. The reduction in the incidence of litigation in the Department of Education, and the stabilisation of new cases and associated costs in the provincial departments.
3. The provision of targeted outreach programmes and interventions in the Departments of Social Development, Education and Health.
4. Training in all departments on the Promotion of Administrative Justice and Promotion of Access to Information Acts.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
5.1. Litigation	1. The upgrading of existing document management and filing system in Department of Social Development.	1. The provision of timeous instructions to the State Attorney, the maintenance of statistics on litigation, the more efficient handling of litigious matters and the reduction in the incidence of contempt of court applications in Social Development.	1. The establishment and maintenance of an effective and efficient filing system to monitor, control and measure the incidence of litigation in the Department of Social Development.	1. Effective and efficient filing system established, facilitating timeous issuing of instructions to State Attorney.
5.1. Litigation	2. The provision of workshops on key legal duties and responsibilities to district managers and head office staff of Department of Social Development.	2. The strategising and arranging of workshops in all departmental districts.	2. The provision of workshops in all districts of the Department of Social Development.	2. Training conducted in all district offices of Department of Social Development that has resulted in the elimination of all contempt of court proceedings.
5.1. Litigation	3. Outreach programme with district managers in Department of Education.	3. Enhanced understanding of legal compliance procedures resulting in lower levels of litigation in the Department of Education.	3. The provision of an outreach programme in all districts of the Department of Education.	3. The conducting of training in all districts of the Department of Education and the resultant reduction of the number of new cases of litigation.
5.1. Litigation	4. Training on implementation of Promotion of Access to Information Act (PAIA) and Promotion of Administrative Justice Act (PAJA) at head offices of all provincial departments.	4. The provision of training aimed at sensitising officials of their legal obligations under PAIA and PAJA.	4. Training on implementation of Promotion of Access to Information Act (PAIA) and Promotion of Administrative Justice Act (PAJA) at head offices of all provincial departments.	4. Training in all districts of the major service delivery departments of Education, Health and Social Development.
5.1. Litigation	5. Outreach programme in the Department of Health aimed at the handling of medico-legal claims; and	5. The provision of training on the handling of medico-legal claims against the department.	5. The provision of an intervention programme in the Department of Health.	5. Training on the handling of medico-legal claims conducted in district offices of the Department of Health.

5.1. Litigation	6. The continued efficient and effective handling of court processes with a view to eliminating contempt of court applications and the reduction of litigation costs.	6. The elimination of contempt of court applications and the reduction of litigation costs.	6. The continued efficient and effective handling of court processes.	6. Contempt proceedings all but eliminated across all provincial departments.
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2.5.4.2 Sub Programme 5.2: Legislation

This Sub-Programme is responsible for the drafting of primary and subordinate legislation for all Provincial departments and providing assistance to departments on development of policies which culminate in Provincial legislation;

2.5.4.2.1 Purpose

The purpose of the Sub-Programme is to ensure that Provincial legislation is consistent with National legislation and the Constitution, is drafted in accordance with uniform standards of legislative drafting which entails a simple style of drafting and language which is user-friendly.

The sub-Programme is charged with the responsibility of ensuring that obsolete and archaic old order legislation is repealed through the rationalisation process. All Provincial legislation is consolidated and where necessary amended to bring it in line with National norms and standards.

2.5.4.2.2 Measurable Objectives

1. Drafting of primary and subordinate legislation for all Provincial departments;
2. Providing assistance to departments on development of policies which culminate in Provincial legislation;
3. Rationalisation of Provincial legislation;
4. Processing of legislation through Cabinet Cluster Committees, EXCO and the Portfolio committees of the Provincial Legislature;
5. Publication of legislation in the Provincial Gazette;
6. Rendering legal support to departments and the Provincial Legislature in conducting workshops on Bills; and
7. Providing legal opinions on legislation.

2.5.4.2.3 Service Delivery Objectives and Indicators (highlights)

1. Drafting of primary and subordinate legislation;

Indicators include translation of policies into Bills and processing of such Bills until they become Acts of the Provincial Legislature;

2. Providing assistance to departments on development of policies which culminate in drafting of Provincial legislation;

Indicators include Green and White Paper processes of the departments and publication of such policies in the Provincial Gazette;

3. Publication of Provincial legislation in the Provincial Gazette either as departmental drafts or in terms of the Standing Rules of Procedure of the Legislature;

Indicators include accessibility of provincial legislation in line with the public participation requirements of the Constitution;



2.5.4.2.4 Service Delivery Achievements

The following Acts and Bills were drafted for Provincial departments:

1. Provincial Tender Board Repeal Act, 2004 (Act No. 6 of 2004)
2. Application of Health Standards in Traditional Circumcision Amendment Bill
3. Eastern Cape Appropriate Technology Unit Bill;

Various subordinate legislation were drafted for the Provincial departments including Regulations, By-laws, Notices and Proclamations.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
5.2. Legislation	1. Drafting of provincial legislation.	1. Translation of policies into Bills and processing of such Bills until they become Acts of the Provincial Legislature.	1. Drafting of primary and subordinate legislation.	1. The following Acts and Bills were drafted for Provincial departments: (a) Provincial Tender Board Repeal Act, 2004 (Act No. 6 of 2004). (b) Application of Health Standards in Traditional Circumcision Amendment Bill. (c) Eastern Cape Appropriate Technology Unit Bill.
5.2. Legislation	2. Rendering of assistance to provincial departments in the development of policies.	2. Green and White Paper processes of the departments and publication of such policies in the Provincial Gazette.	2. Providing assistance to departments on development of policies which culminate in drafting of Provincial legislation.	2. Policies developed in respect of Bills drafted for client departments.
5.2. Legislation	3. Rendering and effective and efficient Provincial Gazette service.	3. Accessibility of provincial legislation in line with the public participation requirements of the Constitution.	3. Publication of Provincial legislation in the Provincial Gazette either as departmental drafts or in terms of the Standing Rules of Procedure of the Legislature.	3. Distribution of Gazettes to client departments.

2.5.4.3 Sub Programme 5.3: Contracts and Agreements

This sub-programme provides a pro-active contracts and agreements service to the provincial administration and its various departments.

2.5.4.3.1 Purpose

The purpose of the sub-programme is to provide the following services:

1. Proactive contractual legal advice to the Provincial departments;
2. Drafting, editing and settling of contracts and agreements; and
3. Setting up of norms and standards for contract management systems and procedures.



2.5.4.3.2 Measurable Objectives

- Drafting of Contracts and Service Level Agreements.
- Provision of legal advice on the conflict resolution of the contracts and agreements.
- Provision of legal advice on the contracts or SLAs that are to be implemented.
- Ensuring adherence of contracts with the legal prescripts as well as any other related matter.
- Consultation with various Heads of Departments identifying the need for proper management systems to be in place and the type of systems needed.
- Production of the template to be used to initiate the implementation thereof.

2.5.4.3.3 Service Delivery Objectives and Indicators (highlights)

- Involvement of the Contracts unit in the negotiations and drafting of the contracts and/or SLAs.
- Frequent and an increased number of consultations taking place.
- Reaction to the problems identified due to lack of the systems.
- Efficient, effective and enforceable contracts or SLAs are in place and operational.
- Avoidance of an unnecessary litigation.
- Monitorable ,user-friendly and accessible system which will enable detection of non-performance of contractual obligations as well as the detection of expired contracts.

2.5.4.3.4 Service Delivery Achievements

There has been a paradigm shift from the old order of not putting proper systems in place to be able to monitor and own the contract management systems by the departments.

This initiative is still however hampered by:

- Lack of support and enthusiasm to invest in the proper auditing processes of contracts
- Most department view the contract management procedures as a difficult time consuming exercise and one that is practically impossible to achieve or realise and this is due to fear for a change and introduction of new systems.

In respect of the drafting services provided to the provincial departments, the following are considered noteworthy achievements:

- Speedy turn around time for the signage of agreements.
- E.g. Mkambati agreement, and the Deed of Sale Agreement of Mistkraal for the inclusion as a park area.
- The facilitation of the In-house travel services SLA; and
- Speedy turn around times for the signage of agreements ensuring compliance with Supply Chain Management and the Procedures regulating tender processes.



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
5.3 Contracts and Agreements	1. Drafting of Contracts and Service Level Agreements.	1. Involvement of the directorate in the negotiation and drafting of the contracts and /or SLAs.	1. Directorate involved in monitoring and co-ordinating the conclusion of contracts and agreements by provincial departments.	1. Inroads made in assisting departments will major contracts, but hampered by perceived lack of co-operation by client departments.
5.3 Contracts and Agreements	2. Provision of legal advice on contracts and agreements.	2. Reduction in levels of contract related litigation and costs of outsourcing.	2. Effective and efficient advice service to provincial departments.	2. Number of key agreements concluded on behalf of client departments.
5.3 Contracts and Agreements	3. Auditing of contracts and agreements entered into by provincial departments.	3. Efficient, effective and enforceable contracts or SLAs are in place and operational.	3. Auditing of provincial contracts and agreements.	3. Design and initial scoping of audit completed, but delay in recruitment of senior manager has hampered execution.

Programme 6: SHARED INTERNAL AUDIT SERVICES

2.6.1 Compliance

2.6.1.1 Purpose

To provide an independent and objective assurance and consulting services designed to add value and improve the Eastern Cape Administration's operations, through evaluation of the systems of internal control, risk management and corporate governance processes

2.6.1.2 Measurable Objectives

The scope of internal audit function is defined by the Treasury Regulations and the services are as well provided in terms of the Standards for the Professional Practice of Internal Auditing (SPPIA) as follows:

- Perform evaluation and reviews on the systems of internal controls, risk management and governance processes and give assurance to the Accounting Officers & management on the adequacy and effectiveness thereon;
- Evaluation of the departments In Year Monitoring and management reports as well as financial statements;
- Performance reviews on the economic, effective and efficient use of departments resources, the management of capital projects and evaluation of how objectives of departments are met and governance principles maintained;
- Audit the operational procedures and monitoring mechanisms over all transfer payments made or received by provincial departments
- Facilitation of the risk assessment process to assist Accounting Officers and Management to develop their business areas risk profiles & risk management strategies to manage and constantly monitor the risks, and utilization of risk assessment reports to determine the audit coverage;
- Provide consultancy services and respond to any other special audit requests from Accounting Officers;
- Co-operation of fraud prevention and detection strategies in conjunction with the newly established Fraud Unit.
- Provide support services to the AC and liaison with the AG on External Audit matters (Follow up on matters of emphasis & SCOPA reports).

2.6.1.3 Service Delivery Objectives and Indicators (highlights)

TeamMate Audit software Procured

ACL Software Procured

Risk Assessment was conducted

Obtained approval to acquire, additional capacity (Feb 2005)

Audit Reports issued to various departments
Department's fraud prevention plans, fraud response plans drafted with inputs from the departments. Processes driven by Fraud Unit

Establishment of fraud working committees for 12 departments

Fraud awareness workshops for 5 pilot departments

Developed provincial fraud prevention strategy

Improved relations with departments now that we receive their co-operation

Improved IA staff morale as participation in conducting audits and interaction with departments improved.

New audit methodology and code of Ethical conduct has been implemented

CHALLENGES

Capacity of current personnel to deliver to IA's mandate

The level of understanding of the role of internal audit by departments

Ineffective audit committee

Inadequacy of Internal Audit tools

Lack of the organizational status of IAA in the province

Network problems impacting on the utilization of the

Audit management software

Quality, efficiency and effectiveness is compromised-
lack of technical knowledge

Obtaining suitable office space for internal audit staff

MAJOR CONSTRAINTS

- Vacant critical posts have an adverse strategic impact on the function and the effectiveness of its service delivery;
- Performance and Compliance audit Programmes' merger that led to inheritance of unqualified staff.
- The current structure makes no provision for recruitment of competent, required expertise and experienced managers adequately skilled to interact at higher level and assist in ensuring maintenance of quality performance and reports by the auditors.
- The staff levels approved as on the current structure are not sufficient to attract competent and experienced internal auditors.
- Capacity and effectiveness of the Audit Committee.

ADDRESSING THE CHALLENGES

Capacitate & empower existing personnel

Targeted recruitment of professional skilled and experienced auditors and retention strategy

Value proposition of IA to departments.

Re-composition of the Provincial Audit Committee

Procure & implement suitable tools

Negotiate for the approval of the new proposed structure

Obtain assistance from Professional IA Institutions to provide Technical Training and Development to the IA staff.

Arrangements to re-locate IA Function are in place



2.6.1.4 Service Delivery Achievements

Strategic Objective	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
1. Efficiency, effectiveness and economy in achieving objectives by departments	Audit reports recommending enhancement and improvement over the management of transfer payments	Clients audit reports, management quarterly reports and Audit committee reports, progress on operational plans	6 Audit reports recommending enhancement and improvement over the management of transfer payments	1 report on transfer payments was finalized as at year end and 5 others were still in process. These audits were performed at 6 departments and will all be finalized during May 2005.
1. Efficiency, effectiveness and economy in achieving objectives by departments	Audit reports with recommending enhancement on the reliability and integrity of financial and operational information	Clients audit reports, management quarterly reports and Audit committee reports, progress on operational plans	19 Audit reports with recommending enhancement on the reliability and integrity of financial and operational information	19 audit assignments on various business operations were conducted during the year, mostly addressing matters of emphasis raised in AG reports
1. Efficiency, effectiveness and economy in achieving objectives by departments	Audit reports with recommendations for the efficiency and effective utilization and safeguarding of provincial assets	Clients audit reports, management quarterly reports and Audit committee reports, progress on operational plans	8 Audit reports with recommendations for the efficiency and effective utilization and safeguarding of provincial assets	Emphasis was placed on Fleet management and reviews were conducted at all 8 departments. 8 audit reports to this effect were issued.
1. Efficiency, effectiveness and economy in achieving objectives by departments	Regulatory audit reports with appropriate recommendations to enhance compliance with laws, regulations, plans and procedures and controls	Clients audit reports, management quarterly reports and Audit committee reports, progress on operational plans	As per clients requests	8 departments annual financial statements were reviewed during July 2004 for Audit Committee comments on the Annual Reports
1. Efficiency, effectiveness and economy in achieving objectives by departments	Appropriate audit reports regarding any formal and informal consulting services provided to various departments and special audit assignments carried out	Relevant audit reports to the clients and the Audit Committee	8 Regulatory audit reports with appropriate recommendations to enhance compliance with laws, regulations, plans and procedures and controls	4 Adhoc reports and 1 formal letter on consulting services provided were conducted during the financial year.
2. Department's operations, governance and accountability	Performance Audit reports with appropriate recommendations for improvement on the effective, efficient and economic use of government resources and accomplishment of departments strategic objectives	Progress on Operational plans, reports to the Audit Committee and departments Accounting Officers	Audit Focus :Supply Chain Management Procurement in the Department of Transport at E.G. Kei, Mthatha & Queenstown Procurement in the Department of Sport, Arts and Culture at Port Elizabeth and O R Tambo Audit Focus Area: Personnel Administration Leave Administration in the Department of Transport at Port Elizabeth	Audit Focus :Supply Chain Management Procurement in the Department of Transport at E.G. Kei, Mthatha & Queenstown Procurement in the Department of Sport, Arts and Culture at Port Elizabeth and O R Tambo Audit Focus Area: Personnel Administration Leave Administration in the Department of Transport at Port Elizabeth Housing, Local Govt and Traditional Affairs performance audit at all business operations was completed.

2. Departments' operations, governance and accountability	Audit reports with appropriate recommendations for improvement on the in year monitoring and managements reporting and management of capital projects	Progress on Operational plans, reports to the Audit Committee and departments Accounting Officers	8 In-year monitoring and management audit reviews	6 In-year monitoring and management audit reviews were completed and 2 are still in process Audit review on Housing capital projects is still in process with assistance by Ernest and Young
3. Integrated internal audit services and Audit Committee activities	Aligned operational plans with the AG, Audit Committee reports and well coordinated Audit Committee activities	Quarterly Audit Committee reports and an annual AC report	2 Quarterly Audit Committee reports and an annual AC report, 16 Accounting Officers reports	2 Quarterly Audit committee and 4 management reports were issued during the year.
4. Risk identification and risk management processes	Departments and the Provincial Risk register/database, IA Rolling three year strategic plan and an annual operational plan	Risk assessment reports including reviewed risk data and adjustments on operational plans	8 Departments and the Provincial Risk register/database, IA Rolling three year strategic plan and an annual operational plan	Risk assessment for all 8 departments commenced during March 2004 and finalized May 2005. As a result, operational plans were completed during May 2005
5. Co-operation of fraud prevention, corruption and strategies	Fraud and Corruption strategies – Provincial and departments specific documents	Strategy documents for the departments and one Provincial strategy and effectiveness of the document	Provincial Fraud Prevention strategy, 8 Departments Fraud Prevention plans	The following activities were conducted in conjunction with Fraud Unit: - Fraud awareness Program - Fraud risk assessment mini workshops - Departments Fraud Prevention Plans - Fraud Prevention Policy-still a draft - Fraud response Plan - Fraud Action/Implementation Plan



PART: 3 Audit Committee Report

AUDIT COMMITTEE COMMENTS ON THE 2004/5 ANNUAL REPORT FOR THE EASTERN CAPE OFFICE OF THE PREMIER

Section 1.01 VOTE 1

Section 1.02

1. Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2005 as contained therein.

Section 1.03

Section 1.04

2 Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and meets 4 times per annum as per its approved terms of reference. During the current year 6 of meetings were held.

Name of Member	Number of meetings attended
Mr M Dondashe (Chairperson)	6
Mr G le Roux	5
Mr J Smith	1

Section 1.05

3. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13. Section 38 (1)(a)(ii) of the PFMA states that the Accounting Officer for a department must ensure that the department has “a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of section 76 and 77”.

The Audit Committee 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 it's responsibilities as contained therein

Section 1.06

Section 1.07

4. The effectiveness of internal control

The system of internal control was not entirely effective for the year under review as compliance with prescribed policies and procedures were inadequate in certain control areas. During the year under review, several instances of non compliance were reported by internal audit. Other control weaknesses were reported by the Auditor General under emphasis of matter and in the management letter. In certain instances, the weaknesses reported previously have not been fully and satisfactorily addressed by Management. Those areas include:

- Asset management
- Fleet Management
- Procurement Process
- Supply Chain Management
- Capped Leave and leave management



- Personnel and payroll management
- Document /Records Management.
- Transfer Payments
- PMDS

Section 1.08

Although reported control weaknesses are not that material, commitment from management to address them is still critical.

5. Transfer Payments

Compliance with regard to monitoring and reporting requirements on transfer payments in terms of section 16 of the Division of Revenue Act (DoRA), section 38 of the PFMA and Chapter 5 part 2.41 of the PFMA and Treasury Regulations 8.4.1 and 8.4.2, due to the absence of clear processes, inconsistencies on reports to be submitted by public entities, was inadequate. We, however, take cognizance of commitment made by Management to address identified deficiencies

Section 1.09

6. The quality of in year management and monthly reports submitted in terms of the PFMA and the Division of Revenue Act.

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the department during the year under review. We however noted instances of inadequate involvement of key Managers responsible for the management of budgets.

Section 1.10

7. Evaluation of Financial Statements

The Department had complied with National/Provincial requirements for the submission of the annual financial statements. The Annual Financial Statements have been prepared in compliance with the applicable laws and regulations. Accounting policies have been suitably applied.

The Audit Committee has:

- Perused the Auditor General's management letter and management's responses accordingly.
- Noted the findings and responses by the management and made its own recommendations as required in terms of Treasury Regulation 3.1.12, through its annual report to the Accounting Officer.

7.1 The department is in compliant with the Guide for the preparation of Annual reports and with the applicable laws and regulation on the preparation of Annual Financial Statements.

7.2 Except where weaknesses that have been identified, we are satisfied that the Department's AFS display fair and reliable information related to the nature of the Department' activities and comply with applicable regulations.

7.3 The Department received an unqualified audit opinion from the Auditor General in which results reflect significant improvement in certain control areas if compared to the previous financial years' reports. Again, the Management is still challenged to address matters reported, amongst which some are repeat findings.

The Audit Committee concurs and accepts the Auditor General's conclusions 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.


 Nicholas Diederikse CA (SA)
 Provincial Audit Committee Chairperson

08/08/2005



PART: 4 Management Report, Audit Report and Financial Statements



Report by the Accounting Officer to the Executive Authority and Legislature of the Eastern Cape Province.

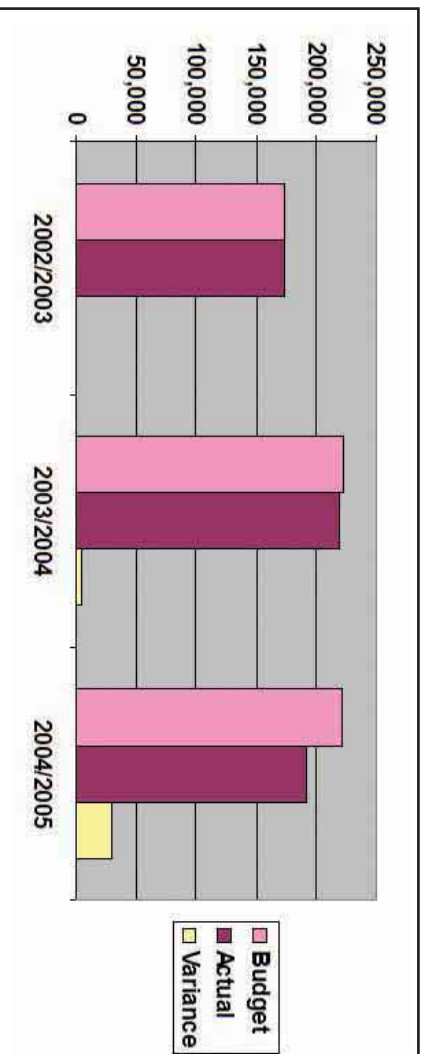
1. General review of the state of financial affairs

- There were no changes to the organisational structure during the year under review. The number of programmes remained at six however a second Deputy Director General was appointed. The appointment of the second Deputy Director General is a step towards ensuring successful implementation of the Provincial Growth and Development Plan. This incorporates a re-look and reorganisation of the current structure and functions. The implementation of this new structure will be effected in the 2005/2006 financial year.
- A learnership programme aimed at recruiting unemployed graduates and other people has been instituted in all the departments. In addition to that the Office of the Premier has implemented an internship programme within the Department to create opportunities for qualified persons to gain experience.
- The provincial Geographic Information System co-ordinating unit has been established. Spatial data has been made available to managers through the intranet.
- The Customer Care unit was established to improve communication with the Eastern Cape public and stakeholders.
- Another successful provincial suppliers' day was facilitated by the Office of the Premier, together with the launch of the provincial Supply Chain Management System was held in August 2004. 560 people attended representing both the public and private sector.
- The Premier's Good Governance Awards Scheme continues to recognise efforts of those institutions and individuals that have excelled in innovative service delivery. Plans are underway to improve the running of the Awards Scheme.

Spending trends

The appropriated budget was reduced through budget surrenders to assist in addressing the deficit of the Province. Austerity measures were implemented resulting in cost-cutting in various areas of spending in the year under review. The following graph shows spending for the 2004/2005 financial year compared with the previous financial year.





The spending of the Office of the Premier during the past financial year has been affected by the implementation of cost cutting measures. The instruction by the Provincial Treasury to withhold payments at year-end so as to ensure compliance with legislation by the Province has resulted in under spending of the budget in the 2004/2005 financial year. The budget surrenders and measures implemented to reduce spending have not impacted negatively on the delivery of services by the Department. The spending is monitored through the Budget Advisory Committee within the Office and the Provincial Treasury which has an oversight responsibility.

2. Services rendered by the Department

The Office of the Premier essentially coordinates the functioning of the Provincial Government and renders the following services to the other provincial departments in the course of this process:

- Provision of Human Resources Management and Organisational Development Planning advice,
- Provision of policy research, planning and strategy development and coordination of Special Programs,
- Provision of communication services,
- Provision of information technology support and advice,
- Provision of shared internal audit and legal advisory services,
- Provision of gazette services,
- Management and coordination of intergovernmental relations.

3. Capacity constraints

The re-organisation of the Office of the Premier as referred to in paragraph 1 above will assist in strengthening capacity related to human resources.

4. Utilisation of donor funds

The Swedish, German and British governments during the year donated services worth an amount of R15 140 000. These services contributed to the Human Resources Management and Development Programme, the promotion of Rural Livelihoods programme and the Integrated Provincial Support Programme.

5. Trading entities / public entities

The Office of the Premier is responsible for three public entities. These are:

- The Eastern Cape Socio-Economic Consultative Council (ECSECC),
- The Eastern Cape Appropriate Technology Unit (ECATU) and
- The Eastern Cape Youth Commission (ECYC).

ECSECC was established in 1995 with the following objectives contained in its founding document:

- To facilitate and coordinate the implementation of development programmes between all key stakeholders in the province of the Eastern Cape,
- To facilitate development by providing an avenue for formal inputs into policy-making process of government,
- To support Government in advancing the efficient delivery of development,
- To empower communities and grassroots structures of civil society to engage in development, and
- To assist in the implementation of policies and strategies that will facilitate the growth of the provincial economy.



ECATU, was established in 1983 in terms of the Transkei Corporations Act of 1976. Its functions are to research, develop, finance and carry out projects relating to appropriate technology in all sectors of government in the Eastern Cape.

The ECYC was established in terms of the Youth Development Act of 1995. The main functions of the ECYC are:

- To facilitate, coordinate and promote the integration of youth development,
- To conduct research on the socio-economic conditions and needs of the youth, and
- To make proposals to the Premier and other relevant bodies on youth development matters as contemplated in the Act.

These Public Entities submit their strategic plans and annual business plans to the Office of the Premier. Quarterly reports are also submitted which are evaluated against the business plans. Audited financial statements are submitted at year-end as well. Other than the funding provided by way of transfer payments made by the Office of the Premier, the financial performance of these entities is overseen by respective governance structures (Boards). The Office of the Premier plays a monitoring role.

6. Other organisations to whom transfer payments were made

The Office of the Premier has transferred the Premier's Discretionary fund to the Eastern Cape Development Corporation (ECDC). The main objectives of the fund are:

- Poverty alleviation
- Job creation
- Community development
- Black economic empowerment
- Rural development
- Economic empowerment
- Entrepreneurial ventures
- Any other suitable project as identified by the Premier.

The National Student Financial Aid Scheme (NSFAS) is one other institution to whom transfer payments have been made by the Office of the Premier. The main objective of this fund is to assist disadvantaged students in the province who are in institutions of higher learning in subject areas benefiting the province. These funds are part of the provincial HRD strategy that supports youth development in the province.

7. Public / private partnerships (PPP)

The partnership between the Eastern Cape Province, through the Department of Transport, and Fleet Africa that was entered into in 2003/04 financial year still continues. In terms of this agreement fleet provision and management was transferred to Fleet Africa Eastern Cape. All vehicles previously owned by the Office of the Premier were transferred to the Department of Transport. A new Fleet was provided under the auspices of Fleet Africa Eastern Cape.

8. Corporate governance arrangements

- The positions of Accounting Officer and Chief Financial Officer remained filled throughout the year under review.
- The Shared Internal Audit for the Eastern Cape Province supports the Office of the Premier and the position of the Chief Director: Internal Audit was filled during the year. This Unit reports directly to the Audit Committee. Both the Audit Committee and the Shared Internal Audit Unit have the relevant Charters in place.
- A firm of chartered accountants, Pricewaterhouse Coopers, was engaged during the year to conduct a risk assessment of the Office of the Premier. A report has been issued in the 2004/05 financial year to assist in developing plans to address these risks.
- The Anti-Corruption Unit for the Province has been established within the Office of the Premier.

9. Discontinued activities / activities to be discontinued

No activities were discontinued during the year under review. No activities are envisaged to be discontinued in the future.

10. New / proposed activities

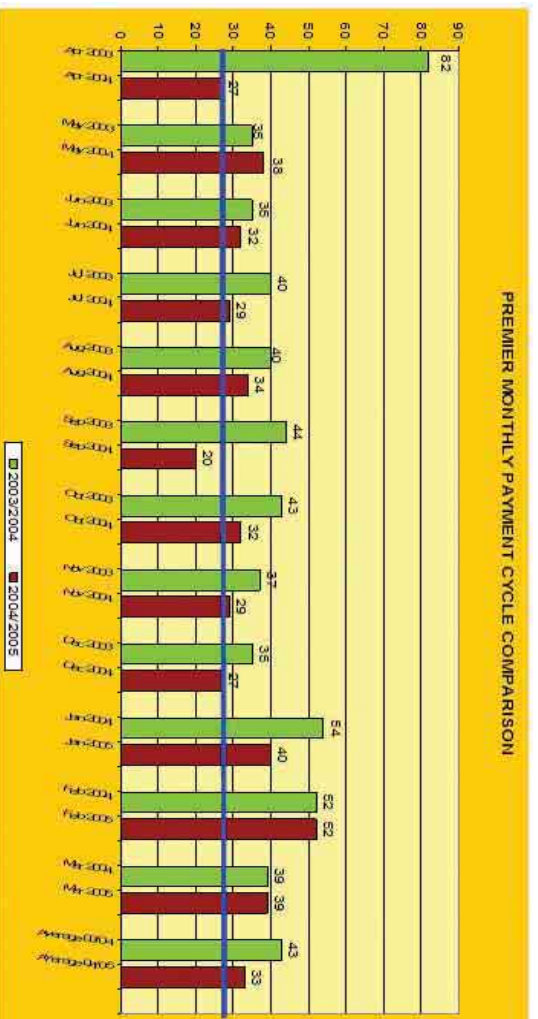
To strengthen monitoring of provincial departments in the Eastern Cape and alignment of functions, funds have been made available to develop a monitoring and evaluation framework and tool. The new proposed Policy Coordination and Monitoring Unit (PCMU) will focus most of its efforts on this aspect.

11. Events after the reporting date

There are no known events that took place after the balance sheet date that will have an impact on the Financial Statements.

12. Progress with financial management improvement

- The process of documenting processes and procedures as well as related internal controls was undertaken during the year under review. The final document will be made available in the 2005/2006 financial year.
- The Office of the Premier has seen an improvement in the payment of creditors during the year under review. The number of days taken to settle creditors' invoices has been reduced from 39 days to 33 days on average. It must be noted that this is from the date of invoice and not the date of receipt of invoice by the Office of the Premier. The graph below shows the movement in the payment cycle for the period under review.



- The Office of the Premier maintains its assets through the Baud system. The system is capable of stock-taking and producing an asset register for reporting purposes.
- There is still a need to train and retrain employees to create the necessary capacity to manage the improvements envisaged.

13. Performance information

In the Office of the Premier all senior managers enter into performance agreements with their supervisors. These agreements contain targets as set out in the strategic plans of each Branch. Performance is reviewed on a monthly basis. Written reports are submitted on a quarterly basis. These reports must indicate progress in line with the measurable objectives that were set out in the strategic plans. Adjustments are done where necessary.

14. Other

There is no further material fact that will have an impact in the understanding of the financial state of affairs of the Office of the Premier.

15. Approval

The annual financial statements set out on pages 68 to 105 have been approved by the Accounting Officer.

Dr S Muthwa
ACCOUNTING OFFICER AND DIRECTOR GENERAL
July 26, 2005



Auditor General's Report

REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE OF THE EASTERN CAPE PROVINCE ON THE ANNUAL FINANCIAL STATEMENTS OF VOTE 1 – OFFICE OF THE PREMIER FOR THE YEAR ENDED 31 MARCH 2005

1. AUDIT ASSIGNMENT

The annual financial statements as set out on pages 68 to 105, for the year ended 31 March 2005, have been audited in terms of section 188(1)(a) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). These annual financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these annual financial statements, based on the audit.

2. NATURE AND SCOPE

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

An audit includes:

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

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

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

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

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of Vote 1 – the Office of the Premier at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the PFMA.

4. EMPHASIS OF MATTER

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

4.1 Irregular expenditure

The Office of the Premier obtained a vehicle from the outsourced vendor, who is contracted for providing government transport, outside their approval framework and mandate. This led to irregular expenditure of R82000 as is disclosed in note 23 to the financial statements.

4.2 Fleet maintenance

During August 2003 the Department of Transport, on behalf of the provincial government, entered into an

agreement to outsource the administration's motor vehicle fleet. In terms of this agreement, the vendor charges the departments a fee based on monthly rental and kilometres travelled by each vehicle. An insufficient control environment and lack of proper reconciliations were evident in the administration of this fleet and the related payments.

4.3 Internal controls

As reported in previous years, control deficiencies were evident in the financial year under review and actions to address these deficiencies were not always adequately implemented. Due to non-compliance with policies and procedures:

- Controls surrounding the administration of personnel and leave records were found to be inadequate.
- The recording of assets in the asset register and the maintenance and accuracy of the said register was deficient.

4.4 Internal audit

In compliance with section 38(a)(ii) of the PFMA, the Eastern Cape Provincial Administration has a shared Internal Audit unit and Audit Committee that are administered by the Office of the Premier. An Executive Committee decision was taken in April 2003 to outsource the internal audit and audit committee functions of the Departments of Education, Public Works, Social Development and Health. The shared Internal Audit unit continues to provide internal audit services to the remaining departments. The following issues relating to the shared service are highlighted:

(a) A rolling three-year strategic internal audit plan for the various departments serviced by the shared service was approved by the Audit Committee, as required by Treasury Regulation 3.2.7, during February 2004. An annual plan for the 2004/2005 year, cascading from the three year rolling strategic plan, as further required by Treasury Regulation 3.2.7, was however only compiled and approved during November 2004. As a result internal audit functioned for 7 months of the year without an operational plan approved by the Audit Committee. This not only constitutes non-compliance with Treasury Regulation 3.2.7 and in effect with section 38(a)(ii) of the PFMA, but also constitutes non-compliance with the South African Internal Auditing Standards.

(b) No Internal Audit reports covering the period April to October 2005, were submitted to the Audit Committee for consideration. Although the Quarterly Report was submitted to the Audit Committee, no evidence could be found or provided that the Audit Committee reported and made recommendations, based on the reports, to the relevant accounting officers as prescribed by Treasury Regulation 3.1.12.

(c) Cognisance is taken of the restructuring process within the Shared Service and the subsequent approval of the 2005/2006 risk assessments and operational audit plans as required by the Treasury Regulation. Cognisance is also taken of the submission of various Internal Audit reports, following from the said audit plans, pertaining to the 2005/2006 financial year.

5. APPRECIATION

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

**Auditor-General
PRETORIA
31 July 2005**



A U D I T O R - G E N E R A L



Accounting Policies And Related Matters

for the year ended 31 March 2005

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

1. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

Appropriated funds

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

Departmental Revenue

Sale of goods and services other than capital assets

The sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of performance on receipt of the funds.

Interest, dividends and rent on land

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

Sale of capital assets

Revenue from the sale of capital assets is recognised in the statement of financial performance on receipt of the funds.

3. Expenditure

Compensation of employees

Salaries and wages comprise payments to government employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is made. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entity's contribution to social



insurance schemes paid on behalf on the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the payment is made.

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the financial statements and are not recognised in the Statement of Financial Performance.

Long-term employee benefits and other post employment benefits

Termination benefits

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

Medical benefits

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the annual financial statements of the department.

Other employee benefits

Leave entitlement, Thirteenth cheque and Performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

Post employment retirement benefits

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

Goods and services

Payments made for the goods and/or services are recognised as an expense in the Statement of Financial Performance when the payment is made. The expense is classified as capital if the goods and services was used on a capital project.

Financial transactions in assets and liabilities

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending available to the department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

Unauthorised expenditure

Unauthorised expenditure, defined as follows:

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

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.



Irregular expenditure

Irregular expenditure, defined as follows:

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

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

It is treated as expenditure in the Statement of Financial Performance if such expenditure is not condoned and it is possibly recoverable it should be disclosed as receivable in the Statement of Financial Position at year-end.

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure defined as follows:

Expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

4. Transfers and subsidies

Transfers and subsidies include all unrequited payments made by the entity. Transfers and subsidies are recognised as an expense when the payment is made.

5. Expenditure for capital assets

Capital assets are assets that can be used repeatedly and continuously in production for more than one year.

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the payment is made.

6. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

7. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks, investments in money market instruments and demand deposits. Cash and cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to the Provincial Revenue Fund or another party.

9. Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the financial statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the financial statements are prepared on the cash basis of accounting.

10. Accruals

This amount represents goods / services that have been delivered, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but remains unpaid at the reporting date. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the annual financial statements are prepared on a cash basis of accounting, but are however disclosed as part of the disclosure notes.

11. Contingent liability

This is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

- A present obligation that arises from past events but is not recognised because;
- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognized in the Statement of Financial Position, but the information is disclosed as part of the disclosure notes.

12. Commitments

This amount represents goods/services that have been ordered, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the annual financial statements are prepared on a cash basis of accounting, but are however disclosed as part of the disclosure notes.

13. Capitalisation reserve

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

14. Recoverable revenue

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

15. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these annual financial statements are limited to the figures shown in the previous year's audited annual financial statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statements as this would involve reclassification of amounts dating back to the 2002/03 year-end.



Appropriation Statement

for the ended 31 March 2005

APPROPRIATION PER PROGRAMME

	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1. Management									
Current payment	5,595	-	1,596	7,191	5,838	1,353	81%	4,999	5,184
Transfers and subsidies	3,183	-	500	3,683	3,193	490	87%	3,008	2,753
Expenditure for capital assets	313	-	-	313	212	101	68%	215	25
2. Cabinet Office									
Current payment	35,096	-	(3,435)	31,661	24,345	7,316	77%	25,685	23,186
Transfers and subsidies	24,719	-	5	24,724	25,017	(293)	101%	26,058	26,036
Expenditure for capital assets	1,462	-	(150)	1,312	730	582	56%	2,453	1,852
3. Corporate Services									
Current payment	75,622	-	(2,407)	73,215	65,904	7,311	90%	72,638	74,580
Transfers and subsidies	90	-	573	663	512	151	77%	56	724
Expenditure for capital assets	12,582	-	2,557	15,139	5,558	9,581	37%	18,003	15,385
4. Organisational Development									
Current payment	32,047	-	(2,267)	29,780	29,235	545	98%	30,116	30,042
Transfers and subsidies	12,025	-	-	12,025	12,031	(6)	100%	17,616	17,612
Expenditure for capital assets	347	-	(15)	332	221	111	67%	403	423
5. Shared Legal Services									
Current payment	7,420	-	2,884	10,304	9,126	1,178	89%	7,841	7,831
Transfers and subsidies	1,503	-	(1,480)	23	24	(1)	104%	16	19
Expenditure for capital assets	217	-	-	217	92	125	42%	220	217
6. Shared Internal Audit									
Current payment	12,004	-	(2,779)	9,225	8,428	797	91%	12,153	10,719
Transfers and subsidies	35	-	187	222	207	15	93%	29	21

Expenditure for capital assets	831	-	(39)	792	597	195	75%	1,071	2,027
Subtotal	225,091	-	(4,270)	220,821	191,270	29,551	87%	222,580	218,636
Statutory Appropriation									
Current payment	876	-	-	876	876	876	0%	827	827
Transfers and subsidies									
Expenditure for capital assets									
Total	225,967	-	(4,270)	221,697	192,146	30,427	87%	223,407	219,463
Reconciliation with Statement of Financial Performance									
Departmental Receipts				-				531	-
Actual amounts per Statement of Financial Performance (Total Revenue)				221,697	192,146			223,938	219,463

APPROPRIATION PER ECONOMIC CLASSIFICATION

Economic classification	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation to employees	63,832		5,239	69,071	68,335	736	99%	63,136	62,034
Goods and services	103,952		(11,647)	92,305	74,404	17,901	81%	90,320	87,974
Transfers & subsidies									
Provinces & municipalities	4,875		(4,662)	213	206	7	97%	3,170	3,031
Departmental agencies & accounts	16,449		(16,449)	-	-	-	0%	-	-
Universities & technikons	-		12,000	12,000	12,000	-	100%	17,589	17,589
Non-profit institutions	20,231		8,121	28,352	28,135	217	99%	26,000	26,000
Households	-		775	775	644	131	83%	-	543
Payment on capital assets									
Machinery & equipment	10,405		6,019	16,424	6,028	10,396	37%	20,015	19,931
Biological or cultivated assets	-		-	-	-	-	0%	-	-
Software & other intangible assets	5,347		(3,666)	1,681	1,518	163	90%	2,350	-
Total	225,091		(4,270)	220,821	191,270	29,551	87%	222,580	217,102



STATUTORY APPROPRIATION

Direct charge against Provincial Revenue Fund	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000		Final Appropriation R'000	Actual Expenditure R'000		Expenditure as % of Final Appropriation	Final Appropriation R'000	Actual Expenditure R'000
Member of executive committee/ parliamentary officers	876	-	-	876	876	-	0%	827	827
Total	225,967	-	(4,270)	221,697	192,146	29,551	87%	223,407	217,929

Detail Per Programme 1

for the ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1.1 Management									
Current payment	5,595	-	1,596	7,191	5,838	1,353	81%	4,999	5,184
Transfers and subsidies	3,183	-	500	3,683	3,193	490	87%	3,008	2,753
Expenditure for capital assets	313	-	-	313	212	101	68%	215	25
Total	9,091	-	2,096	11,187	9,243	1,944	83%	8,222	7,962



Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds		Final Appropriation	Actual Expenditure		Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000			R'000	R'000			R'000	R'000
Current payments									
Compensation to employees	2,105	-	1,009	3,114	3,059	55	98%	2,443	2,693
Goods and services	3,490	-	587	4,077	2,779	1,298	68%	2,556	2,491
Transfers & subsidies									
Provinces & municipalities	3,183	-	(3,172)	11	12	(1)	109%	3,008	2,753
Non-profit institutions	-	-	3,672	3,672	3,172	500	86%		
Households	-	-	-	-	9	(9)			
Payments for capital assets									
Machinery & equipment	313	-	-	313	212	101	68%	215	25
Software & other intangible assets	-	-	-	-	-	-	0%		
Total	9,091		2,096	11,187	9,243	1,944	83%	8,222	7,962

Detail Per Programme 2

for the ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
2.1 Director General's Office									
Current payment	4,573	-	(1,119)	3,454	3,179	275	92%	1,740	1,818
Transfers and subsidies	4	-	-	4	10	(6)	250%	3	4
Expenditure for capital assets	456	-	64	520	277	243	53%	-	-
2.2 Provincial Strategy & Protocol									
Current payment	13,836	-	(2,214)	11,622	6,268	5,354	54%	8,262	6,533
Transfers and subsidies	24,686	-		24,686	24,972	(286)	101%	26,033	26,008



Expenditure for capital assets	153	-	-	153	64	89	42%	1,011	1,100
2.3 Intergovernmental & Protocol Services									
Current payment	2,803	-	(365)	2,438	2,216	222	91%	2,499	2,134
Transfers and subsidies	5	-	-	5	5	-	100%	5	5
Expenditure for capital assets	180	-	-	180	131	49	73%	165	-
2.4 Child & Elderly Persons Affairs									
Current payment	2,359	-	(426)	1,933	1,571	362	81%	2,328	1,973
Transfers and subsidies	6	-	(3)	3	3	-	100%	3	2
Expenditure for capital assets	24	-	(8)	16	10	6	63%	30	-
2.5 Gender Affairs									
Current payment	1,651	-	(410)	1,241	987	254	80%	1,645	1,467
Transfers and subsidies	3	-	-	3	2	1	67%	2	2
Expenditure for capital assets	21	-	(15)	6	-	6	0%	80	22
2.6 Disabled Person's Affairs									
Current payment	1,134	-	(106)	1,028	963	65	94%	1,080	838
Transfers and subsidies	4	-	-	4	2	2	50%	2	2
Expenditure for capital assets	14	-	(5)	9	-	9	0%	27	6
2.7 Communication Services									
Current payment	7,137	-	1,119	8,256	7,509	747	91%	6,608	7,067
Transfers and subsidies	7	-	8	15	19	(4)	127%	7	9
Expenditure for capital assets	544	-	(166)	378	211	167	56%	1,055	686
2.8 Cabinet Secretariat									
Current payment	1,603	-	86	1,689	1,652	37	98%	1,523	1,356
Transfers and subsidies	4	-	-	4	4	-	100%	3	4
Expenditure for capital assets	70	-	(20)	50	37	13	74%	85	38
Total	61,277	-	(3,580)	57,697	50,092	7,605	87%	54,196	51,074



Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	14,279	-	296	14,575	14,358	217	99%	12,320	11,691
Goods and services	20,817	-	(3,731)	17,086	9,931	7,155	58%	13,390	9,961
Financial transactions in assets and liabilities	-	-	-	-	-	-	0%	-	1,534
Transfers & subsidies									
Provinces & municipalities	39	-	(3)	36	43	(7)	119%	33	36
Dept agencies & accounts	16,449	-	(16,449)	-	-	-	0%	-	-
Universities & Technikons	-	-	-	-	-	-	0%	-	-
Non-profit institutions	8,231	-	16,449	24,680	24,963	(283)	101%	26,000	26,000
Households	-	-	8	8	8	-	100%	-	-
Capital									
Machinery & equipment	1,462	-	(150)	1,312	789	523	60%	2,453	1,852
Software & other intangible assets	-	-	-	-	-	-	0%	-	-
Total	61,277	-	(3,580)	57,697	50,092	7,605	87%	54,196	51,074

Detail Per Programme 3

for the ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
3.1 Deputy Director General									
Current payment	1,887	-	(78)	1,809	1,758	51	97%	2,162	1,728
Transfers and subsidies	4	-	-	4	3	1	75%	2	3
Expenditure for capital assets	40	-	(29)	11	-	11	0%	20	10
3.2 Financial Management									



Current payment	6,881	-	(153)	6,728	6,420	308	95%	6,003	7,077
Transfers and subsidies	17	-	-	17	14	3	82%	11	16
Expenditure for capital assets	92	-	22	114	108	6	95%	71	70
3.3 Procurement & Logistics									
Current payment	7,986	-	2,213	10,199	7,761	2,438	76%	6,992	6,970
Transfers and subsidies	20	-	119	139	133	6	96%	12	16
Expenditure for capital assets	187	-	-	187	161	26	86%	1,120	564
3.4 Human Resources									
Current payment	15,677	-	280	15,957	15,240	717	96%	17,257	16,995
Transfers and subsidies	45	-	454	499	362	137	73%	28	688
Expenditure for capital assets	43	-	(26)	17	14	3	82%	274	117
3.5 PGITO									
Current payment	43,191	-	(4,669)	38,522	34,725	3,797	90%	40,224	41,810
Transfers and subsidies	4	-	-	4	-	4	0%	3	1
Expenditure for capital assets	12,220	-	2,590	14,810	5,275	9,535	36%	16,518	14,624
Total	88,294	-	723	89,017	71,974	17,043	81%	90,697	90,689

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	24,215	-	843	25,058	24,774	284	99%	25,730	25,316
Goods and services	51,407	-	(3,250)	48,157	41,086	7,071	85%	46,908	49,262
Transfers & subsidies									
Provinces & municipalities	90	-	(7)	83	73	10	88%	56	180
Households	-	-	580	580	442	138	76%		543
Capital									
Machinery & equipment	7,235	-	6,321	13,556	4,081	9,475	30%	15,653	15,388
Biological or Cultivated assets		-		-		-	0%		
Software & other intangible assets	5,347	-	(3,764)	1,583	1,518	65	96%	2,350	
Total	88,294	-	723	89,017	71,974	17,043	81%	90,697	90,689



Detail Per Programme 4

for the ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
4.1 Human Resources Development									
Current payment	20,528	-	(1,465)	19,063	19,051	12	100%	20,428	20,830
Transfers and subsidies	12,010	-		12,010	12,007	3	100%	17,600	17,592
Expenditure for capital assets	89	-		89	38	51	43%	99	165
4.2 Labour Relations									
Current payment	1,866	-	(306)	1,560	1,451	109	93%	1,502	1,197
Transfers and subsidies	1	-		1	3	(2)	300%	1	2
Expenditure for capital assets	60	-	(28)	32	17	15	53%	80	64
4.3 Cluster Support: Social									
Current payment	3,578	-	(107)	3,471	3,318	153	96%	3,250	3,005
Transfers and subsidies	7	-		7	8	(1)	114%	7	7
Expenditure for capital assets	66	-	(21)	45	45	-	100%	82	51
4.4 Cluster Support: Economic									
Current payment	3,503	-	(204)	3,299	3,129	170	95%	2,591	3,231
Transfers and subsidies	4	-		4	8	(4)	200%	5	7
Expenditure for capital assets	65	-	6	71	58	13	82%	60	63
4.5 Cluster Support: Governance									
Current payment	2,572	-	(185)	2,387	2,286	101	96%	2,345	1,779
Transfers and subsidies	3	-		3	5	(2)	167%	3	4
Expenditure for capital assets	67	-	28	95	63	32	66%	82	80
Total	44,419	-	(2,282)	42,137	41,487	650	98%	48,135	48,077



Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	10,225	-	766	10,991	10,796	195	98%	8,509	8,200
Goods and services	21,822	-	(3,033)	18,789	18,402	387	98%	21,606	21,843
Transfers & subsidies									
Provinces & municipalities	25	-		25	32	(7)	128%	28	23
Universities & Technikons	-	-	12,000	12,000	12,000	-	100%	17,589	17,589
Non-profit institutions	12,000	-	(12,000)	-	-	-	0%	-	-
Households				-	-	-	0%		
Capital									
Machinery & equipment	347	-	(15)	332	257	75	77%	403	422
Software & other intangible assets	-	-	-	-	-	-	0%	-	-
Total	44,419	-	(2,282)	42,137	41,487	650	98%	48,135	48,077

Detail Per Programme 5

for the ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
5.1 Litigation									
Current payment	4,759	-	1,956	6,715	6,096	619	91%	5,200	5,339
Transfers and subsidies	1,496	-	(1,480)	16	16	-	100%	11	13
Expenditure for capital assets	115	-	-	115	7	108	6%	143	141
5.2 Legislation									
Current payment	1,529	-	96	1,625	1,433	192	88%	1,269	1,306



Transfers and subsidies	3	-	-	3	4	(1)	133%	3	3
Expenditure for capital assets	28	-	-	28	14	14	50%	2	-
5.3 Contracts & Agreements									
Current payment	593	-	274	867	681	186	79%	586	428
Transfers and subsidies	2	-	-	2	2	-	100%	1	1
Expenditure for capital assets	22	-	-	22	20	2	91%	18	1
5.4 Legal Support									
Current payment	539	-	558	1,097	916	181	84%	786	758
Transfers and subsidies	2	-	-	2	2	-	100%	1	2
Expenditure for capital assets	52	-	-	52	51	1	98%	57	75
Total	9,140	-	1,404	10,544	9,242	1,302	88%	8,077	8,067

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	4,914	-	3,245	8,159	8,211	(52)	101%	6,122	6,620
Goods and services	2,506	-	(361)	2,145	915	1,230	43%	1,719	1,211
Transfers & subsidies									
Provinces & municipalities	1,503	-	(1,480)	23	24	(1)	104%	16	19
Households	-	-	-	-	-	-	0%	-	-
Capital									
Machinery & equipment	217	-	-	217	92	125	42%	220	217
Software & other intangible assets	-	-	-	-	-	-	0%	-	-
Total	9,140	-	1,404	10,544	9,242	1,302	88%	8,077	8,067



Detail Per Programme 6

for the ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
6.1 Shared Internal Audit									
Current payment	8,592	-	(1,997)	6,595	6,002	593	91%	8,896	7,422
Transfers and subsidies	26	-		26	15	11	58%	23	14
Expenditure for capital assets	822	-	(30)	792	597	195	75%	1,006	1,981
6.2 Performance Auditing									
Current payment	3,412	-	(782)	2,630	2,426	204	92%	3,257	3,297
Transfers and subsidies	9	-	187	196	192	4	98%	6	7
Expenditure for capital assets	9	-	(9)	-	-	-	0%	65	46
Total	12,870		(2,631)	10,239	9,232	1,007	90%	13,253	12,767

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	8,094	-	(920)	7,174	7,137	37	99%	8,012	7,514
Goods and services	3,910	-	(1,859)	2,051	1,291	760	63%	4,141	3,206
Transfers & subsidies									
Provinces & municipalities	35	-		35	22	13	63%	29	20
Households	-	-	187	187	185	2	99%		
Capital									
Machinery & equipment	831	-	(137)	694	597	97	86%	1,071	2,027
Software & other intangible assets	-	-	98	98		98	0%		
Total	12,870	-	(2,631)	10,239	9,232	1,007	90%	13,253	12,767



Notes to the Appropriation Statement for the year ended 31 March 2005

1. **Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in note 9 (Transfers and subsidies) and Annexure 1 (A-D) to the annual financial statements.
2. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.
3. **Detail on financial transactions and liabilities**
Detail of these transactions per programme can be viewed in note 3.1 (Nature of loss recovered (cheques written back and other) to the annual financial statements.
4. **Explanations of material variances from Amounts Voted (after virement):**
 - 4.1 Per Programme:

Programme	Voted Funds after virement	Actual Expenditure	Variance R'000	%
Management	11,187	9,243	1,944	17,38%

Funds earmarked for the Premier's Discretionary Fund could not be transferred to ECDC as payments were withheld as per Treasury instructions. These funds have been included in the rollover application.

Programme	Voted Funds after virement	Actual Expenditure	Variance R'000	%
Cabinet Office	57,697	50,092	7,605	13,18%

The under spending is mainly due to funds committed to the GTZ Ruliv programme which is under goods and services and a portion that relates to Public Entity funds under transfer payments.

Programme	Voted Funds after virement	Actual Expenditure	Variance R'000	%
Corporate Services	89,017	71,974	17,043	19,15%

The under spending is on goods and services and capital payments which relates to SITA payments that are due in terms of the service level agreement and infrastructure projects that were delayed in line with austerity measures.

Programme	Voted Funds after virement	Actual Expenditure	Variance R'000	%
Organisational Development	42,137	41,487	650	1,54%

Notes to the Appropriation Statement for the year ended 31 March 2005

Programme	Voted Funds after virement	Actual Expenditure	Variance R'000	%
Shared Legal Services	10,544	9,242	1,302	12,35%

Savings realized due to the implementation of cost cutting measures and delays in the filling of vacancies.

Programme	Voted Funds after virement	Actual Expenditure	Variance R'000	%
Shared Internal Audit	10,239	9,232	1,007	9,83%



The delays in filling of vacancies is the main reason this programme has under spent. The filling of these posts is addressed in the 2005/06 financial year.

4.2 Per economic classification:

Current Expenditure	Voted Funds after virement R'000	Actual Expenditure R'000	Variance R'000	%
Compensation of employees	69,947	69,211	736	1,05
Goods and services	92,305	74,404	17,901	19,39
Transfers and subsidies				
Provinces and municipalities	213	206	7	3,29
Universities and technikons	12,000	12,000	-	-
Non-profit institutions	28,352	28,135	217	0,77
Households	775	644	131	16,90

Payments for capital assets

Machinery and equipment	16,424	6,028	10,396	63,30
Software and other intangible assets	1,681	1,518	163	9,70
	221,697	192,146	29,551	13,33

Reasons for variances:

Transfers and subsidies

The underspending is due to funds that were not transferred to the Public Entities as a result of measures implemented by the Provincial Treasury of withholding payments at year end; as well as a portion of the funds that were not claimed by the entities.

Payments for capital assets

The implementation of cost cutting measures included, among other measures instituted, delaying of infrastructure projects which has contributed to the under spending on capital, especially spending by PGITO.

Statement of Financial Position Statement of Financial Performance

for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1	220,821	222,580
Statutory appropriation	2	876	827
Departmental revenue	3	-	531
TOTAL REVENUE		221,697	223,938
EXPENDITURE			
Current expenditure			
Compensation of employees	5	69,211	62,861
Goods and services	6	74,404	87,974
Financial transactions in assets and liabilities	7	-	1,534
Total current expenditure		143,615	152,369
Transfers and subsidies	9	40,985	47,163
Expenditure for capital assets			
Machinery and Equipment	10	6,028	19,931
Software and other intangible assets	10	1,518	-
Total expenditure for capital assets		7,546	19,931
TOTAL EXPENDITURE		192,146	219,463
NET SURPLUS/(DEFICIT) FOR THE YEAR		29,551	4,475
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund	13	29,551	3,944
Departmental revenue to be surrendered to revenue fund	14	-	531
NET SURPLUS/(DEFICIT) FOR THE YEAR		29,551	4,475



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Cash Flow Statement

for the year ended 31 March 2005

	Note	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		196,900
Annual appropriated funds received		195,828
Statutory appropriated funds received		876
Departmental revenue received		218
Net (increase)/decrease in working capital		(22)
Surrendered to Revenue Fund		(4,263)
Current payments		(144,333)
Transfers and subsidies paid		(40,985)
Net cash flow available from operating activities	15	7,319
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		(7,546)
Net cash flows from investing activities		(7,546)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution/dividend to government		-
Increase/(decrease) in loans received		-
Net cash flows from financing activities		-
Net increase/(decrease) in cash and cash equivalents		(227)
Cash and cash equivalents at beginning of period		410
Cash and cash equivalents at end of period		183

1 Annual Appropriation

1.1 Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share)

Programme	Final Appropriation	Actual Funds Received	Variance over/ (under)	Total Appropriation 2003/04
	R'000	R'000	R'000	R'000
Management	11,187	9,921	1,266	8,222
Cabinet Office	57,697	51,167	6,530	54,196
Corporate Services	89,017	78,942	10,075	90,697
Organisational Development	42,137	37,368	4,769	48,135
Shared Legal Services	10,544	9,351	1,193	8,077
Shared Internal Audit	10,239	9,080	1,159	13,253
Total	220,821	195,829	24,992	222,580

Explanation of material variances including whether or not application will be made for a rollover.

Refer to Notes to the Appropriation Statement (note 4) for an explanation of variances. A rollover of R17,042,000 has been applied for.

2 Statutory appropriation

Premier's salary

	2004/05	2003/04
Note	R'000	R'000
876		827
876		827

3 Departmental revenue to be surrendered to the revenue fund

Description

Sale of goods and services other than capital assets	113	88
Interest, dividends and rent on land	23	11
Financial transactions in assets and liabilities	82	792
Total revenue collected	218	891
Less: Departmental revenue budgeted	218	360
Departmental revenue collected	-	531

3.1 Financial transactions in assets and liabilities

Nature of loss recovered

Cheques written back	-	15
Other	82	777
82		792



4 Local and foreign aid assistance received in kind
4.1 Assistance received in kind

Name of donor and purpose

Foreign

Federal Republic of Germany - Rural Livelihoods Program
 Federal Republic of Germany - Provincial Administration Project
 United Kingdom - Intergrated Provincial Support Program
 Sweden

Total local and foreign aid assistance received in kind

3,522	5,180
-	352
3,118	3,911
8,500	13,258
15,140	22,701

5 Compensation of employees

5.1 Salaries and wages

Basic salary
 Performance award
 Service Based
 Compensative/circumstantial
 Other non-pensionable allowances

47,377	43,278
1,280	520
132	3,374
1,694	1,384
9,171	5,557
59,654	54,113

5.2 Social contributions

Note

2004/05 **2003/04**
R'000 **R'000**

5.2.1 Short term employee benefits

Pension
 Medical
 UIF
 Bargain council

6,741	6,341
2,805	2,400
11	7
-	-
9,557	8,748

Total compensation of employees

Average number of employees

69,211	62,861
356	342

6 Goods and services

Advertising	2,174	310
Bank charges	17	19
Bursaries	1,665	6,598
Communication	5,142	2,442
Computer services	30,062	42,704
Consultants, contractors and special services	17,570	16,104
Courier and delivery services	19	7
Entertainment	1,424	1,985
External audit fees	977	1,071
Equipment less than R5000	129	76
Inventory	3,242	1,439
Maintenance, repair and running costs	98	107
Operating leases	1,687	2,372
Photographic services	100	11
Plant flowers and other decorations	63	-
Printing and publications	2	2,706
Professional bodies and membership fees	49	39
Resettlement costs	873	244
Subscriptions	11	-
Translations and transcripts	1	3
Travel and subsistence	7,206	7,831
Venues and facilities	1,549	-
Protective, special clothing & uniforms	-	26
Training and staff development	344	1,880
	74,404	87,974

6.1 External audit fees

Regulatory audits	977	1,071
Total external audit fees	977	1,071

6.2 Inventory

Domestic consumables	687	526
Other consumables	118	-
Stationery and Printing	2,437	913
	3,242	1,439



6.3 Travel and subsistence

Local	6,896	7,609
Foreing	310	222
Total travel and subsistence	7,206	7,831

7 Financial transactions in assets and liabilities

	Note	2004/05 R'000	2003/04 R'000
Debts written off	7.1	-	1,534
		-	1,534

7.1 Bad debts written off

Nature of debts written off

Irrecoverable debtors	-	1,321
Fruitless and wasteful expenditure 2002/03	-	213
	-	1,534

8 Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

Opening balance	3,973	3,973
Unauthorised expenditure awaiting athorisation	3,973	3,973

8.2 Unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings		
Payment of arrear salaries in terms of the HROPT project.	None:Formalised consultative process. Funding was provided and available within the Department but could not be moved into the programme.	-	3,973

9 Transfers and subsidies

Transfers and subsidies		-	3,973
Provinces and municipalities	ANNEXURE 1A	206	3,031
Universities and technikons	ANNEXURE 1B	12,000	17,589
Non-profit institutions	ANNEXURE 1C	28,135	26,000
Households	ANNEXURE 1D	644	543
		40,985	47,163

10	Expenditure for capital assets			
	Machinery and equipment	ANNEXURE 3	6,028	19,931
	Software and other intangible assets	ANNEXURE 4	1,518	-
	Total		7,546	19,931

11	Cash and cash equivalents		
	Consolidated Paymaster General Account	183	410
		183	410

12 Receivables					
	Less than one year	One to three years	Older than three years	Total	Total
	R'000	R'000	R'000		
Amounts owing by other entities	121	-	-	121	143
ANNEXURE 6					
Staff debtors	12.1	129	-	483	505
Clearing accounts	12.2	0	-	91	27
Other debtors	12.3	(6)	-	2	-
	560	137	-	697	675

Amounts of R69,000 (2004 : R15,000) included above may not be recoverable, but has not been written off in the Statement of financial performance.

12.1 Staff debtors		
Debtors	483	505
	483	505

12.2 Clearing accounts		
Persal clearing accounts	90	22
Pension debt	1	5
	91	27

12.3 Other debtors	Note	2004/05	2003/04
		R'000	R'000
Credit note cancellation		8	-
Private telephone		(6)	-
		2	-



13 Voted funds to be surrendered to the revenue fund

Opening balance	3,581	4,396
Transfer from Statement of Financial Performance	29,551	3,944
Voted funds not requested / not received	(24,993)	(361)
Paid during the year	(3,581)	(4,398)
Closing balance	4,558	3,581

14 Departmental revenue to be surrendered to the revenue fund

Opening balance	493	267
Transfer from income statement for revenue to be surrendered	-	531
Departmental revenue budgeted	3	218
Paid during the year	(682)	(665)
Closing balance	29	493

15 Payables - current

Description	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Amounts owing to other departments	0	241	241	972
Clearing accounts	9	16	25	12
	9	257	266	984

15.1 Clearing accounts**Description**

Persal clearing accounts	9	9
Debt:Receivable interest	16	2
Unpaid/recall BAS EBT control	-	1
	25	12

16 Reconciliation of net cash flow from operating activities to surplus/(deficit)

Net surplus as per Statement of Financial Performance	29,551	2004/05 R'000
Departmental revenue budgeted	218	
(Increase) / decrease in receivables – current	(22)	
Increase / (decrease) in payables - current	(718)	
Surrenders	(4,263)	
Capital expenditure	7,546	
Voted funds not requested/not received	(24,993)	
Net cash flow generated by operating activities	7,319	

17 Appropriated funds and departmental revenue surrendered

Appropriated funds surrendered	3,580	4,398
Departmental revenue surrendered	682	665
	4,262	5,063

These amounts are not recognised in the financial statements, and are disclosed to enhance the usefulness of the financial statements.

18 Contingent liabilities

Liable to	Nature		2004/05 R'000	2003/04 R'000
Motor vehicle guarantees	Employees	ANNEXURE 2	493	336
Housing loan guarantees	Employees	ANNEXURE 2	871	871
Other departments (unconfirmed balances)			4,114	406
Leave commitments	Employees		20,838	21,361
			26,316	22,974

19 Commitments

Current expenditure

Approved and contracted	11,791	4,584
Approved but not yet contracted	23,549	13,586
	35,340	18,170

Capital expenditure

Approved and contracted	1,951	226
	1,951	226
	37,291	18,396

Total Commitments

20 Accruals

By economic classification

Goods and services	10,379	4,584
Machinery and equipment	2,110	226
	12,489	4,810

Listed by programme level

1. Management	769	487
2. Cabinet Office	4,392	2,008
3. Corporate Services	5,888	774
4. Organisational Development	568	507
5. Legal Advisory Services	234	207
6. Shared Internal Audit Services	638	827
	12,489	4,810



21 Employee benefits

Thirteenth cheque
Performance awards

1,832	1,701
46	256
1,878	1,957

22 Leases

2004/05
R'000

2003/04
R'000

22.1 Operating leases

Buildings & other fixed structures

Machinery and equipment

Total

Total

Not later than 1 year

Later than 1 year and not later than 3 years

Later than 3 years

Total present value of lease liabilities

Buildings & other fixed structures	Machinery and equipment	Total	Total
-	198	198	35,432
-	80	80	253
-	23	23	34
-	301	301	35,719

23 Irregular expenditure

2004/05
R'000

2003/04
R'000

23.1 Reconciliation of irregular expenditure

Opening Balance

Irregular expenditure current year

Irregular expenditure waiting condonement

1,213	1,213
82	
1,295	1,213

Analysis

Current

Prior Years

-	1,213
1,295	-
1,295	1,213

23.2 Irregular expenditure

2004/05 2003/04
R'000 R'000

Incident	Disciplinary steps taken / criminal proceedings	
A Public Private Partnership was entered into without the approval of Treasury.	None. Treasury's approval is being sought.	1,213
Vehicle issue authorisation not within delegations.	None. Matter is being investigated.	82

82 **1,213**

24 Senior management personnel

Premier and Director General	2	1,436	1,415
Deputy Director General and Chief Financial Officer	2	1,051	1,096
		2,487	2,511



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Annexures to the Annual Financial Statements for the year ended 31 March 2005

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2003/04
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Amatole District Municipality	-	-	213	213	206	96.7%	-	-	0.0%	286
Port St Johns Municipality	-	-	-	-	-	0.0%	-	-	0.0%	730
Qaukeni Local Municipality	-	-	-	-	-	0.0%	-	-	0.0%	1,256
Chris Hani Municipality	-	-	-	-	-	0.0%	-	-	0.0%	215
Olona Provisioning CC	-	-	-	-	-	0.0%	-	-	0.0%	450
Mbhashe Municipality	-	-	-	-	-	0.0%	-	-	0.0%	43
Chris Hani Municipality	-	-	-	-	-	0.0%	-	-	0.0%	47
	-	-	213	213	206		-	-		3,027

Annexures to the Annual Financial Statements for the year ended 31 March 2005

ANNEXURE 1B

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				EXPENDITURE			2003/04
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not Transferred	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
NSFAS	12,000	-	-	12,000	12,000	-	100.0%	17,589
	12,000	-	-	12,000	12,000	-		17,589



Annexures to the Annual Financial Statements for the year ended 31 March 2005

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2003/04
NON PROFIT ORGANISATION	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
				-		0.0%	
ECATU	8,458	-	(848)	7,610	8,891	116.8%	8,000
ECSECC	8,458	-	381	8,839	8,800	99.6%	13,589
ECYC	9,500	-	(1,269)	8,231	7,272	88.3%	6,000
ECDC			3,672	3,672	3,172	86.4%	-
	26,416	-	1,936	28,352	28,135		27,589
TOTAL	26,416	-	1,936	28,352	28,135		27,589

Annexures to the Annual Financial Statements for the year ended 31 March 2005

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2003/04
HOUSEHOLDS	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave Gratuities	-	-	755	755	644	85.3%	547
	-	-	755	755	644	85.3%	547
Total	-	-	755	755	644	85.3%	547



Annexures to the Annual Financial Statements

for the year ended 31 March 2005

ANNEXURE 2

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 - LOCAL

Guarantor institution	Guarantee in respect of	Original		Guarantees issued during the year	Guarantees Released during the year	Guaranteed interest outstanding as at 31 March 2005		Realised losses i.r.o. claims paid out
		Guaranteed	Opening				Closing	
		capital	Balance				Balance	
		amount	01/04/2004				31/03/2005	
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Stannic	Motor Vehicles	336	336	157			493	
							-	
		336	336	157	-	-	493	-
	Housing							
ABSA			380				380	
BOE Bank			46				46	
FBC Fedility Bank			27				27	
First National Bank			26				26	
Nedbank			157				157	
Permanent Bank			83				83	
Standard Bank			152				152	
		-	871	-	-	-	871	-
	Total	336	1,207	157	-	-	1,364	-

Annexures to the Annual Financial Statements

for the year ended 31 March 2005

ANNEXURE 3

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers Out R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-	-	-
Dwellings	-	-	-	-	-	-
Non-residential buildings	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Other structures (Infrastructure assets)	-	-	-	-	-	-
Capital work in progress	-	-	-	-	-	-
MACHINERY AND EQUIPMENT	6,028	-	-	-	-	-
Computer equipment	4,727	-	-	-	-	-
Furniture and office equipment	1,301	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-
Transport assets	-	-	-	-	-	-
BIOLOGICAL OR CULTIVATED ASSETS	-	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-	-
Land	-	-	-	-	-	-
Mineral and other non regenerative assets	-	-	-	-	-	-
	6,028	-	-	-	-	-



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Annexures to the Annual Financial Statements for the year ended 31 March 2005

ANNEXURE 3 CONTINUED

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers Out R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-	-	-
Dwellings	-	-	-	-	-	-
Non-residential buildings	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Other structures (Infrastructure assets)	-	-	-	-	-	-
Capital work in progress	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-
MACHINERY AND EQUIPMENT	19,931	-	-	-	-	-
Computer equipment	18,492	-	-	-	-	-
Furniture and office equipment	1,040	-	-	-	-	-
Other machinery and equipment	399	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-
Transport assets	-	-	-	-	-	-
BIOLOGICAL OR CULTIVATED ASSETS	-	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-	-
Land	-	-	-	-	-	-
Mineral and other non regenerative assets	-	-	-	-	-	-
	19,931	-	-	-	-	-

for the year ended 31 March 2005

ANNEXURE 4

SOFTWARE AND OTHER INTANGIBLE ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Patents, Copyrights, brand names & trademarks	-	-	-	-	-	-
Computer software	1,518	-	-	-	-	-
Mastheads and publishing titles	-	-	-	-	-	-
Recipes, formulas, prototypes, designs and models	-	-	-	-	-	-
Service and operating rights	-	-	-	-	-	-
Airport landing rights	-	-	-	-	-	-
Import/export licences	-	-	-	-	-	-
Fishing Quotas	-	-	-	-	-	-
Utility rights	-	-	-	-	-	-
Mineral extraction rights	-	-	-	-	-	-
Capitalised development costs	-	-	-	-	-	-
	1,518	-	-	-	-	-

Annexures to the Annual Financial Statements

for the year ended 31 March 2005

ANNEXURE 5

INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
Department				
Department of Correctional Services		-		60
Department of Education and Training		-		
Department of Public Works		12		
Department of Sports Arts and Culture		11		11
Department of Welfare		-		
Department of Economic Affairs		11		
Department of Health		11		22
Department of Transport		-		5
Department of Legislature		-		
Department of Finance	121	-		
TOTAL	121	45	-	98

Annexures to the Annual Financial Statements

for the year ended 31 March 2005

ANNEXURE 6

INTER-DEPARTMENTAL PAYABLES – CURRENT

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Department				
Amounts not included in Statement of financial position				
Current				
SAPS	-	-	4	-
Department of Economic Affairs			10	-
Department of Sports, Arts and Culture			123	-
Department of Transport – Gauteng			110	-
Department of Public Works			9	-
Department of Transport			84	-
Subtotal	-	-	340	-
Non-current				
Department of Finance – Gauteng	-	-	-	4
Department of Correctional Services - National	-	-	-	18
Public Service and Administration - National	-	-	7	2
National Intelligence Agency – National	-	-	-	61
Department of Transport – Gauteng	-	-	-	16
Department of Public Works – Gauteng	-	-	-	93
Department of Public Service – Gauteng	-	-	-	205
Department of Water Affairs and Forestry - National	-	-	-	7
Department of Justice			3,767	-
Subtotal	-	-	3,774	406
Total	-	-	4,114	406
Amounts included in Statement of financial position				
Current				
Provincial Treasury	-	569		
Department of Transport - Eastern Cape	-	403		
Department of Sports, Arts and Culture	200	-		
Subtotal	200	972		
Non-current				
Department of Transport - Eastern Cape	41	-		
Subtotal	41	-		
Total	241	972		



PART: 5 Human Resource Oversight Statistics

Service Delivery

MAIN SERVICE OF SERVICE DELIVERY

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievements against Standards
To render support service function to the Department. The absorption of excess employees was critical for the year under review.	Internal staff members	Provincial Departments	The absorption of excess employees in the establishment	Additional personnel reduced to 29 by the end of March 2005.
			Filling of critical posts	Three (3) other additional employees supporting public entities eg. Ruliv, IPSP

CONSULTATION ARRANGEMENTS FOR CUSTOMERS

Type of Arrangement	Actual Customer	Potential Customers	Actual Achievements against Standards
Departmental staff meetings Component meetings Human Resource Forum	Departmental Staff	Provincial Departments	Two departmental staff meetings

SERVICE DELIVERY ACCESS STRATEGY

Access Strategy	Actual Achievement
Consultation with staff on policy development	Two sessions conducted with an intention of finalising the development of the Resettlement policy
Induction Program for all Personnel	We had four orientation programs where employees were exposed to departmental programs and functioning

SERVICE INFORMATION TOOL

Type of Information Tool	Actual Achievements
The use of Performance Management & development system	About 347 employees signed their workplans and performance monitored

COMPLAINT MECHANISM

Complaint Mechanism	Actual Achievements
A designated employee has been mandated to deal with grievances in terms of the grievance rules	3 cases were resolved

Expenditure

PERSONNEL COSTS BY PROGRAMME

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as percent of Total Expenditure	Average Personnel Cost per Employee (R'000)	Employment at the beginning of the period
Program 1 Management	9,243	3,935	0.30	157	33%	179.94	17
Program 2 Cabinet Office	50,092	14,358	50.00	2406	29%	231.58	62
Program 3 Corporate Services	71,974	24,774	362.00	16547	34%	154.84	160
Program 4 Organisational Dev. & Gov.	41,487	10,796	90.00	10025	26%	224.92	48
Program 5 Shared Legal Services	9,242	8,211	121.00		89%	264.87	31
Program 6 Shared Internal Audit	9,232	7,137	206.00	47	77%	216.27	33
Total	191,270	69,211	829.30	29,182.00			351

PERSONNEL COSTS BY SALARY BAND

Salary Bands	Personnel Expenditure (R'000)	Percentage of Total Personnel Cost	Average Personnel Cost per Employee (R'000)	Total Personnel Expenditure	Number of Employees
Lower skilled (Level 1-2)	2224	3%	55.6	2224	45
Skilled (Level 3-5)	3598	5%	69.1	3598	52
Highly skilled, Production (Levels 6-8)	11559	17%	125.6	11559	92
Highly skilled, Supervision (Levels 9-12)	29301	43%	242.1	29301	120
Senior Management (Levels 13-16)	16982	24%	503	16098	32
Lower skilled (Level 1-2)	5547	8%	396.2	5547	14
TOTAL	69211	100%	1392	68327	355



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SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)
Program 1 Management	5,132,745	6.9	NIL	NIL	8,976	39.7	800,580	13.5	5,942,301
Program 2 Cabinet Office	4,907,184	7.2	38,915	6.9	40,392	8.8	996,984	16.8	5,944,560
Program 3 Corporate Services	16,294,226	26.7	214,116	1.2	161,568	44.4	1,747,116	11.3	33,410,342
Program 4 Organisational Dev. & Gov.	712,215	49.9	13,872	19.2	76,296	4.7	375,912	19.9	1,890,510
Program 5 Shared Legal Services	4,907,184	7.2	NIL	NIL	19,728	18.1	252,112	4.9	5,159,296
Program 6 Shared Internal Audit	3,619,281	9.8	NIL	NIL	49,368	7.2	255,924	7.1	3,619,281
Total	35,572,835	107.7	266,903	27.3	356,328	12.4	4,428,628	67.1	55,966,290

SALARIES, OVERTIME, HOMEOWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND

Salary Bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. As % of Personnel Cost	Total Personnel Cost (R'000)
Lower skilled (Level 1-2)	1,619,385	98.6	7,376	0.4	3,276	0.2	10,800	0.7	1,640,836
Skilled (Level 3-5)	2,688,225	61.8	32,763	0.8	29,124	0.7	1,602,432	36.8	4,352,544
Highly skilled, Production (Levels 6-8)	8,857,284	95.0	167,849	1.8	107,976	1.2	188,196	2.0	9,321,305
Highly skilled, Supervision (Levels 9-12)	22,101,530	98.3	133,887	0.6	232,344	1.0	20,544	0.1	22,488,305
Senior Management (Levels 13-16)	9,743,573	100.0	0	0.0	0	0.0	0	0.0	9,743,573

Employment

EMPLOYMENT AND VACANCIES BY PROGRAMME AT END OF PERIOD

Programme	Numbers of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Program 1 Management	15	15	0.0	3
Program 2 Cabinet Office	84	58	31.0	3
Program 3 Corporate Services	161	133	17.4	29
Program 4 Organisational Dev. & Gov.	59	49	17.0	1
Program 5 Shared Legal Services	38	31	18.4	0
Program 6 Shared Internal Audit	62	33	46.8	0
TOTAL	419	319	24.0	36

EMPLOYMENT AND VACANCIES BY SALARY BAND AT END OF PERIOD

Salary Band	Number of Posts Filled	Number of Posts	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Level 1-2)	47	48	2.0	2
Skilled (Level 3-5)	50	57	12.2	3
Highly skilled, Production (Levels 6-8)	92	129	28.6	3
Highly skilled, Supervision (Levels 9-12)	105	153	31.3	23
Senior Management (Levels 13-16)	28	32	12.0	5
TOTAL	319	419	23.9	36

EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Accounting Clerk	10	4	60.0	0
Administration Clerk	10	8	20.0	0
Administration Clerk, Chief	2	2	0.0	0
Administration Clerk, Senior	1	1	0.0	0
Administration Officer	10	10	0.0	0
Administration Officer, Senior	4	4	0.0	0
Audio-visual Producer	1	1	0.0	0
Chief Financial Officer	1	1	0.0	0
Chief of Staff	1	1	0.0	0
Chief Personnel Officer	0	0	0.0	1
Cleaner	40	40	0.0	2
Communication Officer	5	2	40.0	0
Consultant, Senior	9	9	0.0	0
Data Typist	1	1	0.0	0
Director-General	1	1	0.0	0
Director-General, Deputy	1	1	0.0	0
Driver	1	1	0.0	2
Driver/Messenger	5	4	20.0	0
Economist	1	1	0.0	0
Economist, Chief	1	0	100.0	0
Food services Aid	5	2	60.0	0



Foreman	6	5	17.0	0
Gis analyst	1	0	100.0	0
Gis Operator	1	0	100.0	0
GIS Systems Analyst	1	0	100.0	0
GIS Technician	1	0	100.0	0
Graphic Design	1	1	0.0	0
HR Practitioners	19	17	10.5	0
Household Manager	0	0	0.0	2
Information Photographer	1	1	0.0	0
Information Liaison Officer	6	6	0.0	0
Internal Auditor	26	13	50.0	0
Internal Consultant	18	12	33.3	0
IT Practitioner	3	3	0.0	0
Legal Admin Officer	9	9	0.0	0
Legal Admin Officer, Senior	6	5	17.0	0
Liaison Officer	3	3	0.0	0
Liaison Officer, Chief	1	1	0.0	0
Librarian	1	1	0.0	0
Librarian, assistant	2	2	0.0	0
Manager	48	34	29.2	2
Manager, Assistant	39	33	15.4	3
Manager, General	4	4	0.0	2
Manager, Senior	18	18	0.0	1
Planner	5	0	100.0	0
Planner, Chief	3	0	100.0	0
Project Administrator	0	0	0.0	1
Provisioning Admin Clerk	7	5	29.6	0
Provisioning Admin Officer	3	3	0.0	0
Provisioning Admin Officer's	3	0	100.0	0
Registry Clerk	6	6	0.0	0
Registry Clerk, Chief	1	1	0.0	0
Secretary	27	23	14.8	2
Sign Language Interpreter	1	0	100.0	0
Specialist	3	1	66.6	0
State Accountant	14	8	42.9	0
State Admin Officer	0	0	0.0	18
State Law Advisor, Senior	6	3	50.0	0
Statistician	1	1	0.0	0
Translator	2	1	50.0	0
Video Camera Producer	1	1	0.0	0
Premiers Advisors	4	4	0.0	0
TOTAL	419	319	24.0	36

Evaluation

JOB EVALUATION

Salary Band	No of Posts	Number of Jobs Evaluated	% of Posts Upgraded	% of Upgraded Post Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Level 1-2)	47	0	0	0	0	0
Skilled (Level 3-5)	50	0	0	0	0	0
Highly skilled, Production (Levels 6-8)	94	0	0	0	0	0
Highly skilled, Supervision (Levels 9-12)	129	0	0	0	0	0
SMS Band A	24	0	0	0	0	0
SMS Band B	9	0	0	0	0	0
SMS Band C	1	0	0	0	0	0
SMS Band D	1	0	0	0	0	0
TOTAL	355					

PROFILE OF EMPLOYEE WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

EMPLOYEES WHOSE SALARY LEVEL EXCEED THE GRADE DETERMINED BY JOB EVALUATION

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No. of Employees in Dept.
Male	0	0	0	0	
Female	0	0	0	0	
Total	0	0	0	0	
% of total employment	0	0	0	0	

PROFILE OF EMPLOYEES WHOSE SALARY LEVEL EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION

Beneficiaries	African	Asian	Coloured	White	Total
Male	2	0	0	0	2
Female	0	0	0	0	0
Total	0	0	0	0	0
Percentage of Total Employment	0	0	0	0	0



Employment Changes

ANNUAL TURNOVER RATES BY SALARY BAND

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Lower skilled (Level 1-2)		41	2	5
Skilled (Level 3-5)		42	17	3
Highly skilled, Production (Levels 6-8)		96	7	3
Highly skilled, Supervision (Levels 9-12)		130	24	11
SMS Band A		23	4	1
SMS Band B		6	2	1
SMS Band C		2	1	0
SMS Band D		2	1	1
TOTAL		342	58	25

ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION

Occupations	Employment at Beginning Period	Appointments (2004/2005)	Terminations	Turnover Rate
Accounting Clerk	7	6	0	0.0
Administration Clerk	11	1	0	0.0
Administration Officer	10	0	1	1000.0
Administrative Secretary	3	0	0	0.0
Appointment Secretary	1	1	1	100.0
Assistant Librarian	1	1	0	0.0
Assistant Manager	32	6	2	6.3
Chief Personnel Officer	1	0	0	0.0
Cleaner	46	2	5	10.9
Communication Officer	2	0	0	0.0
Customer Care Officer	1	0	1	100.0
Data Capturer	1	0	0	0.0
Dept. Director- General	1	1	0	0.0
Director - General	1	1	1	100.0
Driver	4	1	0	0.0
Economist	1	0	0	0.0
Foreman	7	0	1	14.3
General Manager	6	1	1	16.7
GIS Analyst	0	1	0	0.0
GIS Operator	0	1	1	100.0
GIS Technician	0	1	0	0.0
Household Manager	1	1	0	0.0
HR Practitioner	15	2	1	6.7
Industrial Technician	3	0	0	0.0
Information Liaison Officer	6	0	0	0.0
Internal Auditor	13	0	0	0.0
Internal Consultant	5	9	0	0.0
IT practitioner	1	3	0	0.0
Legal Admin Officer	14	0	1	7.1
Liaison Officer	3	0	0	0.0
Librarian	1	0	0	0.0



Manager	33	3	3	9.1
Media Liaison Officer	0	1	0	0.0
Messenger	4	0	0	0.0
Parliamentary Officer	1	1	1	100.0
Premiers Advisors	2	3	0	0.0
Project Administrator	0	1	0	0.0
Provisioning Admin Clerk	5	1	0	0.0
Provisioning Admin Officer	5	1	0	0.0
Registry Clerk	7	0	2	28.6
Secretary	23	6	0	0.0
Senior Consultant	9	0	0	0.0
Senior Manager	20	2	1	5.0
State Accountant	8	0	0	0.0
State Admin Officer	23	0	1	4.3
State Law Advisors	3	0	1	33.0
Statistician	1	0	0	0.0
TOTAL	342	58	25	7.3

REASONS WHY STAFF ARE LEAVING THE DEPARTMENT

Termination Type	Number	Percentage of Total Terminations	Percentage of Total Employment	Total	Total Employment
Resignation	9	36.0	2.5	9	355
Retirement	3	12.0	0.8	3	355
Death	2	8.0	0.6	2	355
Early Retirement	2	8.0	0.6	2	355
Expiry of contract	9	36.0	2.5	9	355
Total	25	100.0	7.3	25	355



PROMOTIONS BY CRITICAL OCCUPATION

Occupations	Employment at Beginning of Period	Promotion to another Salary Level	Salary Level Promotions as a % of Employment	Progression to another Notch within Salary Level	Notch progression as a % of Employment
Accounting Clerk	7	0	0	4	57.1
Administrative Clerk	11	0	0	9	81.8
Administrative Officer	10	1	0	8	80.0
Administrative Secretary	3	0	0	2	66.7
Appointment Secretary	1	0	0	0	0.0
Assistant Librarian	1	0	0	0	0.0
Assistant Manager	32	0	0	20	62.5
Chief Personnel Officer	1	0	0	1	100.0
Cleaner	46	0	0	46	100.0
Communication Officer	2	0	0	2	100.0
Customer Care	1	0	0	0	0.0
Data Capturer	1	0	0	1	100.0
Deputy Director-General	1	1	0	0	0.0
Director General	1	0	0	0	0.0
Driver	4	0	0	4	100.0
Economist	1	0	0	1	100.0
Foreman	7	0	0	7	100.0
General Manager	6	0	0	3	50.0
House hold Manager	1	0	0	0	0.0
HR Practitioner	15	0	0	15	100.0
Industrial Technician	3	0	0	2	66.7
Information Liaison Officer	6	0	0	1	16.7
Internal Auditor	13	0	0	0	0.0
Internal Consultant	5	3	0	0	0.0
IT Practitioner	1	0	0	0	100.0
Legal Admin Officer	14	1	0	12	85.7
Liaison Officer	3	0	0	1	33.3
Librarian	1	0	0	1	100.0
Manager	33	0	0	25	75.8
Messenger	4	0	0	4	100.0
Parliamentary Officer	1	0	0	0	0.0
Premiers Advisor	2	0	0	0	0.0
Provisioning Admin Clerk	5	0	0	5	100.0
Provisioning Admin Officer	5	0	0	4	80.0
Registry Clerk	7	0	0	7	100.0
Secretary	23	0	0	21	91.3
Senior Consultant	9	0	0	4	44.4
Senior Manager	20	0	0	3	15.0
State Accountant	8	0	0	8	100.0
State Admin Officer	23	0	0	5	21.7
State Law Adviser	3	0	0	2	66.7
Statistician	1	0	0	1	100.0
TOTAL	342	6	0	229	67.0

PROMOTIONS BY SALARY BAND

Salary Band	Employment at Beginning of Period	Promotion to another Salary Level	Salary Level Promotions as a % of Employment	Progression to another Notch within Salary Level	Notch progression as a % of Employment
Lower skilled(Levels1-2)	41	0	0.0	37	0
Skilled(Levels 3-5)	42	0	0.0	43	0
Highly skilled (Levels 6-8)	96	1	1.1	67	0
Highly skilled(Levels 9-12)	130	4	2.3	80	0
Sen.Mngt&AboveLevels13-16	33	1	0.6	3	0
Total	342	6	0.6	230	0

Employment Equity

EMPLOYMENT EQUITY

Occupational Categories	Male African	Male Coloured	Male Indian	Male White	Male Total	Female African	Female Coloured	Female Indian	Female White	Female Total	Total
Senior officials & managers	18	2	1	3	24	10	0	1	0	11	35
Clerks	108	4	0	2	114	144	1	0	2	147	261
Elementary occupations	12	0	0	1	13	38	5	1	2	46	59
TOTAL	138	6	1	6	151	192	6	2	4	204	355

TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) PER OCCUPATIONAL BANDS

Occupational Bands	Male African	Male Coloured	Male Indian	Male White	Male Total	Female African	Female Coloured	Female Indian	Female White	Female Total	Total
Top Management, Contract	1	0	0	0	1	3	0	0	0	3	4
Top Management, Permanent	5	0	0	0	5	1	0	0	0	1	6
Senior Manager, Permanent	12	2	1	3	18	5	0	1	0	6	24
Professionally qualified	25	3	0	2	30	29	1	0	0	30	60
Clerks	80	1	0	1	82	98	4	1	4	109	191
Plant and machine operator	5	0	0	0	5	1	0	0	0	1	6
Elementary operation	10	0	0	0	10	53	1	0	0	54	64
TOTAL	138	6	1	6	151	190	6	2	4	204	355

DISABILITIES

	Male African	Male Coloured	Male Indian	Male Black	Male Total	Female African	Female Coloured	Female Indian	Female Total Black	Female White	Total
Employees with Disability	0	0	0	0	0	4	0	0	4	0	4



TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) PER OCCUPATIONAL BANDS

Occupational Bands	Male African	Male Coloured	Male Indian	Male White	Male Total	Female African	Female Coloured	Female Indian	Female White	Female Total	Total
Top Management, Contract	1	0	0	0	1	3	0	0	0	3	4
Top Management, Permanent	5	0	0	0	5	1	0	0	0	1	6
Senior Manager, Permanent	12	2	1	3	18	5	0	1	0	6	24
Professionally qualified	25	3	0	2	30	29	1	0	0	30	60
Clerks	80	1	0	1	82	98	4	1	4	109	191
Plant and machine operator	5	0	0	0	5	1	0	0	0	1	6
Elementary operation	10	0	0	0	10	53	1	0	0	54	64
TOTAL	138	6	1	6	151	190	6	2	4	204	355

TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) PER OCCUPATIONAL BANDS

Occupational Bands	Male African	Male Coloured	Male Indian	Male Black	Male Total	Male White	Female African	Female Coloured	Female Indian	Female Total Black	Female White	Total
SALARY LEVEL 16	0	0	0	0	0	0	1	0	0	1	0	1
SALARY LEVEL 15	0	0	0	0	0	0	1	0	0	1	0	1
SALARY LEVEL 14	6	0	0	6	0	0	3	0	0	3	0	9
SALARY LEVEL 13	12	2	1	12	3	5	5	0	1	5	0	24
SALARY LEVEL 12	9	2	0	9	1	9	9	0	0	9	0	21
SALARY LEVEL 11	7	1	0	7	1	0	0	1	0	0	0	2
SALARY LEVEL 10	26	0	0	26	0	0	0	0	0	0	0	29
SALARY LEVEL 9	36	0	0	36	0	0	0	0	0	0	0	53
SALARY LEVEL 8	9	0	0	9	1	0	0	0	1	0	1	22
SALARY LEVEL 7	7	0	0	7	0	33	4	0	0	33	0	44
SALARY LEVEL 6	5	1	0	5	0	21	0	0	0	21	1	28
SALARY LEVEL 5	4	0	0	4	0	13	0	0	0	13	0	17
SALARY LEVEL 4	5	0	0	5	0	9	0	0	0	9	0	14
SALARY LEVEL 3	3	0	0	3	0	15	1	0	0	15	0	19
SALARY LEVEL 2	6	0	0	6	0	38	0	0	0	38	0	44
SALARY LEVEL 1	3	0	0	3	0	0	0	0	0	0	0	3
TOTAL	138	6	1	138	6	190	6	2	190	4	355	355

RECRUITMENT

Occupational Bands	Male African	Male Coloured	Male Indian	Male White	Male Total	Female African	Female Coloured	Female Indian	Female White	Female Total	Total
Top Management	1	0	0	0	1	3	0	0	0	3	4
Senior Management	0	0	0	0	0	3	0	0	1	4	4
Professionally qualified	3	0	0	0	3	0	0	0	0	0	3
Plant and Machine Operators	1	0	0	0	1	0	0	0	0	0	1
Clerks	16	0	0	1	17	8	0	0	1	9	26
Elementary	0	0	0	0	0	19	1	0	0	20	20
Total	21	0	0	1	22	33	1	0	2	36	58

PROMOTIONS

Occupational Bands	Male African	Male Coloured	Male Indian	Male Total Black	Male White	Female African	Female Coloured	Female Indian	Female Total Black	Female White	Total
Sen. Management (Perm.)	0	0	0	0	0	0	1	0	1	0	1
Ser. Management (contract)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid management, (Perm.)	0	0	0	0	0	1	0	0	1	0	1
Clerks	0	0	0	0	0	0	0	0	0	0	0
TOTAL	1	0	0	0	1	0	4	0	4	0	5
	1	0	0	0	1	0	6	0	0	6	7

TERMINATIONS

Occupational Bands	Male African	Male Coloured	Male Indian	Male White	Male Total	Female African	Female Coloured	Female Indian	Female Total Black	Female White	Total
Lower skilled (Level 1-2)	0	0	0	0	0	5	0	0	5	0	5
Skilled (Level 3-5)	1	0	0	0	1	2	0	0	2	0	3
Highly skilled, Production (Levels 6-8)	2	0	0	0	2	0	0	0	0	0	2
Highly skilled, Supervision (Levels 9-12)	6	0	0	0	6	5	1	0	6	0	12
Senior Management (Levels 13-16)	1	0	0	0	1	2	0	0	2	0	3
TOTAL	10	0	0	0	10	14	1	0	15	0	25

DISCIPLINARY ACTION

Occupational Categories	Male African	Male Coloured	Male Indian	Male Total Black	Male White	Female African	Female Coloured	Female Indian	Female Total Black	Female White	Total
Total	0	0	0	0	0	0	0	0	0	0	0

SKILLS DEVELOPMENT

Occupational Categories	Male African	Male Coloured	Male Indian	Male Total Black	Male White	Female African	Female Coloured	Female Indian	Female Total Black	Female White	Total
SMS	9	0	1	9	1	7	0	1	7	0	19
Clerks	42	1	0	32	1	31	0	0	7	0	41
Elementary Occupations	2	0	0	12	0	8	3	0	32	0	47
TOTAL	53	1	1	53	2	46	3	1	46	0	107
Employees with disabilities	0	0	0	0	0	2	0	0	0	0	2



Performance

PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY EXCLUDING PAY PROGRESSION

	Number of Beneficiaries	Total Employment	Percent of Total Employment	Cost (R'000)	Average Cost per Beneficiary
African, Female	59	192	31.05	604,631	10,248
African, Male	34	138	24.63	523,774	15,405
Coloured, Female	4	6	0	38,898	9,725
Coloured, Male	3	6	50	44,417	14,806
Indian, Female	1	2	50	3,950	3,950
Indian, Male	0	1	0	0	0
White, Female	3	4	75	41,266	13,755
White, Male	1	6	16.66	21,976	21,976
Total	105	355		1,278,911	12,180

PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary
Lower skilled (Level 1-2)	3	41	7.3	10,317	3,439
Skilled (Level 3-5)	11	42	26.2	53,989	4,908
Highly skilled, Production (Levels 6-8)	43	96	44.8	387,397	9,009
Highly skilled, Supervision (Levels 9-12)	46	130	35.4	801,200	17,417
TOTAL	103	309	0.0	1,252,902	12,164

PERFORMANCE RELATED AWARDS (CASH BONUS) BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary [®]	Percentage of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	1	23	4.3	21,375	21,375		0.6
Band B	2	6	33.3	44,552	12,706		0.0
Band C	1	2	50.0	21,375	49,618		0.0
Band D	1	2	50.0	33,485	33,485		0.0
TOTAL	6	33	18.2	120,787	117,184		0.0

Foreign Workers

FOREIGN WORKERS BY SALARY BAND

Occupational Categories	Employment at Beginning Period	Percentage of Total	Employment at end of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning Period	Total Employment at End of Period	Total Change in Employment
Senior management (Levels 13-16)	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0

FOREIGN WORKERS BY MAJOR OCCUPATION

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at end of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning Period	Total Employment at End of Period	Total Change in Employment
Professionals & managers	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0

Leave

SICK LEAVE AS FROM 01 JANUARY 2004 TO 31 DECEMBER 2004

Salary Band	No. of employees	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Total number of days with Medical certification
Lower skilled (Level 1-2)	41	159	84.0	22	53.7	133
Skilled (Level 3-5)	42	145	92.0	25	59.5	134
Highly skilled, Production (Levels 6-8)	96	392	82.0	58	60.4	321
Highly skilled, Supervision (Levels 9-12)	130	351	95.4	52	40.0	335
Senior Management (Levels 13-16)	33	70	88.0	10	30.3	62
Total	342	1117	88.2	167	48.83	985

ANNUAL LEAVE FOR JAN 2004 TO DEC 2004

Salary Band	Total Days	Number of Employees using Vacation Leave	% of Total Employees using Vacation Leave	Number of Employees	Total number of capped leave available at 31 December 2004	Number of Employees as at 31 December 2004
Lower skilled (Level 1-2)	850	38	4.50%	47	5597	47
Skilled (Level 3-5)	879	44	5%	50	8048	50
Highly skilled, Production (Levels 6-8)	3739	84	2.24%	94	17724	94
Highly skilled, Supervision (Levels 9-12)	2327	115	4.94%	129	1389	129
Senior Management (Levels 13-16)	627	26	4.10%	35	1389	35
TOTAL	8422	307	3.64	355	39111	355



CAPPED LEAVE FOR JANUARY 2004 TO DECEMBER 2004

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31st December 2003	Number of Employees	Total number of capped leave available at 31 December 2004	Number of Employees as at 31 December 2004
Lower skilled (Level 1-2)	2	0,04	119	47	5597	47
Skilled (Level 3-5)	6	0,12	160	50	8048	50
Highly skilled, Production (Levels 6-8)	22	0,23	188	94	17724	94
Highly skilled, Supervision (Levels 9-12)	62	0,48	11	129	1389	129
Senior Management (Levels 13-16)	29	0,82	39	35	1389	35
Total	121	1,69	517	355	39111	355

LEAVE PAYOUTS

Reason	Total amount(R 000)	Number of Employees	Average payment per employee *
Capped leave payouts on termination of service 2004/5	542,993	7	77,570
Current leave payout on termination of service2004/5	62,544	5	12,509

HIV

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 risks
Lower skills(GA S)	Awareness campaign

DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES (TICK YES OR NO AND PROVIDE 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 his/her name and position.	yes	MR LM SISILANA - Sen. Manager-Human Resources
2. Does the Department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number employees who deal with employee wellness issues.	yes	Three officers have been designated to run the workplace program with a budget of R60 000.
3. Has the Department introduced an employee assistance or health promotion program for your employees? If so, indicate the key elements/ services of the program.	yes	An officer has been assigned to run the EAP program for the Department and trained to conduct counselling in the workplace.
4. Has the Department established (a) committees 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) they represent.		Mr. LM SISILANA, Ms. L MITYA, Ms. N KOYO, Mr. CEZULA, Mrs. GAMNCA, Mr. V BHE & Ms. P MQHAYI
5. Has the Department reviewed the employment policies and practices of your Department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	yes	An HIV/AIDS policy has been developed that deals with HIV/AIDS Management and practices in the workplace.
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.	yes	Employees have been taken through HIV awareness campaign, encouraged to voluntarily disclose status and use ARV if infected.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results you have achieved.	yes	Employees motivated. A wellness centre has since been identified.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/ indicators.	yes	Vacation & sick leave are being analysed in order to provide counselling where necessary and/or required



Labour Relations

COLLECTIVE AGREEMENTS

Subject Matter
None

MISCONDUCT AND DISCIPLINE HEARINGS FINALISED

Outcomes of disciplinary hearing	Number	% of Total	Total
Demotion	1	0.01	1
Written warning issued	1	0.01	1
Dismissal	1	0.01	1

TYPES OF MISCONDUCT ADDRESSED AND DISCIPLINARY HEARING

Type of misconduct	Number	% of Total
Failure to carry out a lawful instruction, insubordination, fraud, unauthorised absence	3	0.24

GRIEVANCE LODGED

Number of grievances addressed	Number	% of Total
Resolved	2	67%
Not Resolved	1	33%
TOTAL	3	

DISPUTE LODGED

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

STRIKE ACTIONS

Strike Actions	Total
Total number of working days lost	1
Total cost (R000) of working days lost.	8,838
Amount(R000) recovered as a result of no work no pay	8,838

PRECAUTIONERY SUSPENSIONS

Precautionary Suspensions	Total
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost(R000) of suspension	0

Skills Development

TRAINING NEEDS IDENTIFIED 1 APRIL 2004 TO 31 MARCH 2005

Occupational Categories	Gender	Employees as at 31 March 2005	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	4	12	0	16
	Male	24	4	12	0	16
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	156	6	18	0	24
	Male	117	6	18	0	24
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	38	10	5	3	18
	Male	9	10	5	3	18
SUB-Total	Female	205	20	35	3	58
	Male	150	20	35	3	58
Total		355	40	70	6	116



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TRAINING PROVIDED 1 APRIL 2004- 31 MARCH 2005

Occupational Categories	Gender	Employees as at 31/03/2005	Leaverships	Skills Programmes & other short courses	Other Forms	TOTAL
Legislators, senior officials and managers	Female	11	0	11	0	17
	Male	24	0	8	0	14
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	49	0	7	0	15
	Male	80	0	34	0	42
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	146	8	50	1	58
	Male	42	5	57	9	70
SUB-Total	Female	206	8	68	1	90
	Male	146	5	99	9	126
Total		352	13	167	10	216

Injuries

INJURY ON DUTY

Nature of Injury	Number	% of Number
Required basic medical attention only	2	100
Temporary Total	0	0
Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	2	100

Consultants

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
HRD Policy Dev.(SIDA)	4	Nov 2004-March 2005	987,482
Team Building X 2	2	5 Days	34,000
Personal Growth	1	3 Days	50,000
Support Services	2	Full-Time	627,146

REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
PMDS	1	30 Days	736,000
Fraud Prevention Strategies	1	Full-Time	591,000
Provincial Learning	1	Full-Time	58,000
HIV/AIDS(SIDA)	1	Full-Time	1,475,671
Human Resource Prog. Sida	11	Full-Time	7,361,962

Total number of projects	Total individual consultants	Total Duration: Work days	Total Contract value in rand
9	24	2,014	8,839,018



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