Gauteng Shared Service Centre

Annual Report 2005/2006

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The Gauteng Shared Service Centre was established in 2001 to assist the Gauteng Provincial Government to overcome inhibitors to public service delivery. This is no small mandate, and each year sees the GSSC take a step closer to realising its goals and making a meaningful contribution to departments it serves, to ultimately benefit the people of Gauteng.

Vision

To be the provider of world class services in the Public Sector.

Mission

To enable the improvement of the quality of service in the public sector, by providing efficient support services. This will be achieved by:

- Being customer focused
- Continuous improvement through leading edge technologies and processes
- Implementing quality service standards and performance measures
- Consolidating functional expertise into areas of excellence

Our Values

It takes teamwork and commitment to a common objective to achieve our mission. We expect our people to embrace and live the following values:

- Striving for superior performance and continuous improvement
- Aiming for high levels of customer satisfaction
- Focusing on organisational learning and development to continuously maximise the return on our Human Capital investment.
- Maintaining high moral and ethical standards.
- Optimising the use of appropriate technologies to improve efficiency and productivity.
- Being competitive and cost effective.
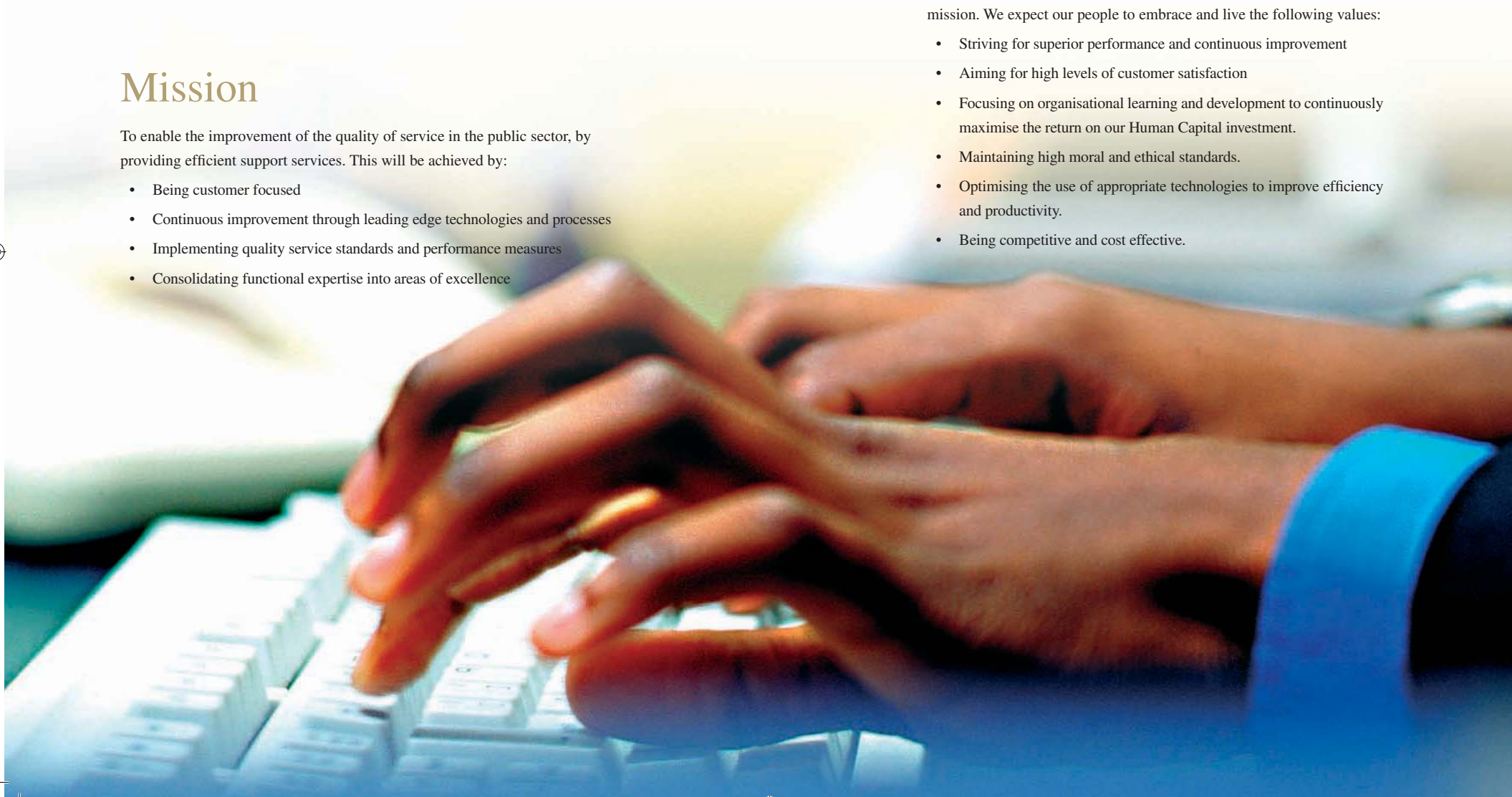
Foreword by the MEC

foreword

One of the key strategic objectives of the provincial Growth and Development Strategy (GDS) is to achieve higher levels of shared economic growth and job creation. The GDS forms part of our ongoing endeavour to significantly reduce the levels of poverty and unemployment, deepen the gains of democracy and build a caring and efficient government. Central to achieving the goals of the GDS is the need to ensure that government departments deliver goods and services efficiently and cost effectively.

The Gauteng Shared Service Centre (GSSC) is a key value driver in ensuring that government departments increase focus on their core functions. By undertaking process functions for Gauteng departments, the GSSC is playing an important role in ensuring higher levels of customer satisfaction and efficient service delivery consistent with the principles of "Batho Pele": putting people first!

In this context, the challenge facing the GSSC is to continue to find innovative strategies and standardized processes, aimed at meeting the complex demand of cost cutting and business process improvements.

We are however, satisfied that the GSSC continues to be an important value driver throughout the GPG. Year after year, the GSSC is making progress in improving its systems that enable efficient transaction processing, while minimizing cost differentiation across departments. As we improve efficiencies, we are continuously mindful of the legislative imperative of adhering to good governance.

Over the past year, the GSSC has made significant strides in delivering on its mandate of improving efficiency within provincial departments. In line with the GPG strategic goals of promoting e-governance, job creation and skills development; the GSSC recently launched a GPG Customer Contact Centre (GPG CCC) in Wynberg near Alexandra. In addition to improving access to government services the Contact Centre provides much needed opportunities for employment and skills development in the call centre industry which is among the growing sectors of the economy of Gauteng.

In order to protect information across the GPG, the GSSC has established the Disaster Recovery Site, capable of restoring information in real time in the event of a disaster. These are but a few of the GSSC's achievements over the past financial year.

Above all, except for a few matters of emphasis, the GSSC has received an unqualified Audit report in the period under review. The Auditor General's (AG) report points to a good foundation the GSSC has put in place. Most importantly, the audit report means that the GSSC has turned the corner and that there now exists a firm basis for robust organisational growth.

The AG's report has spurred momentum for the GSSC to continue along its growth path; to be an efficient service provider to all of the provincial departments and the citizens of Gauteng.

While we acknowledge that there is a lot more work to be done at the GSSC, much more continues to be achieved. We are confident that the process of building a caring and efficient government is firmly on track.

Paul Mashatile
MEC: Finance and Economic Affairs

Organogram

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                              MEC
                               |
                    CHIEF EXECUTIVE OFFICER
                               |
                        TRANSFORMATION
                        COMMUNICATION
                        SECURITY SERVICES
                        STRATEGY AND INNOVATION
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| CHIEF OPERATIONS OFFICER | CHIEF FINANCIAL OFFICER | GAUTENG AUDIT SERVICE | CORPORATE SERVICES |

CHIEF OPERATIONS OFFICER
- Procurement
- TSS
- PMU
- HRS
- Customer Management Services

Chief Executive Officer's Report
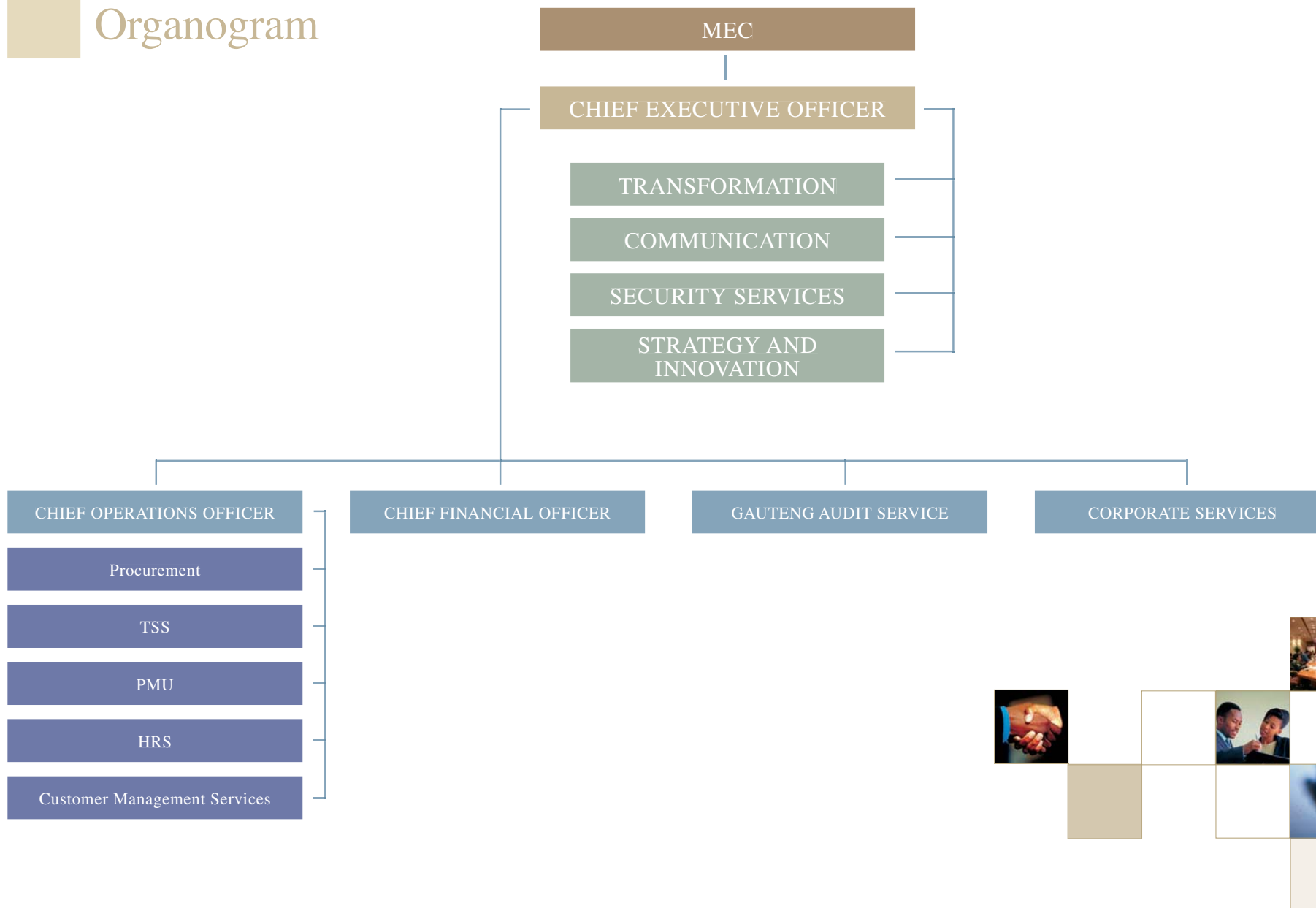
CHIEF EXECUTIVE OFFICER'S REPORT

report

INTRODUCTION

It is my pleasure to present the Annual Report of the GSSC for the 2005/06 financial year.

A great deal of progress has been made during the past twelve months of the GSSC's operations, beginning with the successful review and revision of our strategic plan and culminating in the development of our 2010 Transformation Roadmap and service delivery model. Speaking of service delivery, we have just concluded, as part of the Provincial initiative to embed service delivery mentality in all public servants, a GSSC Service Charter. In our Charter we enjoin every one of our staff members to develop a different approach to serving our customers: an approach that places customer needs high on our transformation agenda and programme. After all, our very reason for existence is to ensure that we provide superior solutions to our customers, thus allowing them to focus on their core mandates.

Starting in the 2004/05 financial year and continuing during the period under review, our main focus was to create internal stability by, amongst others, undertaking improvement initiatives. Although these initiatives had an internal bias, we were mindful of their external implications for our ability to deliver high performance to our customers. For us, there is no dichotomy between internal improvements and external quality service delivery.

We have made significant progress towards realising our goal of being a value provider of shared services for our customers. In this regard, I would like to take this opportunity to acknowledge the collaboration between the leadership of the GSSC and our sister departments in delivering this Report. The Report identifies major milestones in our transformation journey and sets out major deliverables and agenda for the period ahead.

I would like also to pay tribute and thank my colleagues in the Executive Committee of the GSSC, our political principals who provide leadership and guidance and comprise the GSSC Political Steering Committee, my Management Committee and the staff of the GSSC for their tireless efforts and achievements made this year.

ACHIEVEMENTS DURING 2005/06

The GSSC has made significant progress towards realising its goal of becoming a value provider of back-office services for its customers. Major milestones achieved during the 2005/06 financial year include:

- From a human resource point of view:
  - a restructuring of operations and the recruitment of a new leadership team;
  - achieving greater stability in the organisation through the adoption and implementation of a broad range of policies; we are implementing crucial policies, such as our Recruitment, Training & Development and Retention policies, which are linked to core business objectives including a targeted recruitment strategy, performance management framework, leadership development, staff training and coaching programmes
  - normalising staff turnover rates and reducing our exposure to the risks associated with high staff turnover, such as loss of corporate knowledge;
  - a rationalisation of payroll structure and migrating all our employees to a single PERSAL platform.

- Establishment of a 450-seater customer contact centre and spreading to economically deprived areas, in Wynberg, Sedibeng and the West Rand, in addition to the centre at 75 Fox Street, Johannesburg; which will grow to 600 next year;

- The institutionalisation of a business continuity plan, again to ensure that there would be minimal operational disruption in the event of a disaster, maintain corporate knowledge and provide continuity of "business as usual". We have undertaken a process of rolling out business continuity plans throughout other GPG departments.

- An Enterprise Architecture Project (EAP): at the end of this financial year we completed Phase I of the EAP, which entailed the development of an EA Management capability, comprising of policy, process, supportive tool-set and knowledge-base.

- Information Security Policies, charter, standards and procedures were developed and approved by the HOD Forum and the COI Council; the information security awareness programme and the implementation of uniform policies will commence in the first quarter of the 2006/07 financial year.

- Completion of the migration of outstanding functions that entities continued to perform themselves. The completion of the migration process should enable us to focus on such matters as integration and standardisation of business processes, and to carry out operations using the same systems for all our customers.

- Establishment and operationalisation of the CEO Complaints Hotline, which reinforces the importance of a customer-centric approach to the conduct of our business. Through the Hotline, our stakeholders and customers are afforded a channel of last resort to convey their concerns, complaints and frustrations to the highest office in the organisation and a guarantee of a resolution of queries.

- Standardisation of processes: shared services are, by definition, about standardisation of business processes. We are focusing on standardising processes so as to avoid duplication of effort and wastage of scarce resources, and to clarify and simplify processes for the benefit of our customers.

- Operational planning and budgeting: having defined our mission and vision and our ideal state of operating, we developed operational plans that sought to talk to how and when we would achieve our ideal state. These plans sought to mainstream our service delivery model as conceptualised during our strategy review process and in this way ensured that we develop practical, measurable and identifiable targets and processes that translated objectives into activities. Furthermore, our budget processes were tightened and closely aligned with our operational plans: we moved from the correct understanding that budgets are a financial expression of our plans and there can be no artificial divide between the two.

- Disaster Recovery Plan (DRP): DRP is in place and testing of applications was undertaken in this financial year. In 2006/07, we will enhance the DRP to a warm site, i.e., we will begin to synchronise data between the secondary site and the primary site which will cut down on the manual process that is in place now. The third phase will be to load-balance the two sites and have the two sites function simultaneously thus ensuring redundancy of the infrastructure.

- Through the EAP and the establishment of the Centre of Innovation, we embarked on a major campaign to examine and optimise every process in our business which involves:
  - reviewing and mapping existing processes for better understanding;
  - improving processes for efficiency and in accordance with customer needs;
  - ensuring there is a shared understanding of our processes across the business;
  - ensuring staff are equipped and empowered to execute the processes;
  - documenting the processes for ongoing reference; and
  - reviewing the processes for quality management and ensuring they meet our customers needs and represent value for money.

- Admission to membership of the Shared Services and Outsourcing Network.

- Implementation of the Single Domain project to facilitate flow of information between GPG employees, as well as GPG and the outside world.

- Establishment of the Employment Equity Forum (EEF), with the EE Officer situated and reporting directly to the Chief Executive Officer (CEO). In order to fulfil its objectives relating to equity and diversity in the workplace, the Forum is tasked with the following:

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- facilitating, monitoring and reporting on the implementation of the corporate equity and diversity plan;
- contributing toward our programme to increase representation of historically disadvantaged individuals (HDI's) through participating in targeted recruitment initiatives;
- developing initiatives to increase the representation of women (particularly at higher management levels) in the organisation;
- integrate equity and diversity programmes into the corporate and business planning cycle; and
- regularly review HR policies to ensure they support the GSSC's equity and diversity objectives.

The EEF report is tabled monthly at all Executive Committee (EXCO) sittings and quarterly at Management Committee (MANCOM) sittings.

- Occupational Health and Safety (OHS): to meet the requirements of the Occupational Health and Safety Act, 1993 and its Regulations, we have institutionalised occupational health and safety through:
  - development and implementation of an OHS policy;
  - the setting up of OHS committees within all business units that drive safety and health issues;
  - implementation of OHS monitoring and reporting systems through monthly EXCO reports and quarterly reports to the MANCOM; and
  - the design, development and implementation of a comprehensive OHS management system;

The GSSC was visited by the Department of Labour and found to be in no contravention of any regulations pertaining to the building and facilities.

The rationale for establishing the GSSC was that such an arrangement would:

- Enable other GPG departments to focus on their core business;

- The GPG would realise the benefits of common IT platforms;
- Deliver improved service levels at reduced costs through the benefits of economies of scale;
- Improve service delivery through the standardisation and simplification of processes in the GPG.

Consistent with the rationale for establishing the GSSC, we continue to capitalise on recent developments in information technology (IT) applications that eliminate much of the routine manual transaction activity and make remote provision of services a viable, efficient and effective option. Consolidation will also improve the access to professional advice in areas such as finance, human resources, procurement and IT. Central to all these initiatives, is our aim to shift the balance of activities and resources from repetitive transaction processing, to value-adding expertise over time. In the short-to-medium term, we are geared, toward ensuring that we master the art of our trade and that we deliver on our mandate first and foremost. Our approach to business is informed by an appreciation of the imperative to plan projects well, monitor them, or follow through on them: performance failures mostly have to do with poor execution.

GOVERNANCE

Political Steering Committee (PSC)

The PSC is the highest policy making structure in the organisation and is headed by a collective of four Members of the Executive Council (MEC's), namely:

- MEC Paul Mashatile: Finance and Economic Affairs;
- MEC Ignatius Jacobs: Public Transport, Roads and Works;
- MEC Qedani Mahlangu: Provincial and Local Government; and
- MEC Brian Hlongwa: Health

The PSC sits quarterly and deliberates on all issues of policy pertaining to the GSSC; it is chaired by MEC Mashatile.

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Executive Committee (EXCO)

The GSSC's EXCO sits monthly and it focuses on strategic issues in the organisation. It sets the tone and overall direction of the organisation. EXCO is made up of the six (6) General Managers who head our six (6) business units; COO and the GSSC's Head of Department chairs EXCO sittings.

Management Committee (MANCOM)

MANCOM focuses on operational issues in the organisation. Made up of all senior managers, it sits quarterly and deliberates on operational matters, tracking, monitoring and evaluating business performance against business and operational plans.

Operations Committee (OPSCOM)

As indicated earlier, we believe that it is poor execution that mostly has to do with performance failures rather than bad policies: it is with this understanding in mind that, starting in financial year 2006/07, we have established the OPSCOM, a sub-committee of EXCO. OPSCOM is chaired by the Chief Operations Officer (COO) and its brief is, in the main, to closely interrogate and monitor corporate performance in between MANCOM sittings and report on deviations to EXCO, through the COO.

OPSCOM also acts at the GSSC's Information, Communication and Technology (ICT) Steering Committee. The ICT Committee's role is to develop a culture of communication and collaboration in order to progress the achievement of significant inter-business unit solutions, reduce duplication and mitigate risks in the shared service model.

The Committee provides oversight of all ICT initiatives, strategies and decisions and ensures that appropriate guidelines, procedures and structures are in place for all IT-related projects across the GSSC.

The Committee will play a pivotal role in ensuring a business focus on achieving convergence of technologies, applications and processes across the GSSC and the client departments.

Amongst others, the purpose of the ICT Committee is to:

- Strategically align ICT plans to the GSSC objectives and goals;
- Approve significant changes to scope, budget, deliverables or benefits of specific projects within the GSSC;
- Prioritise projects, investments and initiatives at feasibility stage and confirm priority assigned at the business case stage;
- Track project performance against approved business case;
- Review benefits delivered by projects.
- Ensure that business requirements drive the strategy

CONSOLIDATING A SHARED SERVICES PLATFORM

The GPG CCC is the primary interface with our customers. It continues to turn things around despite the negative media coverage that it has attracted over the licence booking issue. In this regard, the GSSC and the Department of Public Transport, Roads and Works (DPTRW) have formed a task team to evaluate current processes and make recommendations with regard to service improvements. The first phase of recommendations is already underway, with Langlaagte as a pilot site.

Furthermore, the GPG CCC is working on rollout plans for the GPG one-number strategy. Through this number—0860 GAUTENG/0860 4288 364—members of the public will have access to the following information:

- "Bana Pele": providing access to a package of services that benefit Gauteng's disadvantaged children, including providing social grants, health care and education.
- Driver and Learner licence bookings.
- Public transport information.
- Services and support for small businesses provided by the Gauteng Enterprise Propeller (GEP).

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In line with our strategic priorities of enabling faster economic growth, creating employment opportunities, fighting poverty and building a caring and effective government, two additional satellite sites—in addition to the one in Wynberg near Alexandra Township—will be located in the economically depressed areas of the Province, i.e., Sedibeng in the Vaal. By the end of the 2006/7 financial year, the GPG CCC will have a capacity of 600 seats. The envisaged growth in the contact centre industry is expected to create job opportunities, especially for out-of-school youth.

As part of the province's e-government strategy, which seeks to provide a variety of channels through which government information can be assessed, whilst closing the digital divide, the GSSC in co-operation with the Premier's office is at the forefront of the following initiatives:

- The GPG CCC
- Walk-in centres, popularly known as Multi-Purpose Community Centres (MPCC's)
- Information kiosks which will be set up in the community centres
- Digital lounges to be established in GPG departments.

With over 70% of overall GSSC expenditure going into the procurement of IT goods and services, our Technology Support Services (TSS) unit continues to be challenged with cost issues around IT infrastructure. The consolidation and rationalisation of IT infrastructure in the GPG presents, on occasion, huge cost savings. Product designs and configurations and systems management technologies have changed to such a degree, that it is now possible to reap significant savings through infrastructure consolidation and rationalisation of operating systems, hardware and software, processing and storage, networks and facilities.

WAY FORWARD

The GSSC's strategic direction is aligned with the vision of becoming the shared services provider of choice to our customers. The coming financial year will see an emphasis on securing uniform business systems and procedures, that deliver best practice cost outcomes and dividends to our client departments, through reduced costs. We go into the 2006/07 financial year with a renewed commitment and determination to build on a firm foundation based on our achievements in this and past year, to learn from our limitations and double our efforts toward going beyond our customers' expectations.

Sustained high levels of customer satisfaction

A major GSSC theme over the next twelve months is customer focus. We aim to develop a flexible and responsive approach to clients where relationship management is the direct vehicle in which client demands are met. Our client relationship management strategy ensures that roles and responsibilities between us and our customers are clear and understood as per the established service agreements. To ensure clarity around roles and responsibilities for deliverables from both parties, we will:

- review, revise and implement end-to-end service level agreements (SLA's) with our customers;
- measure and report performance against SLA's;
- work with other GPG departments and entities to adapt service delivery to changing business imperatives;
- implement common architecture across GPG departments and entities to consolidate business and IT systems; and
- aggregate purchase and procurement for better buying power.

Robust governance model

As we move into the next phase of consolidation, emphasis will be placed on implementing and maintaining a robust governance model. Our plans entail implementing and institutionalising a strategic and business planning framework, which drives the budget and key decision-making processes, and implementing corporate policies and standard operating procedures.

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Sustained financial viability

Strong financial governance will create value through clear financial planning and accountability, improve financial viability and create a sustainable base for matching customer demand at the same time achieving benchmarked cost targets. In achieving sustained financial viability for 2006/07, we will:

- Implement a rigorous performance audit process;
- Implement a budget control process;
- Monitor, track and report on expenditure against targets.

Provision of competitive products and services

In the long term, we aim to achieve market competitive operations so that customers use the GSSC services by choice. This will be characterised by the achievement of market competitive operations benchmarked against market pricing, with the GSSC being in a strong position to expand product and service lines to reduce financial risk and a further reduction in costs. To achieve this goal, we will implement a regular review of services to ensure that it meets customer and forecast requirements.

Streamlined and simplified corporate processes

We will continue to streamline and simplify our processes by undertaking the following actions in the coming financial year:

- review the efficacy, outcomes and impact of our service delivery framework;
- re-engineer business processes to simplify and maximise savings;
- implement portal-based technology for easy access to GPG services;
- leverage information technology to reduce product cost, enhance service levels and improve information security; and
- implement decision support processes and systems.

Innovative business solutions

We want to remain at the cutting edge of our industry and realise that successful organisations are continually focused on innovation. To meet our corporate objective of supplying leading edge business solutions through innovation, we will:

- establish key benchmarking partnerships; benchmarking provides a meaningful yardstick to measure and compare organisational performance before and after a major business initiative;
- invest in research and development of customer agreed levels to enable early adoption of leading edge business solutions; and
- exploit opportunities to pilot new technologies where business benefits are apparent.

Disability action plan

Various national and international legal frameworks, including section 9 of Chapter 2 of the 1996 Constitution, the Disability Rights Charter of South Africa which was adopted by the DPSA Council in 1992, the Employment Equity Act, require of us to prepare and implement a plan to encourage the provision of services in a manner that furthers the principles outlined in these frameworks which aim to improve the opportunities for people with disabilities to share fully in community life at the GSSC.

The GSSC's Plan will be designed to be consistent with government's disability framework, as outlined in the 1997 Integrated National Disability Strategy White Paper and will outline the GSSC's commitment to:

- ensuring people with disabilities have full access to services;
- ensuring people with disabilities have maximum opportunities to use their skills and abilities within GSSC; and
- providing appropriate adjustments for employees with disabilities.

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While the Plan is yet to be fully developed, progress has been made in the key areas of access and employment.

Other future initiatives and projects

Planned initiatives and projects for 2006/07 financial year include the following:

- Performing audits on areas identified as high risk by the various departments, with a specific focus on areas that have already been highlighted by the Auditor General;

- Conducting additional fraud awareness sessions in the Province, which aim to both raise awareness and reduce, if not eliminate, incidents of fraud;

- Extending our internship programmes by increasing the number of interns in order to contribute toward employment creation and affording students an opportunity to benefit from recognised training environments;

- Capacitation of our Centre of Innovation, which will primarily drive the development and implementation a framework for continuous improvement through business process analysis and quality management in the organisation. The business process re-engineering responsibilities of this unit, will include the reviewing and redesign of business processes to achieve improvements in measures of performance, such as cost, quality, service, and speed.

- Finalising Phase 2 of the EAP by developing a Strategic Information Systems Plan (SISP), enhancing and maintaining the enterprise architecture and the roll out of the SISP to GPG departments;

- Identity (ID) Management is at the core of our business plans, from assigning user privileges to employees, to providing employees with the most basic of services, such as HR. The ID Management project affords a solution to standardise and automate some of the manual processes in place around BAS and PERSAL systems that are used throughout the country.

- Automation of processes that will, amongst others, include:

  - an e-Recruitment solution and rolling it out in the Province utilising the GPG Portal;

  - the development and implementation of electronic HR mandates;

  - employee self-service (ESS) solution: we are currently piloting with ESS at one site; based on the outcome of this pilot, we plan to implement and rollout the ESS solution to all identified sites by the end of 2006/07 financial year;

  - the creation of a self directed learning culture through the introduction of an e-learning solution; offering "real time", "just in time" access to learning and intellectual capital;

  - from the Finance Services side, there are a number of e-initiatives, including e-journals, e-invoicing and e-payments, all of which aim to greatly improve, simplify and expedite transaction processing in the unit;

  - e-Tendering: we have commenced with the project of distributing tender documents electronically utilizing the GPG Portal instead of manually printing and having prospective suppliers collect them from our site; we hope to finalise the e-tendering process in the 2007/08 financial year at which stage prospective suppliers will also be enabled to not only access tender documents, but to also respond electronically to requests for tenders.

Our customers demand of us to deepen our mastery of the totality of our core capabilities that we have collectively identified as key to success at the GSSC. We must continually interrogate the connections and dependencies in our internal processes with a view to improvement, simplification and standardisation. Related to process improvement, is the need for coordination and streamlining of our projects and programmes: this will enable us to avoid the duplication of effort and be in a position to leverage off other projects that are underway.

One of our key strategic goals is "to improve customer experience". First, this goal must really define our culture and who we are, as much as it defines how we do what we do—our day-to-day approach to the conduct of business. Second, it must be lived from the top of the organisation. It must be rooted in our core values. It must be part of an integrated, long-term approach to the conduct of business.

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The demands of our environment require of us to develop integrated, flexible and extended supply chains that run all the way from customer contact in the GPG CCC and customer relationship management (CRM), right through to vendors and suppliers in Procurement Services. We will not be able to achieve such integration until and unless we are in a position to anticipate our customers' needs and proactively give expression in our planning to these needs. Such an approach would enable us to characterise and segment our offerings, and to obtain the richest possible set of insights into our customers.

Our commitment and Provincial obligations to addressing broad-based black economic empowerment (B-BBEE) make it mandatory for us to internalise and institutionalise this matter. We have set ourselves corporate annual targets that seek to increase our spend on BEE and SMME entities, particularly those owned and run by women, the youth and people with disabilities. We have moved beyond clichés and slogans and have agreed as the leadership collective, that each one of us that controls a budget will, first and foremost, seek to spend their allocations in a targeted manner toward the achievement of our B-BBEE goals, and that our performance as managers will, amongst others be measured against the extent to which we have realised our B-BBEE spend targets.

I call upon our staff members to understand that Customer Perception Surveys (CPS) are not about us: surveys are about our relationship with our customers. There is a need, therefore, to internalise the view that the voice of the customer is the starting point that must inform all interventions we embark on. We must find creative ways of turning insights derived from the CPS into offerings, services and experiences that appeal to our customers. This we can achieve by getting out of the box and beginning to question the content of the box itself: this requires a big picture perspective that takes the totality of our organisational programmes and agenda into account.

Looking ahead, it is imperative that we maintain the momentum and energy among our staff that were generated during our strategy review process, understanding that developing strategy is relatively the easy part, execution is where any number of great ideas fall short. In this regard, I call upon my management collective to ensure that as we set corporate direction, targets and tone at executive level, that these are deployed through the corporate hierarchy so that each employee at the GSSC knows exactly what he or she has to do to achieve our goals and objectives.

Our people are, in theory and in practice, our greatest asset. We will continue to recognise and acknowledge staff achievements and contributions to our overall success. We have ensured that each business unit sets aside a training and development budget to upskill our people, thus empowering them to make meaningful contributions in realising our corporate strategy and goals.

Our future plans and their associated solutions to some of our operating challenges will not bring about the far-reaching changes without a change in mindsets. Fortunately, our people have made the mental leap and we must sustain this moving forward. Great strides that we have made are a result not only of conceptual brilliance but bear testimony to our endeavour to set clear, measurable goals, monitor day-to-day progress, and persistently remove obstacles.

As we celebrate 5 years of existance, we can positively look at the achievements and contributions made thus far with the satisfaction that we have delivered and continue to deliver on our vision "to be the provider of world class services in the Public Sector.

M M Maile
Chief Executive Officer
31 May 2006

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Report on the Delivery of Services

services

PROGRAMME 1: GAUTENG AUDIT SERVICES (GAS)

Strategic Objectives

The main aim of GAS is to provide a world-class service in corporate governance, integrated risk management processes and best practices, to maintain an efficient and effective internal control environment.

GAS aims to provide a full range of Internal Audit services, to all GPG departments. The services are:

• *Risk and Compliance Audit*
- Evaluates the department's control environment and makes performance improvement recommendations thereon.
- Evaluates a department's level of compliance with legislation, regulations, policies and procedures.

• *Forensic Audit and Fraud Prevention Unit*
- Assists the Accounting Officers in discharging their responsibility of actively preventing, detecting and investigating fraud.
- Facilitates the actioning of recommendations of the forensic reviews.
- Administers the National Anti-Corruption hotline reports on behalf of GPG and creates awareness of fraudulent activities and control processes across government.
- Acts as the implementing agent for the Provincial Anti-Corruption strategy.

• *Computer Audit*
- Evaluates a department's general computer environment, specific applications and new systems being developed.

• *Performance Audit*
- Assists managers to assess the effectiveness, efficiency and the economical viability of any specific system or project.

• *Control Risk Self Assessment*
- Implements control self assessment (a risk management tool) throughout the Province.
- Assists management of each department in the Province in updating their risk assessment.

Programme Overview

Even though this division has been fully operational since 2001, it still has limited resources. Right from the start, it was envisioned that a phased approach would be followed in staffing the division. Although this approach was taken, the division did not manage to achieve its set targets for acquiring the resources. Even taking this into consideration - all targets for the year were achieved – by outsourcing some of the work and achieving more work with existing resources.

Despite this, GAS performed exceptionally well in industry by being nominated for and winning the Institute of Internal Auditor's award for the best contribution to the internal audit profession in SA during the year.

Currently, GAS is fully operational with the given resource constraints. GAS has fully implemented transversal and trend auditing which achieves economies of scale by firstly allowing a single process to be covered across all GPG departments and entities and secondly providing the management of GPG the opportunity to benchmark themselves against the respective departments and industry norms.

During the coming year the division will perform approximately 1000 audits on areas identified as high risk by the various departments. Areas that have already been highlighted by the Auditor General will also be targeted.

Risk and Compliance Audit

The 2005-6 year was the fourth year that this unit performed against the set audit plan as approved by the various departmental audit committees.

Last year the unit managed to achieve 104% of its stated audit coverage for the year in respect of all GPG departments. This was achieved even though problematic recruitment for outstanding positions as well as bedding down the knowledge acquired by staff during the previous year was experienced. The need for a structure that will allow GAS to operate at maximum potential is therefore paramount. This will be investigated during the 2006-7 year.

Forensic Auditing and Fraud Prevention Unit

The unit provides services related to the prevention, detection, reporting, investigation and supports resolution of incidents of fraud and corruption. The unit administers the National Anti-Corruption Hotline reports on behalf of the Province. This service provides whistle-blowers with the opportunity to report improper or fraudulent activities anonymously - 24 hours per day.

The unit has been appointed as the implementation agent of the Provincial Anti-Corruption Strategy on behalf of the GPG, with the main objective of institutionalising all fraud prevention initiatives throughout all the departments of the GPG. This programme is guided by the Office of the Premier, with the unit adding specialised skills to the process.

The unit has also been appointed as the Secretariat for the Provincial Anti-Corruption forum as well as the Minimum Anti-Corruption Capacity for the GPG, with the main focus addressing incidents of Corruption pro-actively and re-actively.

This unit enabled GPG to initiate claims to recover R29 655 513.00 as a result of fraudulent activities identified in the Province.

The unit reviewed all 12 GPG departments' fraud prevention plans, aligning them with their respective fraud risk profiles.

The unit plans to conduct 150 audits and assist the Accounting Officers to effectively resolve fraud and corruption related matters. The Anti-Corruption and Fraud Prevention component plans on targeting at least 7 000 employees of GPG for fraud awareness.

Computer Audit

Even though this unit is operational, it has extremely limited resources. This is due to the severe lack of specialised IT audit skills in the country, resulting in these limited human resources only being available at a high premium.

Despite the above limitation, the unit managed to complete 188% of the previous years target as a result of doing centralised audits of transversal systems and plans to conduct 28 audits during the next year. This will enable departments to better understand their IT environments, and improve on their own service to internal customers. Further, the unit managed the implementation of the Business Continuity Process (BCP) initiative of the GPG, thereby enabling developments to identify risks impacting on the continuity of service delivery and implement control measures to eliminate the risk of reducing the impact on occurrence.

Performance Audit

Performance audit is a value added service that assesses whether programmes in GPG departments are achieving their strategic and operational goals in an efficient, effective and economical manner. Extreme resource constraints limit the extent of this service to GPG. One of the future initiatives will be to turn this unit into the core function of GAS.

The Performance Audit unit has successfully concluded 24 audits and enabled the GPG departments to initiate the recovery of approximately R29m in misspent funds. This unit plans to increase its output to 31 in the following year.

Control Risk Self Assessment

In order to allow large entities, such as various hospitals, to be equipped with their own risk assessments – the unit has rolled out Control Risk Self Assessment (CRSA). This allows officials

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to be fully informed with regard to their responsibilities - and to be equipped to measure their performance against peers in similar units such as hospitals, schools and pension pay-points.

The extend to which the CRSA process is being implementd in the province is the largest in Africa, whereby in excess of 5000 entities and programmes will benefit from the roll-out of the CRSA tool.

This unit has rolled out the CRSA tool at all 12 GPG departments in the previous year and will continue to extend the use of this tool during the coming year.

Performance against Output Targets

Outputs	Indicators	Targets	Actual Results
Perform risk, forensic, performance and computer audits	No. of audits performed vs approved annual audit plans	473	519
Risk Assessments	No. of assessments facilitated – department level	12	8
Control Self Assessment	No. of departments where CSA was successfully implemented	12	12
Forensic Audits resulting in criminal and disciplinary cases	No. of investigated cases accepted by SAPS and/or the relevant HOD for investigation/action	18 criminal 35 disciplinary 12 civil	38 61 31

Outputs	Indicators	Targets	Actual Results
Fraud prevention plans and hotline	No of GPG employees made aware of fraud prevention plans and hotline	112 awareness sessions 95% GPG staff	140 It was impossible to measure, new methods will be introduced in the new year
Learnership programmes	No. of staff trained on learnership and internship programmes	15 learners and interns	40 interns
Participation in Industry	No of committees served	4	7
	No. of key note addresses by management	4	5
	No of public participated workshops facilitated by management	2	0

OUTLOOK FOR THE YEAR AHEAD

GAS will focus on the following key initiatives:

- Centre of excellence will continue the implementation of the knowledge and training component and quality assurance reviews. The unit will strengthen the co-ordination and office management functions.

- Risk and Compliance audit will be split in order to achieve a more equitable distribution between Transversal audits and Programme audits that concentrate on due diligence type reviews of programmes, as well as caters for those risk areas that are specific and not transversal in nature.

- The Transversal audit component will perform 400 reviews and the Programme audit component will perform 70 reviews for the year.

- GAS will give priority to re-sourcing the Computer Audit component to enable the component to conduct 28 Computer Audits.

- GAS will perform 31 Performance Audits in the year.

- GAS will introduce a performance audit symposium consisting of major role players of performance auditing in the public sector to discuss and share ideas on best practices, standards and methodologies to enhance performance auditing in the public sector.

- Forensic Audit plans to conduct 150 forensic reviews which are anticipated to result in 45 disciplinary, 30 criminal and 20 civil cases.

- The fraud prevention component aims to target at least 7 000 of the GPG employees for awareness by conducting approximately 350 awareness sessions in relation to fraud prevention. This unit will also facilitate 12 fraud risk identification and control assessments during the year.

- The CRSA unit intends on conducting 94 CRSA workshops and facilitating the update of 160 risk assessments for the year. A further 19 global risk assessment workshops will be targeted. The long term plan for this unit is to roll out CRSA to all entities within GPG i.e. hospitals, clinics, schools etc. This will allow officials to understand their risk profile and to benchmark their performance against similar units.

- We plan on extending our internship programmes by increasing the number of interns by 15% in order to contribute to a greater extent towards creating employment and affording students an opportunity to benefit from a recognised training environment. In previous years, the GAS internship programme has been very successful for both GAS and the students that participated.

- Our long term plans for the future entail continuing in our pursuit to determine the best vehicle or structure in order to expand GAS's services beyond the existing mandate. This will include offering services to other government agencies that are not part of the current scope and would involve assisting GSSC in the establishment of a trading account for the department.

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PROGRAMME 2: HUMAN RESOURCES SERVICES

Strategic Objectives

- To render a responsive and cost effective recruitment processing service to the Gauteng Province.

- To administer all Human Resource (HR) conditions of service timeously and accurately.

- To provide a personalized HR administration service to the GPG senior and middle management.

- To provide specialised HR Consulting services, which include:
  - A Provincial Employee Assistance Programme (EAP);
  - Learning & Development;
  - Organisation Design, Development, Job Evaluation & Establishment administration;
  - HR Policy Development and Communications;
  - HR Reporting/Intelligence;
  - Labour Relations advice and support

- To establish a training centre for generic skills acquisition and to conduct the Provincial induction programmes.

- To establish a benchmark for HR services in the public service. This will include the effective utilisation of technology to render services, enhancing perceived value in HR services and offering best practice systems and frameworks for application across the Province.

Programme Overview

The 2005/2006 year was the second year in which HR Services operated at full service capacity for the entire financial year. The year focused on improving customer relations for enhanced service delivery; conducting a second customer feedback survey to compare change against the benchmark survey of the previous year; and more focused interventions, targeted towards meeting the needs of departments.

In the Transactional Services, leave administration has received intense focus and processes have been improved. Employee Self Service (ESS) will be rolled out to departments & entities that have the necessary technology to support this.

The Recruitment sub-unit has improved their processes, rolled out multiple sites for the submission of CVs and has introduced e-recruitment. Further improvements aimed at the automation of the CV submission process are being pursued.

The learning and Development sub-unit is in the process of introducing E-Learning to the Province. Senior managers will be targeted initially.

The Provincial Roll-out of the E-learning Programme is on track. Close co-operation with the Office of the Premier is an imperative to ensure alignment with existing programmes such as the Gauteng Management Development programme.

Transactional Services

Notable achievements for 2005/2006 are:

- 839 971 HR administration transactions completed.

- 10 284 vacancies advertised, compared to the anticipated 10 000, and 532 679 CVs processed.

- 8901 Service Terminations completed.

- 5396 Salary Structuring Packages prepared and implemented.

- Handled 1118 Industrial Relations cases

Consulting Services

Inter alia-

- Generation of 10 828 HR Information reports – against a planned 7 105 the previous year;

- Evaluation of 588 jobs;

- To Change diagnostic exercises and for Organisational Development interventions requested and conducted
- Training of 32 740 GPG employees;
- EAP services rolled out to 10 departments, including the biggest two (Health & Education). 7901 EAP cases handled.

To report on the delivery of the HR Services unit in more detail, key measures per service unit have been extracted below from the 2005/2006 business plans, and reported against actual performance.

Performance Against Output Targets:

Outputs	Indicators	Actual performance against target	
		Targets	Results
Establish Core Services	Transaction turn-over time	100% of service measures	- Source & Select – 90% - Reward & Retain – 80% - Terminations – 50% - SMS& MMS – 100% - Est. Administration – 100%
	Recruitment	Up to 10 days to place vacancies in the media	- 100% placements within 10 days
	HR administration	Up to 5 days turnaround time	- 86% achievement of the 5 day turnaround time
	Terminations	Cases processed on system – 2 days Paid cases to GEPF – 60 days Cases forwarded to GEPF – 14 days	- 94% within 2 days on the system - 50% within 60 days pension paid - 60% within 14 days to GEPF
	Exit interviews conducted	Completed for 100% of all exits	- 34% - (not informed on time, already gone, etc).
	Generic training	22 products (programmes) offered	- 25 programmes offered
Implementation of Consulting services	Organisation Development & Change Management	100% Diagnostic exercises conducted 100% OD interventions	2 Diagnostic exercises requests (89% LOE) 4 OD interventions requests received
	Job Evaluation	100% of requests within LOE*	588 requests (95% SLA achievement)

* LOE - Letter of Engagement

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Outputs	Indicators	Actual performance against target	
		Targets	Results
Implementation of Consulting services	Organisation Design	100% of requests	100% (6 Departments have been restructured)
	Employee Relations	Access to services – 50% of GPG	10 Departments, including Health & Education
		1200 misconduct & dispute cases	1118
		30 days turn around time	45 days
		1000 line managers trained on Labour Relations	946
	Policy Planning	100% policy requests	100% achievement
Efficient HR Service Delivery and integrated HR Management Systems	Automated leave processing	All entities	Teleforms were discontinued. SAP self-service will be rolled out
Efficient HR Service support and Delivery of Transversal programmes	ABET (Adult Basic Education and Training) Learnerships	All entities All entities	Surpassed Premier's targets Surpassed Premier's targets
Improved Human Resources	Skills gap – No. of transversal needs addressed	Delivery of top 40% needs identified by most Departments	- Top 5 needs identified – IT, Leadership, Customer Service, Finance, Project Management. - Delivery is based on request
		All requests	- 32 740 directly offered

OUTLOOK FOR THE YEAR AHEAD

HR Services will focus on the following key initiatives:

- Continued focus on skills development within the HR Services unit – this will include customer service skills, consulting behaviours and process management skills training. Technical (or job specific competencies) will remain a priority in terms of the HR Services team's development plans.

- Building Client Relationship Management and reporting capacity in the Business Unit – forging closer and improved relationships with clients. Continuous feedback from clients for performance improvement.

- Aggressively drive process improvements through automation of services – specifically in the HR Administration service units. Also broaden the range of services, where this supports the provincial imperatives.

- Roll-out of phase 2 of the Industrial Relations system.

- Roll-out of e-learning

- Full roll-out of the Provincial EAP service.

- Increased automation of recruitment services

- Roll-out of increased SAP functionality.

- Increased co-location at GEPF and identified sites.

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PROGRAMME 3: PROCUREMENT SERVICES

Procurement's Strategic Objectives

The Procurement Services business unit performs a critical function as it is a direct strategic contributor to the delivery and execution of the Government's public programmes.

In addition, our ability to realise Broad Based Black Economic Empowerment (B-BBEE) targets is dependent on the extent to which this unit drives and redirects provincial spending patterns in line with our objective of broadening participation in the economic mainstream. The activities of this unit can and must be that bridge that connects the first and second economies in our country. This is reflected in our strategic objectives listed below.

- To develop and implement sourcing strategies that will assist GPG Departments purchase goods and services effectively from suppliers, balancing financial efficiency with socio-economic outcomes.

- To develop and govern Client Department and Supplier business agreements over the lifecycle of the contracts ensuring that the involved parties fully meet their respective obligations in order to deliver the business and operational objectives required from the contracts.

- To manage the buying of quality goods and services at the right price, for delivery at the right time, in the right quantity and from the right source.

- To develop viable working relationships with vendors, specifically Black Economic Empowerment / Small Medium and Micro Enterprise vendors (BEE/SMME), in support of GPG's B-BBEE Strategy by focusing on balancing commercial imperatives with social responsibility.

- To optimise and support the utilisation of procurement processes and systems, including updating and maintaining the materials catalogue and provide tender administration services.

Programme Overview:

These are some of the key results that we have achieved over the past year:

- Completed the migration process of procurement-related functions to the GSSC which represent 100% of all identified entities. The automation of the entities will improve efficiencies in the procurement processes.

- Reduced maverick buying by establishing formal contracts management processes and methods.

- Compressed the turnaround time for the release-order decision to order placement by 25%.

- Increased material master and catalogue utilisation by 4% from a baseline of 47%.

- Increased the percentage of spend covered through term agreements of the top 20 high value and high volume commodity items.

Performance against output target:

Outputs	Performance Indicator	Target	Results	Notes
1. STRATEGIC SOURCING **1.1 Sourcing Strategies** Alternative sourcing strategies developed for top value commodities and track vendor performance in terms of achieving value for money (savings) and social objectives such as B-BBEE opportunities	Top 20 spend items covered by Term Agreements, with involvement by Commodity Teams with end-users	15% of top 20 spend items on Term Agreements Joint lists of Top 20 spend items	Target exceeded. 95% of top 20 spend items Covered by Term Agreements 100% for spend analysis	
1.2 Vendor Management Process Optimisation Vendor Management processes improved, to ensure social objectives (such as Preferential Procurement) are achieved, while reducing red tape in the tendering process	Vendor Management process developed and refined Red tape reduced	100% completion by December 2005 Tender forms annual review by December 2005	65% 65%	Note 1 Note 2
1.3 Training & development Develop and implement an overall training strategy to build up Supplier Chain Management (SCM) skills	Training strategy and design & delivery of job-specific courses	Training strategy and building blocks defined SCM training needs analysis conducted	100% 35%	Note 3
2. VENDOR MANAGEMENT AND DEVELOPMENT **2.1 Pre-qualification & Accreditation of Vendors** Develop and implement a differentiated Vendor Pre- qualification and Accreditation strategy.	No. of vendors pre-qualified & accredited on database	Pre-qualification of 50% of active vendors on the database by March 2006	30% complete	Note 4
2.2 Preferential Procurement (PP) Reporting Compiling monthly reports for migrated entities on PP spend as a percentage of overall spend against Treasury targets, using a GPG tracking mechanism.	Implement tracking of BEE spend against targets	Timely production of monthly reports as per National and GPG Treasury requirements based on migrated sites	100%	

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Outputs	Performance Indicator	Target	Results	Notes
2.3 BEE SMME Tendering Assistance Support and training of potential bidders on tendering process via Supplier Forums and co-operation with partnered Tender Advice Centres (TAC's)	Support provided on how to tender to potential bidders and explain GPG tendering and Procure-to-Pay processes	Weekly Vendor Forums and Vendor Awareness sessions hosted at GSSC per identified commodities	100%	
3. PURCHASING **3.1 Increase Purchase Order Cycle Times for Request for Quotations (RFQ's)** **3.2 Tracking vendor performance** Implement expediting of purchase orders to monitor quality, on time deliveries, Preferential Procurement and savings	Turnaround times from requisition to PO 3% savings on total value >65% of deliveries quality to spec 20% open POs 10% increase in B-BBEE spend	Adherence to pre-defined Service Level Agreement (SLA) per commodity group.	92% compliance 12% 72% 80%	
4. PROCUREMENT SUPPORT **4.1 Content & Catalogue Management** Develop a system-based catalogue of goods and services on SAP and ensure increased GPG usage of material masters. **4.2 Procurement migration and automation** Finalise migration within the 103 entities, including automation and process alignments. Roll-out of remaining migration project	Commodity items on SAP electronic catalogue	65% of commodity items on catalogue: estimate 30,000 29 sites completed On-going user training and support Migrate 43 sites	98% 38 sites complete	
4.3 Advertising and closing Tenders Provide Tender Administration services before and after closure of RFPs, conducting administrative compliance against agreed timelines.	Advertise tenders , complete admin compliance and provide advisory support to bidders against agreed timelines	100% compliance	100% compliance	
5. Contract Management **5.1** Develop, implement & improve Request for Proposal (RFP) Tender Cycle Times **5.2** Establish supply agreements based on customer needs to increase spend though Term Agreements (TA's)	Contracts placed (> R500,000 per case) % spend covered by TAs (baseline 2001/2002: 18.8%)	60 working days Requisition to Contract 65% of overall spend covered by TA's	80% compliance 66.88% 10%	

Outputs	Performance Indicator	Target	Results	Notes
5.3 Implement Contract Management on all contracts (transversal TAs, mini-terms and ad hoc contracts) to monitor vendor performance in terms of savings, quality and on time deliveries, as well as progress on B-BBEE.	Monitor vendor performance in terms of • Savings (actual versus baseline) • Quality • On time Delivery • B-BBEE	5% savings on total value >65% of deliveries quality to spec 20% open Purchase Orders (PO's) 80% adherence to B-BBEE targets	70% 30% 85%	

Notes:

Note 1

Was dependant on Contract Management methodology which was only finalised end of March 2006. This will now inform the vendor management process

Note 2

The vendor registration process has been refined and new processes were introduced in Jan 2006.

Note 3

Job profiles & skills assessments outstanding

Note 4

There were capacity constraints. A new differentiated Pre-qualification & Accreditation approach (based on active vendors on the SAP database for the last financial year) is used as the base.

OUTLOOK FOR THE YEAR AHEAD:

The immediate tasks facing the unit include:

- Translating and influencing the implementation of the GPG B-BBEE strategy into sourcing approaches that will increase BEE/SMME penetration into previously "closed" markets as well as increasing preferential procurement spend;

- Streamlining, accelerating & obtaining visibility over all dimensions of the value chain of procurement activities, in particular the procurement spend analysis and reporting.

- Increasing the scope of term agreements which will reduce lead times, provide competitive pricing, improve quality of goods and services delivered and increase supplier reliability;

- Expanding on our commitment to make GPG business opportunities accessible through Vendor management and development interventions in collaboration with other organisations such as the GEP;

- Attracting, developing, and maintaining a professional, customer-focused staff with key knowledge of commodity suppliers and the socio-economic environment in which we operate.

services

PROGRAMME 4: FINANCE SERVICES

Strategic Objectives

The aim of the Finance Services unit is to provide effective enterprise-wide transversal financial service for the Gauteng Provincial Government and Public Sector

Programme Objectives

- To provide an effective and efficient cash book service for GPG departments
- To provide sound financial accounting services to GPG departments.
- To provide timeous and accurate supplier payment services to GPG departments
- To provide debt collection services for GPG departments
- To provide effective and quality payroll services for the GPG departments

Programme Overview

For the past year we have succeeded in:

- Collaborating with the Gauteng Department of Education (GDE) to substantially reduce salary cheques issued to some teachers ;
- Developing and implementing new payment advice books with safety features to reduce and combat fraudulent claims.
- Achieving a 100 % clearance of legacy balances at the end of the financial year which were impacting on the proper aging of the ledger accounts.
- Ensuring that the Doctrack system is optimally utilised in the Finance Business Unit, and accordingly improving the document tracking process.

PERSAL and BAS downtimes played a major role in impeding the unit's endeavours to offer an effective and efficient delivery of services and meeting the requisite turnaround times.

Cash Book Services

We are still struggling to obtain the receipt and deposit slips from the departments timeously, which puts a tremendous strain on ensuring successful month-end closures. We are still plagued by the problem of the bank deposit identifier which impacts on our ability to properly allocate and clear the Bank Adjustment Account. Despite these problems, the sub-unit continues to submit bank reconciliations and clear bank related ledger accounts on time. With the reduction of salary cheques issued, we have seen a substantial reduction in cheque fraud. We have reduced the legacy balance for EBT/cheque fraud by R 1, 000,000 through recovery and write offs.

Output	Performance Indicator	Targets 2005/06	Results
Cashbook Services			
Provide bank reconciliations on a monthly basis.	Timeous submission of bank reconciliations.	As per SLA	100%
Recover long outstanding Electronic Bank Transfer (EBT) Cheque fraud amounts.	% of amount recovered.	10%	7.8%
Timeous and accurate recording of receipts.	% of compliance with SLA's.	Per SLA	93%

General Accounting

This sub-unit has succeeded in establishing the Fixed Asset Management Support (FAMS) section and has managed to meet its targets. Reports to all departments were provided on a monthly basis, stipulating the new assets acquired and duly classified.

We closed all the accounting months for all the departments successfully for the year under review. We have instituted a process whereby the month end closures of the financial accounts mirror and fulfil the year end closure requirements; consequently we managed to close the financial year successfully.

Output	Performance Indicator	Targets 2005/06	Results
General Accounting			
Reconcile all ledger accounts for GPG	Balances are not older than 30 days	100%	86%
Month and year-end closure for GPG	Number of successful closures	100%	100%

Accounts Payable

We have migrated the processing of invoices from BAS to SAP in order to reduce the impact of BAS downtimes on SLAs and minimise the problems associated with processing on two separate systems. We also embarked on the program of reducing the number of sundry payments submitted by the migrated entities and this was successfully implemented in the Office of the Premier. A task team has been appointed to deal with the challenges that have besieged this unit regarding the achievement of SLA requirements and supplier complaints for delayed payments. This task team is also mandated to identify service delivery improvement initiatives.

Fraud prevention strategies and processes were implemented to minimise the number of fraud cases. Seven personnel were appointed in the last quarter of the financial year to investigate the VAT audit claims from suppliers while a system is being considered in an endeavour to ultimately stop fraudulent VAT claims in future. However, elimination of fraud remains an ongoing challenge for Accounts Payable, and we will continue to pursue various methods that will reduce and prevent the occurrence thereof.

Output	Performance Indicator	Targets 2005/06	Results
Accounts Payable			
Payments to the supplier of goods and services as per SLA's	Within 2 days with 100% accuracy	100%	85%

Debt Collection

During the year we embarked on consolidation and reorganisation of the Debt Administration unit as a key initiative to improve our services and increase the collection in ex-employees, in-service employees and suppliers' debts. Consequently, we have been able to collect 90% of the new suppliers' debt as soon as they are taken on; legacy debts have either been handed over to the state attorney or recommended for write off. Our reporting to the departments has improved and credit balances on the Debt Account have been reduced significantly.

A draft Debt Management policy has been finalised which awaits vetting and approval by the departments. The policy gives guidelines in following the legal route of collecting debts which has been lacking to date.

We have had to use alternative method to ensure the reconciliation of BAS and Debtpack, as we could not get permission to check the feasibility of automating the interface of both systems.

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Output	Performance Indicator	Targets 2005/06	Results
Debt Collection			
Collect all old Gauteng Provincial Government debts	Debtor's age analysis (age of debt)	No debts in arrears by more than 90 days	172 days

Payroll and Salaries Administration

- Gauteng Department of Education has yet to resolve the issue of 3 months temporary teachers which impacts negatively on IRP5 reconciliations and payment of allowances.

- We have seen an increase in the number of people employed on a contract basis in the departments, with resultant increase in the volume of documents submitted for processing

- The number of Salary cheques being issued to teachers was reduced to 250 per month from 6000 per month; this was achieved with the assistance of the GDE.

- We have once again surpassed our SLA in issuing the IRP5s to employees of GPG and submitting the tax reconciliation to South African Revenue Services (SARS).

Output	Performance Indicator	Targets 2005/06	Results
Payroll and Salary Administration			
Timeous and accurate processing of payments of allowances to GPG employees	% compliance to SLA's	98%	92%

Output	Performance Indicator	Targets 2005/06	Results
Payroll and Salary Administration			
Issuing, reconciliation & distribution of annual IRP5's	Timeous and accurate distribution of reconciled IRP5's	100% distribution of IRP5's by 31 March, with IRP5 recon submitted to SARS	100%
Payment of 3rd party payroll creditors	% payment on due date	100% on due date	100%
Tax advisory service on restructuring of remuneration and tax returns to GPG employees	% level of satisfaction	80%	75%

OUTLOOK FOR THE NEXT FINANCIAL YEAR

Our outlook for 2006/07 is characterised by clear and practical implementation plans. The strategic initiatives were identified primarily to leverage technology as an abler to achieve our strategic objectives; consolidation of sub-units to create synergies from pooled specialised skilled resources and streamlining end to end processes; re-engineering and improving processes leading to optimised operating efficiencies and service delivery.

The new initiatives include:

- Electronic payment advice, the purpose of which is to electronically distribute payment advices to all payroll creditors.

- Electronic invoices—this entails suppliers submitting their invoices electronically and thus improving tracking of all invoices submitted, improving our performance regarding Service Level Agreements and facilitate timeous payment to SMMEs.

- Merging Salary Administration, Payroll, Tax and Deduction Service Units within the Finance Business Units in order to improve end to end processes and service delivery.

- Restructure and refocus the Accounts Payable unit to fit in with the vision of seamless service delivery and stabilisation of the procurement value chain.

- Reviewing and assessing the high volumes of journal entries for GPG with a view to reducing them to an acceptable level

- Eliminate credit balances in the debt account and commence with legal proceedings against defaulters

The programme will also focus on the initiatives that were not attained as envisaged and these comprise of:

- Piloting the Electronic Salary Mandate

- Completing the roll-out of the new automated revenue receipting on BAS

services

PROGRAM 5: TECHNOLOGY SUPPORT SERVICES (TSS)

Strategic Objectives

- To develop a GPG-wide enterprise architectural framework in conjunction with the departmental Chief Information Officers (CIO's) through governance structures and processes.
- To provide a flexible and adaptable IT infrastructure that meets the business needs of GPG.
- To provide a unified and consistent programme management methodology and project office through a centrally co-ordinated ICT Programme Management Office (PMO).
- To develop an information security strategy with all the attendant policies and procedures for GPG that complies with existing legislation and regulations.
- To increase IT capacity in the Province by training employees on the essential technologies required within GPG and executing a learnership programme.
- To develop an application framework that allows for the co-existence of transversal systems and the GPG ERP system.

Programme Overview

During this financial year, TSS has built on the foundation established previously, addressing some of the challenges and shortcomings identified during the previous year.

The improvement of IT services in the Province required a focus on a wide range of areas. Below is a list of the major initiatives achieved:

E-Government

- The GPG Contact Centre was expanded to include an SMME component
- Launch of the Bana Pele static website took place in June 2005
- The GPG enterprise portal was launched in June 2005
- Matric results through SMS and Call Centre Interactive Voice Recording (IVR) were launched
- The overall e-government strategy was completed
- Requirements for the next phase of the portal have been gathered

The foundation phase of the portal has been completed and the portal was launched on the 8th June 2005. The GPG CCC capacity will gradually be increased to accommodate other departmental services during 2006.

Transformation

- The migration / transformation of all Head Office Information Communication Technology (ICT) infrastructure onto the new GSSC data centre – covering about 98% of GPG desktops. This ensures that common standards become achievable in key areas like e-mail, internet access, and backup services (to secure critical information), and this will enable us to implement remote support centres for all the departments.
- The introduction of a transversal information security structure, which has ensured that critical government services were not destabilised by frequent virus attacks in the industry. These attacks result in major disruptions within credible private sector organisations and other government institutions.
- We started to stabilise the connection to State Information Technology Agency (SITA) for connectivity to BAS, Persal and other transversal systems used by GPG. Two redundant links were deployed to provide faster access to the SITA network. This has worked well until the end of the financial year when we began to experience problems with the infrastructure. These problems have since been resolved.
- The Wide Area Network (WAN) project and the configuration of WAN management tools was completed at the end of the financial year. This will now enable us to prioritise network traffic.
- The completion of Phase 2 of the Enterprise Resource Programme (ERP) Pilot. The first phase went live in November 2002 as the enabling tool for procurement processes within the GSSC.
- TSS is now completely staffed by permanent and long term contract employees and does not use consultants except in very exceptional circumstances. ICT skills still remain a challenge and strategies to retain these skills and attract them need to be developed.

2005/2006

1. PLANNING AND ARCHITECTURE

The Architecture and Planning sub programme identifies the main components of the organisation or a sub set of it (such as its information systems), and the ways in which these components work together in order to achieve defined business objectives. The components will include staff, business processes, technology, information, financial and other resources, etc. If the architecture is designed to ensure the choice of appropriate components and to specify how they will operate together smoothly and efficiently, the enterprise will benefit.

The deliverables over the next five years include:

- A Strategic Information System Plan (SISP)
- Architectural Portfolios
- Updated Enterprise Architecture knowledge base
- Co-ordination of GPG departmental SISP creation
- Co-ordination of the GPG Master System Plan (MSP)

Sub-programme	Output	Performance Indicators	Output Target 2005/06	Results
Planning and Architecture				
1. IT Planning	1. SISP for the GSSC 2. MSP based on common format GPG Wide	Yearly updates % completion	1. 100% 2. 0%	1. Completed

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Sub-programme	Output	Performance Indicators	Output Target 2005/06	Results
2. Standards, strategies, architectures and portfolios	GPG Wide technology standards and policies on common infrastructure	Approved standards strategies, architectures and portfolios	1. Intrusion detective system (IDS) 2. Storage Area Network (SAN) - Switching fabric 3. Visio Professional 2003 4. Microsoft Windows XP - Service Pack 2 5. Microsoft Office Professional 2003 - Service Pack 1 6. HP Servers 7. Secure Desktop Standard 8. Mobility Standard for Executives 9. Mail Marshall 6.5 10. Antivirus 11. PBX 12. Identity Management strategy & Architecture 13. Open source Strategy & Architecture 14. Identity Management Portfolio	Fourteen standards strategies, architectures and portfolios approved
3. Architecture Polices & Processes	1. Architecture Policy 2. Architecture Maintenance Policy 3. Portfolio Policy 4. Architecture Process 5. Architecture Maintenance Process 6. Portfolio Process	Approved Policies and Processes with yearly updates	100 % operational	1. 100% completed 2. 100% completed 3. 100%Completed 4. 100%Completed 5. 100%Completed 6. 100%Completed
3. Architecture Development	Technical domain architectures developed: 1. Population of Architecture Knowledgebase for GSSC Business and ICT 2. Training of resources on toolset 3. Zachman training 4. Publish Architecture baseline on Intranet 5. Commenced portfolio planning 6. Commenced with rationalisation of business architecture	Yearly Updates %	Development of architectures	1. 100% Completed 2. 100% Completed 3. 100% Completed 4. 100% Completed 5. 10% 6. 10%

Sub-programme	Output	Performance Indicators	Output Target 2005/06	Results
	7. Commenced with rationalisation of current ICT architecture 8. Governance: Constitution for CIO council 9. Governance: CIO governance model			7. 10% 8. 100% Completed 9. 20% Completed
4. Tender development and evaluation thereof	Development and evaluation of the following tenders for GPG departments 1. Enterprise Servers 2. Enterprise Storage 3. DR 4. Enterprise Architecture 5. Maintenance specification 6. Desktop specification 7. Open source 8. Identity management 9. ICT Vision	Approved tender	Award of tenders	1. Awarded 2. Awarded 3 Awarded 4. Awarded 5. Acquisition cycle 6. Acquisition cycle 7. Approved 8. Approved & Awarded 9. Awarded

2. PROGRAMME MANAGEMENT

This sub-programme is responsible for managing the life cycle of projects, including the development of business cases and post-implementation reviews. The e-Government programme and all the corresponding ICT GSSC-managed inter-departmental projects (i.e. transversal projects) are executed by this sub-programme.

Outputs	Indicators	Target	Results	Notes
Establish project management methodology	% complete	100%	100%	2.1
Execution of e-Government Portal foundation phase	% complete	100%	100%	2.2
Consolidation of GPG websites	% complete	100%	100%	2.3
Establishment of disaster recovery processes	% complete	100%	90%	2.4

Notes:

2.1 The project management methodology has been established and adopted for all ICT projects executed by the GSSC.

2.2 The foundational phase of the portal was successfully launched. This phase includes: Directory of Services, Online job application, Leave balance enquiry, Matric results, past Matric papers.

2.3 All GPG websites are hosted by GSSC. The hosting services include content updates and maintenance of the website.

2.4 A Disaster Recovery site has been built and all equipment has been installed and tested. Processes and procedures are being established and the project is underway to complete disaster recovery simulation.

services

3. APPLICATION MANAGEMENT

This sub-programme is responsible for application support of all GSSC-managed departmental systems, including: BAS, Persal, Livelink, GPG departmental websites, traffic license bookings and SAP through the ERP team. It is further responsible for enhancing these applications and building custom applications to ensure that they continually meet changing business requirements.

Outputs	Indicators	Target	Results	Notes
GPG Websites revamp, development and support	% complete	100%	100%	3.1
Applications volume and stress testing	% complete	100%	100%	3.2
Stabilising the Document Management Centre	% complete	None	100%	3.3
Document tracking and visibility	% complete	None	100%	3.4
SAP for GSSC and Johannesburg hospital	% complete	100%	98%	3.5
Revamp of license booking system	% complete	100%	100%	3.6
CEO Hotline application	% complete	100%	98%	3.7

Notes:

3.1   All GPG websites are hosted at the GSSC and supported by this sub-programme. Support includes content update and changes to the website.

3.2   All new application developments pass through a performance test. This is to determine scalability of applications before they are deployed in a live environment. This is a measure of quality for new developments.

3.3   The Document Management Centre is stable and operational. Support to the DMC applications is given by this sub-program.

3.4   A custom built application is operational. This application was built by this sub-programme to monitor the movement of production documents within GSSC. It also provides visibility of documents within GSSC and keeps track of the time a document spends at different locations within GSSC.

3.5   All functionality is in place. Interface for the National Health Laboratory System (NHLS) and South African National Blood Transfusion Services (SANBS) were developed and signed-off by the hospital.

3.6   The current system is capable of handling the load of citizens who register to write learners driving license and booking for driving tests. The results are that all people who call can get a slot first time.

3.7   This is a facility for escalation purposes. Issues not attended to within a certain time period are escalated to the CEO.

4. INFORMATION SECURITY

GPG Information Security is a structured and managed process having been formally established in September 2004. Information Security Manager is responsible for the smooth running of this function. It is, however, the collective responsibility of the GPG's ICT management to ensure that suitable Information Security policies, procedures and guidelines are in place and properly implemented and monitored.

The following tasks have been completed:

- An information security building block (architecture) has been completed.
- Staffing of the business unit began in December 2005
- Information Security policies, standards and procedures formation and implementation
- Allocating information security responsibilities (Information Security Charter) has been approved by senior executives
- Educating and training for user-community
- Information Security Monitoring tender has been secured

Sub-programme	Output	Performance Indicators	Output Target 2005/06	Status
Information Security				
1. Information Security Policies	GPG-wide Information Security Policies developed and approved	Yearly updates % completion	90%	Departmental policies have been approved by all GPG HOD and are in the process of being implemented GPG-wide.
2. Standards and procedures	GPG-wide standards and procedures developed and implemented.	Implemented standards and procedures	100%	70% of these processes have been completed.
3. Information Security Management team.	1. Establishment of the Information Security Management team.	1. Information Securing sub-programme staffed by competent professionals.	60 % operational	Two staff members have been recruited in December 2006. The BU is 60% under-capacitated.
3. Demilitarized-Zone	1. Operating and functioning of the Demilitarized-Zone (DMZ).	Establishment of the DMZ.	100%	The DMZ is fully operational
4. Intrusion Detection Systems (IDS)	10. Operational Intrusion Detection	Establishment of the IDS.	100%	This process has been completed.

Policies, Standards, Procedures and Information Security Charter

1. GPG Internet Policy

2. GPG e-Mail Policy

3. Information Security Policy

4. Information Computer use Policy

5. GPG Service Desk Policies

6. GPG User-ID and Password Policy

7. GPG Remote Workstation Management Policy

Standards and Procedures

1. Minimum Information Security Standards (MISS)

2. GPG –Mail Standards

3. GSSC and GPG Standards and Procedures

Information Security Charter

1. GPG Information Security Charter

5. OPERATIONS MANAGEMENT

ICT Infrastructure and Operations is responsible for daily operation of all common enterprise infrastructure and technology for the GPG information resources including those that reside within GSSC's Central Data Centre located at 75 Fox Street and six other remote data centres placed within the Gauteng province. These systems include all voice and data communications, mid-range and Windows-based systems.

services

The types of infrastructure supported by this unit include Network Connectivity, Windows desktops and Servers, Unix Servers, Storage Systems, Backups Systems, email Systems, security operations systems, IT Facilities Management, Mainframe Access and Connectivity, Virus and Malware protection, remote access, and more.

All the infrastructure and services listed above have been designed, implemented and maintained to facilitate successful accomplishment of all strategic objectives of the GSSC and the province.

ICT Infrastructure and Operations is made up of 6 functional ICT Management areas:

1. Change Management
The major task of the Change Management Team is to ensure that there is a minimal disruption to an operational environment, by using the IT Laboratory to test all changes prior to putting them into the production environment. Managing the processes of deployment of all IT assets and tracking them during their operational lifetime to the point where they are retired, is another key aspect of the function.

2. Desktop Technical Support
These include all the services associated with the installation and maintenance of computing on the desktop, and the resulting user supports requirements. These services combine to create a functional operational environment for business users. The GSSC provides this service to only a few selected departments. In addition, this team supports the transversal applications GPD-wide for over 2000 users.

3. Executive Support Service
The Executive support team is responsible for supporting executives for all IT support requirements. This team is functional and continues to improve specialised support for the Premier, MEC's, HOD's, and DDG's. The unit is dedicated to this service and is continuously exposed and trained on productivity enhancement tools as implemented for the executive.

4. Enterprise System Management
This is the centre of the IT infrastructure and houses all the transversal technologies in a secure environment, consisting of the main data centre in the GSSC and five regional data centres (nodes). Email, Internet access, SAP, BAS and PERSAL access, LiveLink, and all the major inter-departmental applications will be located in the data centre and accessed via the regional data centres.

5. Facilities Management
Technology infrastructure has specific dependencies on building facilities and this is a key function in the operation of any infrastructure environment. The facilities management unit is responsible for the management and operation of physical ICT building facilities at all GSSC Data centres located at central locations within the Gauteng province.

6. Network Management
This service includes the WAN, Local Area Networks (LAN), and Telephony. Currently TSS is fully responsible for the WAN in the province, connecting more than 250 Gauteng Provincial Government buildings to ensure departmental offices have access to both transversal systems and departmental specific systems. Departmental LANs remain the responsibility of each department and the GSSC only provides standards and other ad-hoc services (including design, quality assurance and troubleshooting) on a case-by-case basis. These are provided when the departments make a formal request for assistance to the GSSC.

The ICT Infrastructure and Operations unit has improved services through availability and reliability of the ICT infrastructure in the 2005/6 financial year through key Infrastructure upgrades that make it possible for the GSSC to continue to deliver on its mandates. Our objective in the 2006/7 financial year is to continue to improve on all technology management services and maximise the value of technology investments by the GSSC.

Performance Indicators:

Output	Indicators	Targets %	Result %	Notes
1. Availability of hosted systems and supporting services to users	% Availability	95%	99%	
2. Availability of Network, Connectivity and related Infrastructure services	% Availability	95%	99%	
3. Improve availability of systems and related services	% Availability	98%	98%	5.1
4. Disaster Recovery Planning for hosted systems	% Completion	100%	95%	5.2
5. Gauteng Provincial Government Wide Area Network Infrastructure Renewal	% Completion	100%	98%	5.3
6. Transformation of Gauteng Provincial Government Departments	% completion	100%	93%	
7. Inception of a technical IT Forum for Gauteng Provincial Government	% Completion	100%	100%	
8. Enhancement of application support through centralization	% Completion	100%	100%	
9. Implementation of central systems Monitoring solution	% Completion	20%	10%	

Notes:

5.1. Improvements in availability made to the infrastructure include the creation of a central user identity management domain for the entire province. This will improve a range of areas and most important to this being the compliance and advanced management of security and related policies.

5.2. The DRP has been completely built and is in operational state. This project remains the first step in improving our recoverability of business in the case of a disaster. The project continues in the new financial year as a target to operate a high availability model for all systems provided.

5.3. WAN implementation has been completed for the Core and Distribution layers for the Gauteng Provincial Government. We have implemented management technologies as part of our continuous improvement cycle; the GSSC has implemented Quality of Service (QoS) for all Gauteng Provincial Government to improve the efficiency of the WAN through advanced management of network traffic.

6. SERVICE MANAGEMENT

The Service Management function in the Technology Support Services business unit of the Gauteng Shared Services Centre is tasked with managing customer relationships and measuring the quality of IT service delivery to provincial (departmental) customers as well as internal clients e.g. business unit of Finance. To achieve this aim a number of objectives need to be managed and met, these are carried out by different roles within the division that contribute to the overall Service Management profile. The primary objectives being:

- Realization of IT value for the business of the GSSC
- Achievement of service standards committed by TSS
- Be a platform of IT communication
- Assurance of timely service issue resolution

Core Functions

- Maintenance of current ICT SLA's with all the other 11 GPG departments and the internal GSSC business units.
- Monthly reporting

services

- Quarterly service reviews

- IT problem management – which involves the investigation of the route cause of all IT problems encountered.

- Incident management – which involves correct call assignment to appropriate IT support unit; escalation of all unresolved calls to management; daily call reporting to IT support team leaders.

- Vendor management – which involves advising; managing and contributing to the technical aspects of all IT contracts with third party vendors and formulating operational level agreements with the internal IT support units.

- IT capacity management

- IT service availability management

Performance against output targets

Output	Indicators	Targets %	Result %	Notes
Assure service availability between 07H30 to 17H30	Service uptime between 07H30 and 17H30	100% availability	98%	Service interruptions caused by power failure and/or system unavailability.
Minimize service down time.	% downtime	0%	2%	Service interruptions due to power failure and/or system unavailability.
Ensure adherence to Service Level Agreements	Stated regular service reviews.	100%	100%	

Output	Indicators	Targets %	Result %	Notes
Service Reporting	• Monthly reporting • Quarterly reporting • Annual report	100%	75%	Unreliability of information contributing to the service reports.

7. PROGRAMMES IN THE OFFICE OF THE CHIEF INFORMATION OFFICER

ICT capacity building

Technology Support Services has capacity constraints around people. The scarcity of skills in the IT industry remains a major challenge. Various strategies will be embarked on in this financial year to ensure that we grow capacity of IT skills within the GSSC. Each sub unit has put in place a strategy that seeks to address their unique skills challenges. Different institutions such as universities, colleges and ICT training institutions were approached to assist in these focused areas in providing graduates and qualified ICT engineers as interns.

GPG CIO Council

The CIO council for GPG has continued to be a forum where all common issues and collaboration takes place. This allows all departmental ICT heads and CIO's take collective decisions around what is common to all the departments. This takes place monthly and all departments are getting value out of it and the attendance has been very good from most of the departments.

CIO Constitution

The CIO Council constitution was adopted in the previous financial. A governance structure has been agreed on which will begin to ensure that duplication of ICT projects is reduced and finally eradicated. Four sub committees were formed to assist with the work of the council, these are:

- E-government sub-committee

- Scarce Skills sub-committee
- Architecture sub-committee
- Information Security sub-committee

These committees are meant to drive and coordinate all the work that needs to be done in these areas and come up with innovative ways to execute the ICT programmes. The committees report back to the CIO council on a monthly basis. The four sub-committees were identified as critical and priority areas for the council.

Inter-Governmental Collaboration

The CIO council resolved that there should be closer collaboration between different spheres of government and the sharing of resources for effective service delivery. To this end it was agreed that there will be quarterly meetings between Local government and Provincial government CIO council as we are in the forefront of service delivery. The objective will be to look at quick wins around sharing of infrastructure in a secure way to deliver e-government services to the citizens.

8. OUTLOOK FOR THE YEAR AHEAD

In line with the five year priority areas of GPG, TSS will continue to focus on the following projects.

E-Government Programme

- Delivering government services to our citizens in an easy way and ensuring that our people have a choice in how they would like to interact with government will remain a priority to us. In collaboration with other departments we will implement services such as Bana Pele integrated database and Community Development Workers. Access points will be increased in MPCC's and digital lounges.

Infrastructure Monitoring

- An ICT Service Management contract was awarded in the last financial year to implement monitoring and remote support that will enable TSS to report accurately on the services we provide and add value to departments by resolving approximately 70% to 80% of IT faults through the call centre's first line support. The scoping of the project has started. This is a three year contract to improve ICT services in the province and availability of services.

Base Infrastructure and Mobility

- Rollout base infrastructure to GPG to enable single sign on for most applications in GPG, and enable mobility for all GPG employees thus improving productivity. This includes the replacement of the old servers in the data centre (technology refresh) for scalability and to accommodate future growth.

Information Security

- Implement uniform Security policies throughout GPG to protect our infrastructure and our information assets.

Disaster Recovery Plan

- The DRP is in place and testing of applications has started. In this financial year we will enhance the DRP to a warm site. What this means is we will begin to synchronise data between the secondary site and the Primary site which will cut down on the tedious manual process that is in place now. The third phase will be to load balance the two sites and have the two sites function simultaneously thus ensuring redundancy of the infrastructure.

services

PROGRAMME 6: CORPORATE SERVICES

Strategic Objectives

Corporate Services focuses on adding value to the GSSC by providing high quality back-office support to the various GSSC business Units, thereby significantly contributing to the efficiency and effectiveness of the GSSC.

The support services are provided by the following sub-units:

- **Internal Human Resource Services**

  Internal Human Resource Services guides the development and implementation of the GSSC Human Resource Strategy by providing human resource planning, management, employee relations and retention services to the GSSC.

- **Internal Procurement**

  Internal Procurement provides an efficient and effective procurement service in line with best practices as well as providing a professional secretariat function for the acquisition council of the GSSC.

- **Communications**

  The Communications Unit provides strategic communications services based on an implemented communications strategy which further enhances communication between the GSSC and its stakeholders (internal and external).

- **Building and Facilities**

  The Building and Facilities unit provides building maintenance, security services and facilities management that ensures the smooth operation of the GSSC.

- **Legal Services**

  Legal Services ensures regulatory compliance and provides legal support services to the GSSC.

PROGRAMME OVERVIEW

During the last financial year a Corporate Services unit was formalised to streamline the back-office functions of the GSSC. Corporate Services is a structured unit reporting to a General Manager. One of the primary functions of Corporate Services is delivering efficient services to the GSSC in the field of Human Resources, Building and Facilities Management, Communications, Legal Services and Procurement

The Corporate Services business unit is the back-office of the GSSC. Corporate Services provides the internal support services to enable the externally-oriented business units to provide efficient and cost-effective services to the greater GPG.

- **Internal HR**

  Most of the employees who migrated from the GPG departments have been orientated on the GSSC induction and basic computer skills training. In addition all employees have been trained on the GPG Performance Management process and GSSC values process. Other training needs were also identified and employees needing more specialized or advanced skills went on various courses (e.g. Consulting Skills, SAP, Programming, Facilitation skills).

  Internal HR also implemented a Bursary scheme and successful applicants now benefit from financial assistance to study at tertiary institutions/Technikons etc. A major achievement for Internal HR unit was the implementation of a Performance Management system

  The unit was responsible for ensuring that 98% of all positions in the GSSC have been submitted to the Job Evaluation Process and have been allocated the corresponding grades.

  Furthermore, the unit also ensured the successful completion of a GSSC-wide salary appropriation process. This aim of the process was to remunerate employees rendering the same functions evenly, based on evaluated post.

On the Industrial Relations side, Internal HR successfully implemented the Employee Management Forum, thereby creating a more positive IR climate for all employees.

- **Internal Procurement**

  Through extensive interventions by the Internal Procurement team, the open Purchase Orders for the GSSC was reduced to below R1m. This Reduction of open POs from R76m to below R1m.

  The unit also successfully implemented the Departmental Acquisition Council, the Provincial Acquisition Council, and Departmental Technical Evaluation Committees in the GSSC.

- **Internal Communications**

  The Communication sub unit has experienced major challenges during the current financial year (2005/2006). Most critically, has been an inadequate operational structure, militating against the achievement of key deliverables. This has compromised somewhat, the marketing of the GSSC as well as the management of perceptions with internal and external stakeholders. There have been some successes and milestones, some of which are a breakthrough in the public service environment.

- **Building & Facilities**

  During the past financial year, the GSSC implemented its Health and Safety Plan, with the related systems, statutory appointments and function-specific training.

  The expansion of the GSSC, necessitated the acquisition of additional premises at Loveday Street (DMC extension) and at Wynberg (Contact Centre extension). Furthermore, with the creation of the Programme Management Unit, offices for the unit, had to be set up at 78 Fox street. Additional training facilities were also created at 78 Fox street, to ensure training can be conducted to accommodate better service delivery.

OUTLOOK FOR THE YEAR AHEAD

Corporate Services will focus on the following key initiatives in the current financial year:

- **Communications Unit**
  - Promoting and enhancing the image of the organisation to external stakeholders;
  - Managing perceptions of the GSSC by customers, external media, civil society and relevant stakeholders;
  - Promoting a culture of service delivery to internal stakeholders;
  - Getting employee buy-in of organisational goals.

- **Legal Services**
  - Well researched legal opinions;
  - Legally compliant draft contracts;
  - Legally compliant signed contracts;
  - Well managed litigious matters;
  - Legally sound researched and written correspondence;
  - Better understanding of general legal principles.

- **Internal HR**
  - Competency based recruitment;
  - 100 % alignment between GSSC organisational structure and post establishment;
  - Identification of scarce skills and development interventions;
  - Fully functional VCT site and well-capacitated sick bay.

- **Building & Facilities**
  - Enhance levels of security;
  - Ensure maintenance of optimal Health and Safety standards.

- **Risk Management and BCP**
  - Setting up the unit mitigate GSSC risks

services

PROGRAMME 7: PROGRAMME MANAGEMENT SERVICES

Strategic Goal

The Programme Management Unit (PMU) provides Project, Programme, Portfolio, and Geographic Information services to GPG departments. The PMU's strategic goal is "To be the central reference point providing direction and leadership on project, programme, portfolio and geographic information to GPG departments, offering timeous, cost effective and quality services through team focused and customer centric approaches and ideals using best practice technologies, systems and management".

Strategic Objectives

- To facilitate and project manage the implementation of Programme and or Project Management Offices in all GPG departments
- Establishing a project management culture within the GSSC and GPG departments
- Provide Geographic Information Management and responsible for development and management of the province wide spatial and geographic management system.

Programme Overview

Government is increasing emphasis on prioritizing the successful delivery of services and policies to time and budget. Key to accomplishing this objective in all spheres of government with particular focus on the Gauteng Provincial Government through improvements in programme and project management capabilities, the ability to manage change and increase capacity in specialized areas such as project management in organisations, is dependent on having an organizational structure to support such inputs.

The creation of a Programme Management Unit is thus meant to provide a central, strategic overview of departmental programmes and interdependencies to senior management. This is done by providing internal consultancy style support to project managers and their project teams throughout the life cycle of the project. This process ensures that there is a comprehensive, prioritized list of projects which then aligns imperatives with organizational priorities including technology investments.

In essence, this enables a communication path on the value of investments including political priorities and expounds the benefits of a project based organization through project management methodologies improved on a continuous basis.

The PMU has succeeded in the Programme /Project Start up phase where the following was accomplished:

- Setting up of the PMU
- Recruitment and appointment of PMU Staff
- Tenders for PMU and Government Information System (GIS) advertised and appointment of vendors completed
- PMU Road shows to HODs of GPG departments were conducted to obtain organizational support
- Procurement of PMU infrastructure including hardware and software including the initiation of the installation process.
- Evaluation of stakeholder requirements.
- Establishing a common framework to be used by all projects offices.
- Standardized processes and documentation.
- Standardized Project management methodology.
- Preparation for the GSSC-PMU ISO Certification process.
- Scheduling Specialized Prince 2 training
- Business Case Completed and approved and PMU established as a Programme within the GSSC

Challenges

- The Business Unit has not had a chance to engage work at full speed due to the following reasons:
  - Initial targets as per Operational Plan and War plan were focused on Strategy Formulation, Business Plan Development, and development of the structure of the unit.
  - No full staff complement and hence the resourcing of the unit was only completed at the end of the financial year.

Outlook

Programme Management Unit

The outlook for the unit for the 2006/07 financial year is primarily centred around the establishment and rollout of the PMOs and service lines within the GSSC and the GPG line function departments. This involves establishment of the office, the development of the application systems and management reporting tools required to provide stakeholders with up-to-date, accurate reports and information to enable effective decision making. The key issues surrounding the rollout involve:

- The establishment of the systems and the culture surrounding programme management.
- The mapping of policies, processes and procedures for all departments to be conducted by the Centre of Excellence.
- The capturing of key/priority projects in the GPG departments including the GSSC.
- The ISO: 9001 Accreditation of the PMU within the GSSC and the internal readiness of the departments for accreditation.
- Training of project managers and project teams within the GSSC and GPG departments.

2006/07 will also see the roll-out of the centralised Spatial Information Management System (SIMS) within the GSSC. This system will serve as the platform for the centralised Geographic Information System (GIS) for the GSSC with the planned integration with disparate GPG GIS systems taking place in an effort to standardise information and maximise uniformity and efficiencies within the province. It is envisaged that SIMS will be hosted and managed by the GSSC.
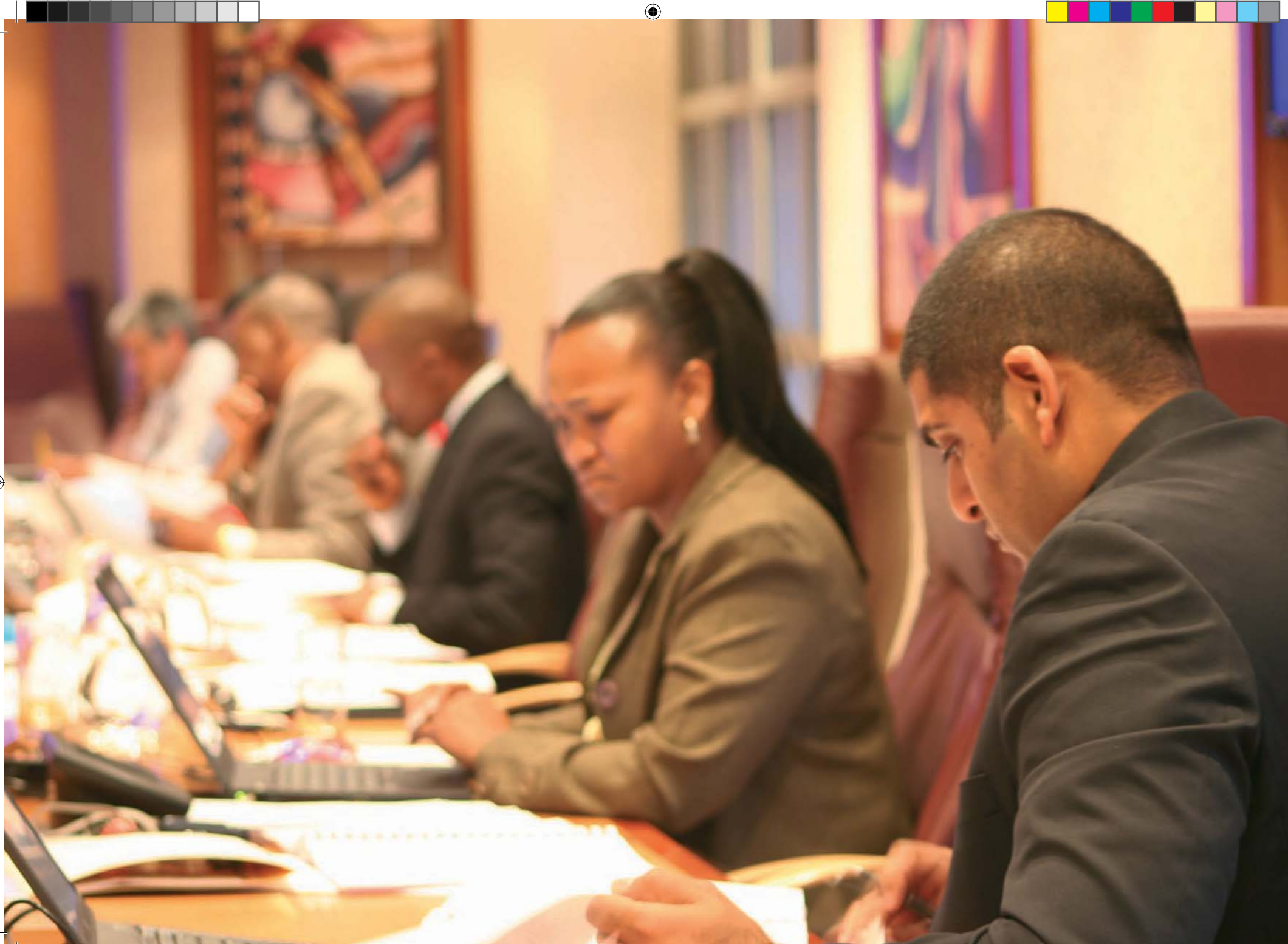
Report of the Audit Committee
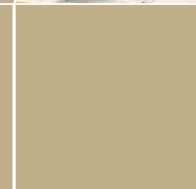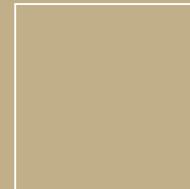
We are pleased to present our report for the financial year ended 31st March 2006

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and meets regularly according to the approved terms of reference. During the current year four meetings were held.

Name of Member	Number of Meetings Attended
Barry Ackers (Chairperson)	4
Zola Fihlani	3
Jenitha John	0

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 Regulations 3.1.13.

S38(1)(a) (PFMA)	S38(1)(a)(ii) of the PFMA state the following:
	(1) "The accounting officer for a department,....
	a) must ensure that that department,... has
	(ii) 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 sections 76 and 77"

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

The effectiveness of internal control (examples of appropriate paragraphs below)

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.   From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, the matters of emphasis and management letter of the Auditor-General, it was noted that no significant or material non compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was effective.

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

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

Evaluation of Financial Statements

The Audit Committee has

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management letter and management's response thereto;
- Reviewed changes in accounting policies and practices.

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

Barry Ackers
Audit Committee Chair
3rd August 2006

"The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed."

Annual Financial Statements
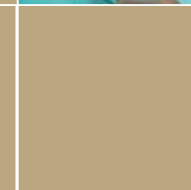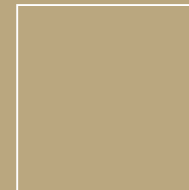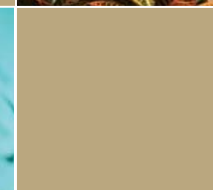
report

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 13 - GAUTENG SHARED SERVICE CENTRE (GSSC) FOR THE YEAR ENDED 31 MARCH 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 52 to 103 for the year ended 31 March 2006, have been audited in terms of section 188 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). The fixed assets opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,

- assessing the accounting principles used and significant estimates made by management, and

- evaluating the overall financial statement presentation.

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

3. BASIS OF ACCOUNTING

The department's policy is to prepare financial statements on the modified cash basis of accounting as determined by the National Treasury, as described in note 1.1 to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Gauteng Shared Service Centre at 31 March 2006 and the results of its operations its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa as described in note 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

5. EMPHASIS OF MATTER

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

5.1 Governance Matters

The accounting officer is required by section 38 (1) of the PFMA to ensure that effective systems of financial management and internal control are implemented in the department. The following areas of concern were identified during the audit:

REPORT OF THE AUDITOR-GENERAL - for the year ended 31 March 2006

5.1.1 Capstone 518 (Pty) Ltd

The GSSC entered into a Service Agreement with Capstone 518 (Pty) Ltd ("the company") for the provision of information technology application support services. The company was a joint venture between the Gauteng Provincial Government (through the Blue IQ programme in the Department of Finance and Economic Affairs), and the previous accounting officer of the GSSC. Forensic investigations regarding this entity were conducted. The case regarding this matter is still sub judice.

5.1.2 Assets

The following weaknesses were identified:

- Proper control over the movement of assets did not exist.
- Certain assets could not be traced to the fixed assets register.

5.1.3 Policies and Procedures not Approved

The following policies and procedures were not approved:

- asset management
- human resources
- cash management
- business continuity and backup plan

5.1.4 Learnership Programme

During the 2005/06 year an amount of R775 000 was paid as salaries in respect of learnerships. However, the following weaknesses were identified:

- The learnerships were not approved by management.
- The learnerships were not registered with the relevant Sector Education Training Authority. Consequently quality assurance was not provided.
- Evidence that learners received a certificate of completion at the end of the programme, did not exist.

- The policy to conduct this learnership was not approved.
- Active monitoring of the programme by GSSC did not occur.

Other expenses incurred for this learnership could not be ascertained by audit.

Consequently, these payments could be regarded as fruitless and wasteful expenditure.

5.1.5 Receivables

Receivables to the value of R1 445 000 as disclosed in the prior financial year were still outstanding at the date of this report. This amount pertained to incidents of theft that involved ex-employees of the GSSC. The investigation into the recoverability of this amount was not finalised.

5.1.6 Submission of Financial Statements

The financial statements of GSSC were submitted on 31 May 2006. Due to material findings, the annual financial statements were rectified and a final set was presented to audit on 22 July 2006.

6. APPRECIATION

The assistance rendered by the staff of the Gauteng Shared Service Centre during the audit is sincerely appreciated.

Ms M A Masemola for Auditor-General
Johannesburg
30 July 2006

AUDITOR-GENERAL

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REPORT BY THE ACCOUNTING OFFICER - for the year ended 31 March 2006

Report by the Accounting Officer to the Executive Authority and Gauteng Provincial Legislature of the Republic of South Africa.

1. GENERAL REVIEW OF STATE OF FINANCIAL AFFAIRS

	R'000 Actual 2006	R'000 Budget 2006	R'000 Actual 2005
Current expenditure	553,291	556,215	448 438
Capital expenditure	83,060	83,665	25 995
Total expenditure	**636,351**	**639,880**	**474 433**

The total current expenditure increased by R105 million from that of the prior year, mainly due to the following:

- The department is in the process of completing the personnel structure and filled most of the vacancies in this structure which resulted in increase in compensation as people are employed to fill the vacant positions.

- As more and more functions from GPG departments migrated, it resulted in operating costs increasing proportionally.

Capital expenditure increased by R 57,6m due to the replacement of old or obsolete computer equipment, investment in call centre equipment at the new Wynberg call centre and investment in additional software in Programme management office.

Internal Audit Services

During the year Internal Audit introduced Transversal and Trend auditing, a type of auditing that allows for the review of a single process across all GPG departments and entities. This enabled internal audit to increase the output of the unit by achieving great economies of scale and affording the management of GPG the opportunity to benchmark their performance against the rest of GPG as well as industry norms.

On the whole, the unit performed exceptionally well this year by achieving an average of 108% of their target output. In additional, the unit enabled the various GPG departments to recover R29 million as a result of fraudulent activities in the Province as well as a further R29 million in misspent funds as a result of performance audit reviews.

Human Resources Services

The increased automation of HR Services continues to be a major focus area. Teleforms, the faxed leave system, have been discontinued based on feedback from departments. Self-service via SAP and the GPG Portal is being investigated. Some projects:

- **E-learning**

  E-learning is being rolled out to departments. The target audience is initially Senior Managers, because of their computer access.

- **E-recruitment**

  E-recruitment has been rolled out. The GSSC has also installed a number of boxes for the submission of applications at entities, to enable multiple points of submission for candidates. Source & select is also reviewing and piloting alternative methods of submitting applications.

- **Leave Administration**

  The teleforms project – the automation of leave management – has been discontinued. Reward and Retain plans to roll-out self-service via SAP and the Portal.

- **IR Assist**

  The system, which will enable improved reporting of the status of IR cases in the Province, has been implemented. The second phase, i.e. the roll out of a Help Wizard (LR Advice

function) to all Line Managers, has started. This will reduce turn around times drastically but also avail help and advice to Managers on their desktops.

Procurement Services

The Procurement Services business unit performs a critical function as it is a direct strategic contributor to the delivery and execution of the Government's public programmes.

In addition, our ability to realise B-BBEE targets is dependent on the extent to which this unit drives and redirects provincial spending patterns in line with our objective of broadening participation in the economic mainstream. The activities of this unit can and must be that bridge that connects the first and second economies in our country.

The immediate tasks facing the unit include:

- Translating and influencing the implementation of the GPG B-BBEE strategy into sourcing approaches that will increase BEE/SMME penetration into previously "closed" markets;

- Expanding on our commitment to make GPG business opportunities accessible through Vendor management and development interventions in collaboration with other organisations such as the Gauteng Enterprise Propeller (GEP);

- Obtaining visibility over all dimensions of the value chain of procurement activities, in particular the procurement spend analysis and reporting.

- Increasing the scope of term agreements which will reduce lead times, provide competitive pricing, improve quality of goods and services delivered and increase supplier reliability;

- Attracting, developing, and maintaining a professional, customer-focused staff with key knowledge of commodity suppliers and the socio-economic environment in which we operate.

Financial Services

- During the last 3 months of the financial year, the Finance Business Unit (FBU) managed to successfully migrate processing of payments from BAS to SAP. This intervention greatly improved our turn around times, especially at the end of the financial year.

- We have significantly reduced the number of salary cheque payments to the teachers with the assistance and collaboration of Gauteng Department of Education

- The consolidation and reorganisation of Debt Administration has enabled us to:
  - Generate a more credible and better Management Information System which has resulted in improved reporting to Departments on the status of debts
  - Reduce the supplier debt significantly
  - Properly focus on in –service employee debts and consequently review and reinstate the deductions in accordance with the regulations.

- Continual improvement of processes in the Finance Business Unit (FBU) has resulted in exceptional performance:
  - Issuing of IRP5's and submission of tax reconciliation to SARS achieved well before the agreed timelines.
  - 96% of the GPG departments closed successfully the 2005/2006 financial year in record time

Corporate Services

During the last financial year the Corporate Services unit ensured that most of the employees who migrated from the Gauteng Provincial Government (GPG) departments have been orientated on the GSSC induction and basic computer skills training. In addition all employees have been trained on the GPG Performance Management process and GSSC values process. The unit also ensured the successful completion of a GSSC-wide salary appropriation process. This aim of the process was to remunerate employees rendering the same functions evenly, based on evaluated post. On the Industrial Relations side, Internal HR successfully implemented the Employee Management Forum, thereby crating a more positive IR climate for all employees

REPORT BY THE ACCOUNTING OFFICER - for the year ended 31 March 2006

Through extensive interventions by the Internal Procurement team, the open Purchase Orders for the GSSC was reduced to below R1m. This reduced the open POs from R76m to below R1m.

During the past financial year, the GSSC implemented its Health and Safety Plan, with the related systems, statutory appointments and function-specific training.

The expansion of the GSSC necessitated the acquisition of additional premises at Loveday Street (DMC extension) and at Wynberg (Contact Centre extension). Furthermore, with the creation of the Programme Management Unit, offices for the unit had to be set up at 78 Fox street. Additional training facilities were also created at 78 Fox street, to ensure training can be conducted to accommodate better service delivery.

Programme Management Unit

The Programme Management Unit was established during the 2005/2006 financial year, and became operational during the final quarter of the year. The outlook for the unit for the 2006/2007 financial year is primarily centred on the establishment and rollout of the unit and service lines within the GSSC and key identified pilot GPG departments. This involves establishment of the office and the development of the application systems and management reporting tools required to provide stakeholders with up-to-date, accurate reports and information to enable effective decision making.

The identified pilot departments includes Department of Public Transport, Roads and Works, Department of Agriculture, Conservation and Environment, Department of Local Government, and the Office of the Premier. These departments will form the first spokes that would connect to the hub of the central unit that will be established at the GSSC.

The establishment of the systems and the culture surrounding programme management, along with the mapping of policies, processes and procedures for all departments will be done, along with the capturing of key identified projects in the GPG departments. The 2006/2007 financial

year will also see the ISO: 9001 Accreditation of the PMU within the GSSC and the internal readiness of the GPG departments for accreditation.

Technology Support Services

The GPG portal (Gauteng Online) was launched in June 2005. The portal hosts such services as:

- Bana Pele static website
- Matric results through SMS and Call Centre IVR were launched
- Service database
- All departmental websites
- Leave balance enquiry
- E-recruitment
- The overall e-government strategy was completed. Currently busy with business requirements for the next phase of the portal. Development of Bana Pele integrated database has been completed and is currently being tested.

The access by the Gauteng departments' users onto the new GSSC data centre is at about 98% of GPG desktops. This ensures that common standards become achievable in key areas like e-mail, internet access, and backup services (to secure critical information), and this will enable us to implement remote support centres for all the departments.

The introduction of a transversal information security structure, which has ensured that critical government services were not destabilised by frequent virus attacks in the industry. These attacks result in major disruption within credible private sector organisations and other government institution.

The WAN project and the configuration of WAN management tools were completed at the end of the financial year. This will now enable us to prioritise network traffic.

REPORT BY THE ACCOUNTING OFFICER - for the year ended 31 March 2006

2. SERVICE RENDERED BY THE DEPARTMENT

The Gauteng Shared Service Centre's (GSSC) core business is the provisioning of Gauteng Provincial Government support functions, which are Internal Audit, Human Resources, Procurement, Finance and Technology Support Services and Programme Management. The GSSC's focus is on providing customer satisfaction using the benefits of centralisation – such as economies of scale, standardisation and the provision of a single technological base for improved service delivery.

Inventories

Inventories on hand at year-end are made up of the following categories:

	2006 R'000	2005 R'000
Domestic consumables	430	1,600
Food and food supplies	151	352
Fuel, oil and gas	1	25
Other consumables	-	2
Medical supplies	2	185
Total Inventory	584	2,164

The inventories are disclosed at cost. One store room is utilised for all categories of inventories.

3. CAPACITY CONSTRAINTS

Internal Audit Services

As a result of the ever increasing demand for internal audit skills continuing to grow faster than the supply, Internal Audit Services have not succeeded in their initiatives to recruit and retain staff. Despite operating under 75% of the budgeted complement, the unit still managed to achieve the set targets. This was achieved through the use of external service providers to supplement the shortage of staff and simultaneously transfer skill to identified staff especially in the areas of transversal and computer auditing. Further internal audit staff increased their productivity by improving on processes and working overtime.

As a result of the difficulties in recruiting and retaining staff, the unit developed a detailed strategic plan for recruiting, developing and retaining staff. Some of the initiatives of this strategy included overseas secondments awarded to outstanding performers as well as implementing a long term internship programme for students.

Further, the unit commenced research and investigation into different modes or structures of operation in order to determine the best vehicle to fully and effectively render internal audit services to the province despite the resource constraints.

Human Resources Services

Despite the turnover rate reducing from 17% to approximately 10%, resignations still impacted on service delivery. The Consulting environment is most impacted, where skills take time to develop and intense training is often done to get new employees at a suitable competency level. In the processing environment, resignations impacts on departments, who find that dealing with new people, is disruptive. The Senior Management service took on the management of middle management salary structuring during the past year, putting strain on the unit. To deal with these issues, the following have been undertaken:

- Job re-evaluations and correction of salary anomalies that existed since the migration of staff;
- The resourcing and upskilling of permanent staff; and the appointment of temporary staff to deal with volume peaks and projects;
- An employee attitude survey to determine what employees are unhappy about, in an effort to identify & implement intervention strategies.
- Exit interviews are being used to identify possible retention strategies.

REPORT BY THE ACCOUNTING OFFICER - for the year ended 31 March 2006

Procurement Services

During the 05/06 financial year, procurement was understaffed. Most of the vacancies were filled by temporary or contract staff and the unit operated for nearly the entire period without a General Manager. The mandates from other departments were incomplete and this caused delays.

The impact of the above was that service delivery to some of the entities was negatively affected.

As part of the action plan, all jobs within procurement were evaluated by the Job Evaluation Committee and are currently being filled so as improve service delivery.

Financial Services

- PERSAL and BAS systems down times continued to pose a serious challenge to the efficient and effective service delivery for the Finance Business Unit.

- The unit experienced human capacity constraints at the end of the financial year as 37% of the Senior Managers resigned in the last 3 months of the year.

- We are still experiencing difficulties regarding the quality of the mandates sent by departments for processing which impacts negatively on the achievement of our SLA.

Technology Support Services

- **People**

   Technology Support Services hereafter referred to as (TSS), has generally had capacity constraints around people. As we all know IT skills are very scarce and remain a challenge to get these skills at the kind of salaries government offers. The GSSC being a center of excellence will continue to seek specialised skills to deliver the specialised services we are expected to deliver to other department. The challenge will always remain to be how we compete with the private sector for these skills.

As the GSSC we started taking in different learnerships including IT learnerships from Isett Seta and Umsobomvu. We intend to build these students up to create an IT skills pool for TSS and other departments. We will train these students around the technologies we use to deliver services to our clients.

We have continued to advertise all the posts that are vacant, and some of the posts we have managed to fill with internal candidates and some external candidates.

- **WAN**

   The GSSC is responsible for the provision of all data lines to the departments. We have a budget of R46 Million for operational costs. Departments on the other hand have continued to grow and the demand for more bandwidth is growing. This is further worsened by the fact that the number of Enterprise applications have been deployed to increase productivity and to deliver services to our citizens. These applications require more bandwidth for them to work optimally. Departments are requesting more bandwidth for them to utilize these applications. Furthermore they have opened new offices that require connectivity to the applications for them to deliver services.

   The lack of sufficient funds continues to hinder us from providing the departments with more bandwidth and connectivity to the GPG WAN. We will continue to look for innovative ways to bring down our WAN costs as other technologies become available in the market.

4. CORPORATE GOVERNANCE ARRANGEMENTS

Due to the fact that the migration process is still ongoing, new activities and functions impact on the GSSC risk profiles and as a result the control procedures for identifying and monitoring risks are being adjusted continuously. Key policies and procedures are in place to manage operating risks including segregation of duties, transaction authorisation, supervision, monitoring, financial and managerial reporting. A risk assessment was done in which the top 20 risks were identified.

REPORT BY THE ACCOUNTING OFFICER - for the year ended 31 March 2006

Audit Committee

The GSSC has a Joint Audit Committee which has been operational for the last two years and whose Chairperson and members (with the exception of the GSSC's Chief Executive Officer) are non-departmental managers. The majority of the members of the Audit Committee are financially literate and no relationships exist that could interfere with the Audit Committee members' independence from Management.

The internal and external auditors (Auditor-General) have unrestricted access to the Audit Committee. The committee meets at least twice a year. The external and internal auditors and appropriate members of Executive Management involved in control and finance attend the meetings. The Audit Committee operates in accordance with the guidelines of the King II Report and provides assistance to the management with regard to:

- Activities, scope, adequacy and effectiveness of the internal audit function and audit plans, and
- Review and approval of external audit plans, findings, problems and reports.

Implementation of the Code of Conduct and the Fraud Prevention Plan

The GSSC's code of Ethics and the Fraud Prevention Plan are in place. They incorporate the GSSC's operating, financial and Human Resource policies in a set of integrated values, including the ethical standards required of employees of GSSC in their interaction with one another and with all stakeholders. The Executive committee is also the Fraud Prevention committee.

The Safety, Health and Environment

The GSSC strives to conform to environmental, health and safety law in its operations and seeks to add value to the quality of life of its employees. Although the GSSC's major activities do not pose a significant threat to the environment, the GSSC is implementing processes that will ensure compliance with the key features of existing environmental, health, and safety legislation and international standards. We have began training and approximately 90 % of Managers have done the training.

Progress with Financial Management Improvements

- Use of Departmental Acquisition Committee (as per Treasury Regulations) in governing procurement for the Department. The Departmental Acquisition Committee meets every 2 weeks.
- Internal Audit section has been operational as per prior periods.
- All senior managers have performance contracts.
- The department is run on the basis of the documented mandates, objectives, performance measurements and budgets monitoring.
- There are four performance reviews per annum for all GSSC staff.
- Delegation of authorities is clearly documented.
- The department has implemented a system to manage the conflict of interest by employees by ensuring that all senior management employees sign the declaration of interest forms on an annual basis.

Accounting Officer's Responsibilities

During the current year under review, the department maintained an effective, efficient and transparent systems of financial and risk management and internal control. An appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective was also maintained.

The appropriate steps were taken to ensure that all departments' resources were effectively used in an efficient, economical and transparent manner.

The full and proper records of financial affairs of the department were kept in accordance with prescribed norms and standards.

REPORT BY THE ACCOUNTING OFFICER - for the year ended 31 March 2006

5. ASSET MANAGEMENT

All assets acquired or purchased during the year have been included in the fixed asset register. Presently all the departmental assets have been physically bar-coded and included on the asset register.

The GSSC has an individual dedicated for the management, maintenance and control of assets and reports directly to the Chief Financial Officer.

6. PERFORMANCE INFORMATION

Various processes have been put in place for the deliverance of the department's performance information. The department performance information reports are quarterly submitted to Provincial Treasury. The following processes and their output are in operational:

- Executive Committee – This committee meets on a monthly basis and it reports on strategic issues that drives the department. The performance of the department is reviewed and reported on this committee.
- Management Committee – The committee meets on a quarterly basis and the operational performance of the department is reported. All policies and procedures, operational and financial performance of the department are thoroughly reviewed and assessed.
- The department's Customer Relations Management unit manages the relationship between GSSC and its customers/clients. This is maintained by using tools like Service Level Agreements and performing customer satisfaction surveys to monitor the department's performance.
- The department, through the Programme Management unit, will in future have an organizational dashboard which will provide strategic overview of the department's performance and any weaknesses or shortfalls at a click of a button.

7. SCOPA RESOLUTIONS

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
1. A progress report regarding the resolution of inter-departmental balances as well as the capacitation of the CFO's office be submitted to SCOPA by 31 January 2006.	Inter-departmental balances	Capacity created in CFO office and balances agreed on a monthly basis.
2. GSSC should implement measures to address the issue of leave administration within GSSC and all departments and submit a progress report to SCOPA by 31 January 2006.	Leave Administration	Appropriate steps to ensure a recurrence have been taken and implemented.
3. In terms of sections 38, 40 and 81 of the PFMA, the MEC address the fruitless and irregular expenditure referred to in sub-paragraphs 3.3.1 and 3.3.2 of the Auditor-General's report and provide SCOPA with a status report by 31 January 2006.	Fruitless & Irregular expenditure	Submissions were approved by DAC and submitted to Treasury for regularisation.
4. The MEC provides SCOPA with a progress report relating to the outcomes of the meeting between Treasury and GSSC regarding the recovery of funds, irregular expenditure and non-disclosure in the annual financial statements.	Fruitless & Irregular expenditure	The matter is still subjudice as this forms part of the Capstone investigation.

REPORT BY THE ACCOUNTING OFFICER - for the year ended 31 March 2006

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
5. A progress report regarding the measures to address bank and cash as in sub-paragraph 5.1 of the Auditor-General's report be submitted to SCOPA by 31 January 2006.	Bank & Cash	a) The list of signatories for the GSSC's bank account has been updated. b) The GSSC has confirmed the roles and responsibilities of the CFO. His responsibilities are, among others, to sign the bank reconciliations accordingly in terms of the PFMA and related regulations. c) As for CAPSTONE, the matter is before the courts and as such subjudice.
6. The MEC must provide SCOPA with the judgement of each case within 1 week of its conclusion.	Capstone	Noted
7. The MEC provides SCOPA with the report on actions taken pursuant to each judgment within one month.	Capstone	Noted
8. A progress report regarding the forensic investigation on the misuse of government vehicles be submitted to SCOPA by 31 January 2006.	GG vehicles	Report has been submitted.
9. A progress report regarding the measures implemented to address the matter in sub-paragraph 5.6 in the Auditor-General's report be submitted to SCOPA by 31 January 2006.	Reconciliations	The reconciliations are performed on a monthly basis and all differences are followed and corrected

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
10. That the Auditor-General be requested to conduct a performance audit at the GSSC.	Performance Audit	Awaiting the Office of the Auditor General to conduct the audit.
11. GSSC provides SCOPA with a progress report on how it is addressing the good governance principles regarding the operations of GAS.	Good governance regarding GAS	With effect from October 2005, the GM: GAS was released as an active decision making member of the GSSC Executive Committee. From that point forward, the GM: GAS participates in Executive committee meetings by invite only where the GM: GAS is required to present on specific issues and provide advisory services to the committee. The GM: GAS does not have any decision making authority in terms of the Executive committee of GSSC.
12. A progress report regarding disciplinary hearings be submitted to SCOPA by 31 March 2006.	Progress report on disciplinary hearings	Relevant report was submitted
13. A progress report on the measures implemented to address the controls within the IT environment in sub-paragraph 5.10 of the Auditor-General's report be submitted to SCOPA by 31 January 2006.	IT environment	A report concerning the IT control environment was prepared, approved and implemented.

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
14. That GSSC must implement control measures to ensure compliance with National Treasury Guidelines and prescribed accounting practices regarding the annual financial statements. A status report be provided to SCOPA by 31 January 2006.	Annual financial statements	The capacitating of the Office of the CFO with a Finance Director will help to improve GSSC's compliance with Treasury's Guidelines and prescribed accounting practices. Training has been scheduled to be attended by the CFO and the Director Finance of the preparation of annual financial statements. We have a pending meeting with the AG's office in order to get the official template to be used and to discuss other matters of common interest.

8. APPROVAL

The Annual Financial Statements set-out on pages 52 to 103 have been approved by the Accounting Officer.

M Maile

ACCOUNTING POLICIES - for the year ended 31 March 2006

ACCOUNTING POLICIES – for the year ended 31 March 2006

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 Basis of Preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the financial authorisation for payments is effected on the system (by no later than 31 March of each year).

1.2 Presentation Currency

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

1.3 Rounding

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

1.4 Comparative Figures

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

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

2. REVENUE

2.1 Appropriated Funds

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

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund, unless approval has been given by the Provincial Treasury to roll-over the funds to the subsequent financial year. These roll-over funds form part of retained funds in the annual financial statements. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental Revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.3 Interest, Dividends and Rent on Land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.4 Sale of Capital Assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.5 Financial Transactions in Assets and Liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

3. EXPENDITURE

3.1 Compensation of Employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

3.1.1 Short-Term Employee Benefits

Short term employee benefits comprise of leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

3.1.2 Long-Term Employee Benefits

3.1.2.1 Termination Benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post-Employment Retirement Benefits

The department provides retirement benefits (pension 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 are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

REPORT OF THE ACCOUNTING OFFICER - for the year ended 31 March 2006

3.2 Goods and Services

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

3.3 Interest and Rent on Land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures.

3.4 Financial Transactions in Assets and Liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

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

3.5 Unauthorised Expenditure

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

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received.

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

3.6 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 Irregular Expenditure

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

3.8 Expenditure for Capital Assets

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

4. ASSETS

4.1 Cash and Cash Equivalents

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

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

4.2 Prepayments and Advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Inventory

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes.

5. LIABILITIES

5.1 Payables

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

5.2 Lease Commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

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

5.4 Contingent Liabilities

A contingent liability 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 department; or

A contingent liability is 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 included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

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

6. NET ASSETS

6.1 Capitalisation Reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable Revenue

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

7. RELATED PARTY TRANSACTIONS

Related parties are departments that control or significantly influence the department in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

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

APPROPRIATION STATEMENT for the year ended 31 March 2006

Programme	Programme								
	2005/06							2004/05	
	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. Internal Audit Services	**56,687**	**-**	**-2,056**	**54,631**	**54,286**	**345**	**99.4%**	**43,904**	**43,679**
Current payment	55,702	-	-2,056	53,646	53,460	186	99.7%	43,327	42,305
Payment for capital assets	985	-	-	985	826	159	83.9%	577	1,374
2. Human Resource Services	**74,856**	**-**	**-4,739**	**70,117**	**69,333**	**784**	**98.9%**	**87,834**	**82,062**
Current payment	70,157	-	-4,739	65,418	64,767	651	99.0%	79,888	79,572
Payment for capital assets	4,699	-	-	4,699	4,566	133	97.2%	7,946	2,490
3. Procurement Services	**54,384**	**-**	**-1,913**	**52,471**	**51,775**	**696**	**98.7%**	**60,565**	**59,288**
Current payment	53,386	-	-2,163	51,223	50,535	688	98.7%	58,793	57,735
Payment for capital assets	998	-	250	1,248	1,240	8	99.4%	1,772	1,553
4. Finance Services	**55,750**	**-**	**-1,107**	**54,643**	**54,471**	**172**	**99.7%**	**69,219**	**67,637**
Current payment	53,847	-	-	53,847	53,757	90	99.8%	67,195	66,059
Payment for capital assets	1,903	-	-1,107	796	714	82	89.7%	2,024	1,578
5. Technology Support Services	**266,216**	**-**	**7,531**	**273,747**	**272,318**	**1,429**	**99.5%**	**247,659**	**221,767**
Current payment	241,374	-	-4,271	237,103	235,673	1,430	99.4%	204,051	202,766
Payment for capital assets	24,842	-	11,802	36,644	36,645	-1	100.0%	43,608	19,001

APPROPRIATION STATEMENT for the year ended 31 March 2006

Programme									
	2005/06							2004/05	
Programme	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. Corporate Service	91,987	-	2,284	94,271	94,270	1	100.0%	0	0
Current payment	71,395	**-**	1,177	72,572	72,561	11	100.0%	0	0
Payment for capital assets	20,592	**-**	1,107	21,699	21,709	-10	100.0%	0	0
7. Programme Management Office	40,000	-	-	40,000	39,898	102	99.7%	0	0
Current payment	31,220	**-**	-8,580	22,640	22,538	102	99.5%	0	0
Payment for capital assets	8,780	**-**	8,580	17,360	17,360	-	100.0%	0	0
Total	**639,880**	**-**	**-**	**639,880**	**636,351**	**3,529**	**99.4%**	**509,181**	**474,433**

Reconciliation with Statement of Financial Performance

Prior year unauthorised expenditure approved with funding	-	3,370
Departemental receipts	2,024	7,347
Local and foreign aid assistance received	-	-
Actual Amounts per Statement of Financial Performance (Total revenue)	641,904	519,898

Add:

Local and foreign aid assistance	-	
Prior year unauthorised expenditure approved	-	3,370
Prior year fruitless and wastful expenditure authorised	-	
Actual Amounts per Statement of Financial Performance (Total expenditure)	636,351	477,803

APPROPRIATION STATEMENT for the year ended 31 March 2006

Economic classification	Programme								
	2005/06							2004/05	
	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 Payments	**577,081**		**-20,632**	**556,449**	**553,291**	**3,158**	**99.4%**	**453,254**	**448,437**
Compensation of employees	270,884		-30,263	240,621	239,553	1,068	99.6%	206,160	205,952
Goods and services	306,197		9,631	315,828	313,738	2,090	99.3%	247,094	242,485
Payment for Capital Assets	**62,799**		**20,632**	**83,431**	**83,060**	**371**	**99.6%**	**55,927**	**25,996**
Buildings & other fixed structures	-		-	-	-	-	**-**	-	49
Acquisition of capital assets	62,799		20,632	83,431	65,686	17,745	78.7%	55,927	17,988
Software & other intangible assets	-		-	-	17,374	-17,374	**-**	-	7,959
Total	**639,880**		**-**	**639,880**	**636,351**	**3,529**	**99.4%**	**509,181**	**474,433**

DETAIL PER PROGRAMME 1
INTERNAL AUDIT SERVICES for the year ended 31 March 2006

Internal Audit Services	Programme								
	2005/06							**2004/05**	
	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 GM Office	**2,823**		**-**	**2,823**	**5,323**	**-2,500**	**188.6%**	**-**	**-**
Current payment	2,823			2,823	5,234	-2,411	185.4%	-	-
Payment for capital assets	-		-	-	89	-89	#DIV/0!	-	-
1.2 Risk Audit	**24,032**		**-**	**24,032**	**21,740**	**2,292**	**90.5%**	**26,750**	**27,332**
Current payment	23,716		-	23,716	21,019	2,697	88.6%	26,537	26,103
Payment for capital assets	316		-	316	721	-405	228.2%	213	1,229
1.3 Forensic Audit	**10,763**		**-**	**10,763**	**12,051**	**-1,288**	**112.0%**	**7,908**	**9,662**
Current payment	10,504		-	10,504	12,035	-1,531	114.6%	7,790	9,607
Payment for capital assets	259		-	259	16	243	6.2%	118	55
1.4 Computer Audit	**7,696**		**-**	**7,696**	**6,403**	**1,293**	**83.2%**	**4,148**	**2,519**
Current payment	7,612		-	7,612	6,403	1,209	84.1%	4,015	2,458
Payment for capital assets	84		-	84	-	84	0.0%	133	61
1.5 Performance Audit	**11,373**		**-2,056**	**9,317**	**8,769**	**548**	**94.1%**	**5,098**	**4,166**
Current payment	11,047		-2,056	8,991	8,769	222	97.5%	4,985	4,137
Payment for capital assets	326			326	-	326	0.0%	113	29
Total	**56,687**		**-2,056**	**54,631**	**54,286**	**345**	**99.4%**	**43,904**	**43,679**

DETAIL PER PROGRAMME 1
INTERNAL AUDIT SERVICES for the year ended 31 March 2006

Economic classification	Programme								
	2005/06							2004/05	
	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 Payments	**55,702**	**-**	**-2,056**	**53,646**	**53,460**	**186**	**99.7%**	**43,327**	**42,305**
Compensation of employees	35,588	-	-	35,588	35,402	186	99.5%	33,424	29,637
Goods and services	20,114	-	-2,056	18,058	18,058	-	100.0%	9,903	12,668
Payment for Capital Assets	**985**	**-**	**-**	**985**	**826**	**159**	**83.9%**	**577**	**1,374**
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Acquisition of capital assets	985	-	-	985	826	159	83.9%	577	1,478
Software & other intangible	-	-	-	-	-	-	-	-	-
assets	-	-	-	-	-	-	-	-104	-
Total	**56,687**		**-2,056**	**54,631**	**54,286**	**345**	**99.4%**	**43,904**	**43,679**

DETAIL PER PROGRAMME 2
HUMAN RESOURCES SERVICES for the year ended 31 March 2006

ANNUAL FINANCIAL STATEMENTS

Human Resource Services	Programme								
	2005/06							2004/05	
	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 GM Office	**713**		**-**	**713**	**2,282**	**-1,569**	**320.1%**	**229**	**412**
Current payment	709		-	709	2,096	-1,387	295.6%	229	343
Payment for capital assets	4		-	4	186	-182	4650.0%	-	69
2.2 Source & Select	**5,568**		**-**	**5,568**	**6,033**	**-465**	**108.4%**	**15,504**	**14,844**
Current payment	5,518		-	5,518	5,658	-140	102.5%	15,108	14,524
Payment for capital assets	50		-	50	375	-325	750.0%	396	320
2.3 Reward & Retain	**13,074**		**-**	**13,074**	**12,126**	**948**	**92.7%**	**18,576**	**19,554**
Current payment	13,074		-	13,074	11,870	1,204	90.8%	18,088	19,050
Payment for capital assets	-		-	-	256	-256	#DIV/0!	488	504
2.4 SMS Services	**782**		**-**	**782**	**83**	**699**	**10.6%**	**1,589**	**1,522**
Current payment	782		-	782	34	748	4.3%	1,530	1,480
Payment for capital assets	-		-	-	49	-49	#DIV/0!	59	42
2.5 Terminations	**4,783**		**-**	**4,783**	**5,185**	**-402**	**108.4%**	**3,948**	**5,257**
Current payment	4,637		-	4,637	5,102	-465	110.0%	3,853	5,179
Payment for capital assets	146		-	146	83	63	56.8%	95	78
2.6 HR Organisational Development	**13,660**		**-4,739**	**8,921**	**7,579**	**1,342**	**85.0%**	**17,636**	**14,497**
Current payment	13,420		-4,739	8,681	7,559	1,122	87.1%	11,429	13,850
Payment for capital assets	240		-	240	20	220	8.3%	6,207	647
2.7 Organisational Design	**13,218**		**-**	**13,218**	**11,337**	**1,881**	**85.8%**	**10,236**	**8,737**
Current payment	9,154		-	9,154	7,925	1,229	86.6%	9,996	8,241
Payment for capital assets	4,064		**-**	4,064	3,412	652	84.0%	240	496

DETAIL PER PROGRAMME 2
HUMAN RESOURCES SERVICES for the year ended 31 March 2006

Section 5

Human Resource Services	Programme								
	2005/06							2004/05	
	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
2.8 Policy Planning	**3,149**		**-**	**3,149**	**3,316**	**-167**	**105.3%**	**4,818**	**4,631**
Current payment	3,149		-	3,149	3,305	-156	105.0%	4,716	4,509
Payment for capital assets	-		-	-	11	-11	#DIV/0!	102	122
2.9 Employee Relations	**19,909**		**-**	**19,909**	**21,392**	**-1,483**	**107.4%**	**15,298**	**12,608**
Current payment	19,714		-	19,714	21,218	-1,504	107.6%	14,939	12,396
Payment for capital assets	195		-	195	174	21	89.2%	359	212
Total	**74,856**		**-4,739**	**70,117**	**69,333**	**784**	**98.9%**	**87,834**	**82,062**

Economic classification	Programme								
	2005/06							2004/05	
	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 Payments	**70,157**		**-4,739**	**65,418**	**64,767**	**651**	**99.0%**	**79,888**	**79,572**
Compensation of employees	48,795		-4,739	44,056	44,057	-1	100.0%	51,587	53,860
Goods and services	21,362		-	21,362	20,710	652	96.9%	28,301	25,712
Payment for Capital Assets	**4,699**		**-**	**4,699**	**4,566**	**133**	**97.2%**	**7,946**	**2,490**
Buildings & other fixed structures	-		-	-	-	-	-	-	-
Acquisition of capital assets	4,699		-	4,699	4,566	133	97.2%	7,946	2,379
Software & other intangible	-		-	-	-	-	-	-	-
assets	-		-	-	-	-	-	-	111
Total	**74,856**		**-4,739**	**70,117**	**69,333**	**784**	**98.9%**	**87,834**	**82,062**

DETAIL PER PROGRAMME 3
PROCUREMENT SERVICES for the year ended 31 March 2006

Procurement Services	Programme								
	2005/06							2004/05	
	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 GM Office	**1,705**	**-**	**250**	**1,955**	**1,761**	**194**	**90.1%**	**5,421**	**5,184**
Current payment	1,705	-	-	1,705	883	822	51.8%	5,421	5,154
Payment for capital assets	-	-	250	250	878	-628	351.2%	-	30
3.2 Strategic Sourcing	**11,589**	**-**	**-500**	**11,089**	**10,844**	**245**	**97.8%**	**9,579**	**13,730**
Current payment	11,402	-	-500	10,902	10,795	107	99.0%	9,272	13,379
Payment for capital assets	187	-	-	187	49	138	26.2%	307	351
3.3 Vendor Management	**6,271**	**-**	**-**	**6,271**	**6,700**	**-429**	**106.8%**	**9,080**	**5,628**
Current payment	5,968	-	-	5,968	6,677	-709	111.9%	8,703	5,457
Payment for capital assets	303	-	-	303	23	280	7.6%	377	171
3.4 Procure to pay	**18,170**	**-**	**-**	**18,170**	**18,277**	**-107**	**100.6%**	**19,626**	**26,181**
Current payment	18,104	-	-	18,104	18,112	-8	100.0%	19,065	25,437
Payment for capital assets	66	-	-	66	165	-99	250.0%	561	744
3.5 Contract Management	**8,407**	**-**	**-1,663**	**6,744**	**5,968**	**776**	**88.5%**	**6,075**	**3,394**
Current payment	8,057	-	-1,663	6,394	5,949	445	93.0%	5,847	3,274
Payment for capital assets	350	-	-	350	19	331	5.4%	228	120
3.6 Procurement support	**8,242**	**-**	**-**	**8,242**	**8,225**	**17**	**99.8%**	**10,784**	**5,171**
Current payment	8,150	-	-	8,150	8,119	31	99.6%	10,485	5,034
Payment for capital assets	92	-	-	92	106	-14	115.2%	299	137
Total	**54,384**	**-**	**-1,913**	**52,471**	**51,775**	**696**	**98.7%**	**60,565**	**59,288**

DETAIL PER PROGRAMME 3
PROCUREMENT SERVICES for the year ended 31 March 2006

Economic classification	Programme								
	2005/06							2004/05	
	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 Payments	**53,386**	**-**	**-2,163**	**51,223**	**50,535**	**688**	**98.7%**	**58,793**	**57,735**
Compensation of employees	43,267	-	-6,260	37,007	36,318	689	98.1%	41,645	42,067
Goods and services	10,119	-	4,097	14,216	14,217	-1	100.0%	17,148	15,668
Payment for Capital Assets	**998**	**-**	**250**	**1,248**	**1,240**	**8**	**99.4%**	**1,772**	**1,553**
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Acquisition of capital assets	998	-	250	1,248	1,240	8	99.4%	1,772	1,553
Software & other intangible assets	-	-	-	-	-	-	-	-	-
Total	**54,384**	**-**	**-1,913**	**52,471**	**51,775**	**696**	**98.7%**	**60,565**	**59,288**

DETAIL PER PROGRAMME 4
FINANCIAL SERVICES for the year ended 31 March 2006

ANNUAL FINANCIAL STATEMENTS

Finance	Programme								
	2005/06							2004/05	
	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 GM Office	**390**	-	**-**	**390**	**403**	**-13**	**103.3%**	**150**	**327**
Current payment	374	-	-	374	403	-29	107.8%	150	298
Payment for capital assets	16	-	-	16	-	16	-	-	29
4.2 Cash Book Services	**7,075**	-	**-104**	**6,971**	**6,708**	**263**	**96.2%**	**7,109**	**6,891**
Current payment	6,923	-	-	6,923	6,660	263	96.2%	6,853	6,768
Payment for capital assets	152	-	-104	48	48	-	100.0%	256	123
4.3 General Accounting	**5,550**	-	**-119**	**5,431**	**5,353**	**78**	**98.6%**	**5,741**	**5,425**
Current payment	5,155	-	-	5,155	5,077	78	98.5%	5,541	5,312
Payment for capital assets	395	-	-119	276	276	-	100.0%	200	113
4.4 Accounts Payable	**13,594**	-	**-47**	**13,547**	**11,395**	**2,152**	**84.1%**	**14,195**	**14,162**
Current payment	13,343	-	-	13,343	11,191	2,152	83.9%	13,919	13,864
Payment for capital assets	251	-	-47	204	204	-	100.0%	276	298
4.5 Payroll Administration	**17,947**	-	**-134**	**17,813**	**17,728**	**85**	**99.5%**	**26,450**	**26,042**
Current payment	17,676	-	-	17,676	17,591	85	99.5%	25,491	25,474
Payment for capital assets	271	-	-134	137	137	-	100.0%	959	568
4.6 Debts Management	**7,291**	-	**-657**	**6,634**	**6,394**	**240**	**96.4%**	**8,429**	**8,259**
Current payment	6,618	-	-	6,618	6,378	240	96.4%	8,234	8,143
Payment for capital assets	673	-	-657	16	16	-	100.0%	195	116
4.7 Super Users	**2,133**	-	**-46**	**2,087**	**4,689**	**-2,602**	**224.7%**	**6,377**	**5,914**
Current payment	2,053	-	-	2,053	4,679	-2,626	227.9%	6,254	5,583
Payment for capital assets	80	-	-46	34	10	24	29.4%	123	331

DETAIL PER PROGRAMME 4
FINANCIAL SERVICES for the year ended 31 March 2006

Finance	Programme								
	2005/06							2004/05	
	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
4.8 ERP	**1,770**	**-**	**-**	**1,770**	**1,801**	**-31**	**101.8%**	**768**	**617**
Current payment	1,705	-	-	1,705	1,778	-73	104.3%	753	617
Payment for capital assets	65	-	-	65	23	42	35.4%	15	-
Total	**55,750**	**-**	**-1,107**	**54,643**	**54,471**	**172**	**99.7%**	**69,219**	**67,637**

Economic classification	Programme								
	2005/06							2004/05	
	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 Payments	**53,847**	**-**	**-**	**53,847**	**53,757**	**90**	**99.8%**	**67,195**	**66,059**
Compensation of employees	46,038	-	-3,600	42,438	42,346	92	99.8%	47,301	46,679
Goods and services	7,809	-	3,600	11,409	11,411	-2	100.0%	19,894	19,380
Payment for Capital Assets	**1,903**	**-**	**-1,107**	**796**	**714**	**82**	**89.7%**	**2,024**	**1,578**
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Acquisition of capital assets	1,903	-	-1,107	796	714	82	89.7%	2,024	1,578
Software & other intangible	-	-	-	-	-	-	-	-	-
assets	-	-	-	-	-	-	-	-	-
Total	**55,750**	**-**	**-1,107**	**54,643**	**54,471**	**172**	**99.7%**	**69,219**	**67,637**

DETAIL PER PROGRAMME 5
TECHNOLOGY SUPPORT SERVICES for the year ended 31 March 2006

ANNUAL FINANCIAL STATEMENTS

Technology Support Services	Programme								
	2005/06							2004/05	
	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 GM Office	**1,335**	-	**-**	**1,335**	**547**	**788**	**41.0%**	**1,070**	**619**
Current payment	1,335	-	-	1,335	547	788	41.0%	1,070	604
Payment for capital assets	-	-	-	-	-	-		-	15
5.2 Service Management	**3,665**	-	**-**	**3,665**	**3,306**	**359**	**90.2%**	**2,710**	**2,900**
Current payment	3,650	-	-	3,650	3,220	430	88.2%	2,630	2,900
Payment for capital assets	15	-	-	15	86	-71	573.3%	80	-
5.3 Planning & Architecture	**11,456**	-	**-**	**11,456**	**9,062**	**2,394**	**79.1%**	**5,036**	**4,086**
Current payment	10,914	-	-	10,914	8,927	1,987	81.8%	4,878	4,025
Payment for capital assets	542	-	-	542	135	407	24.9%	158	61
5.4 Programme Management	**4,751**	-	**-**	**4,751**	**6,780**	**-2,029**	**142.7%**	**45,742**	**49,661**
Current payment	4,685	-	-	4,685	6,693	-2,008	142.9%	45,639	43,270
Payment for capital assets	66	-	-	66	87	-21	131.8%	103	6,391
5.5 Application Management	**36,380**	-	**-4,271**	**32,109**	**29,368**	**2,741**	**91.5%**	**68,808**	**64,220**
Current payment	36,380	-	-4,271	32,109	29,124	2,985	90.7%	68,722	63,951
Payment for capital assets	-	-	-	-	244	-244	#DIV/0!	86	269
5.6 Information Security	**2,223**	-	**-**	**2,223**	**2,183**	**40**	**98.2%**	**1,780**	**1,147**
Current payment	2,043	-	-	2,043	2,183	-140	106.9%	1,689	992
Payment for capital assets	180	-	-	180	-	180	0.0%	91	155
5.7 Operations Management	**158,406**	-	**11,802**	**170,208**	**177,025**	**-6,817**	**104.0%**	**122,513**	**99,134**
Current payment	134,687	-	-	134,687	140,932	-6,245	104.6%	79,422	87,024
Payment for capital assets	23,719	-	11,802	35,521	36,093	-572	101.6%	43,091	12,110

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DETAIL PER PROGRAMME 5
TECHNOLOGY SUPPORT SERVICES for the year ended 31 March 2006

Technology Support Services	Programme								
	2005/06							2004/05	
	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
5.8 E-Government	**48,000**	**-**	**-**	**48,000**	**44,047**	**3,953**	**-**	**-**	**-**
Current payment	47,680	-	-	47,680	44,047	3,633	-	-	-
Payment for capital assets	320	-	-	320	-	320	-	-	-
Total	**266,216**	**-**	**7,531**	**273,747**	**272,318**	**1,429**	**99.5%**	**247,659**	**221,767**

Economic classification	Programme								
	2005/06							2004/05	
	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 Payments	**241,374**	**-**	**-4,271**	**237,103**	**235,673**	**1,430**	**99.4%**	**204,051**	**202,766**
Compensation of employees	49,784	-	-7,273	42,511	42,510	1	100.0%	32,203	33,709
Goods and services	191,590	-	3,002	194,592	193,163	1,429	99.3%	171,848	169,057
Payment for capital assets	**24,842**	**-**	**11,802**	**36,644**	**36,645**	**-1**	**100.0%**	**43,608**	**19,001**
Buildings & other fixed structures	-	-	-	-	-	-	-	-	49
Acquisition of Capital Assets	24,842	-	11,802	36,644	36,631	13	100.0%	43,608	11,000
Software & other intangible	-	-	-	-	-	-	-	-	-
assets	-	-	-	-	14	-14	-	-	7,952
Total	**266,216**	**-**	**7,531**	**273,747**	**272,318**	**1,429**	**99.5%**	**247,659**	**221,767**

DETAIL PER PROGRAMME 6
CORPORATE SERVICES for the year ended 31 March 2006

Corporate Service	Programme								
	2005/06							2004/05	
	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 Office of the MEC	**330**	-	**-**	**330**	**215**	**115**	**65.2%**	**-**	**-**
Current payment	330	-	-	330	215	115	65.2%	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
6.2 Office of the CEO	**51,062**	-	**1,107**	**52,169**	**51,312**	**857**	**98.4%**	**-**	**-**
Current payment	31,574	-	-	31,574	30,091	1,483	95.3%	-	-
Payment for capital assets	19,488	-	1,107	20,595	21,221	-626	103.0%	-	-
6.3 Office of the CFO	**5,926**	-	**-**	**5,926**	**6,322**	**-396**	**106.7%**	**-**	**-**
Current payment	5,898	-	-	5,898	6,271	-373	106.3%	-	-
Payment for capital assets	28	-	-	28	51	-23	182.1%	-	-
6.4 Corporate Service - Procurement support	**1,604**	-	**-**	**1,604**	**1,733**	**-129**	**108.0%**	**-**	**-**
Current payment	1,538	-	-	1,538	1,661	-123	108.0%	-	-
Payment for capital assets	66	-	-	66	72	-6	109.1%	-	-
6.5 Corporate Service - Human Resourcee	**8,423**	**-**	**-**	**8,423**	**8,750**	**-327**	**103.9%**	**-**	**-**
Current payment	8,151	-	-	8,151	8,671	-520	106.4%	-	-
Payment for capital assets	272	-	-	272	79	193	29.0%	-	-
6.6 Corporate Service - Operations Support	**24,642**	**-**	**1,177**	**25,819**	**25,938**	**-119**	**100.5%**	**-**	**-**
Current payment	23,904	-	1,177	25,081	25,652	-571	102.3%	-	-
Payment for capital assets	738	-	-	738	286	452	38.8%	-	-
	-	-	-	-	-	-	-	-	-
Total	**91,987**	**-**	**2,284**	**94,271**	**94,270**	**1**	**100.0%**	**-**	**-**

DETAIL PER PROGRAMME 6
CORPORATE SERVICES for the year ended 31 March 2006

Section 5

ANNUAL FINANCIAL STATEMENTS

Economic classification	Programme								
	2005/06							2004/05	
	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 Payments	**71,395**	**-**	**1,177**	**72,572**	**72,561**	**11**	**100.0%**	**-**	**-**
Compensation of employees	40,773	-	-3,027	37,746	37,747	-1	100.0%	-	-
Goods and services	30,622	-	4,204	34,826	34,814	12	100.0%	-	-
Payment for Capital Assets	**20,592**	**-**	**1,107**	**21,699**	**21,709**	**-10**	**100.0%**	**-**	**-**
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Acquisition of capital assets	20,592	-	1,107	21,699	21,709	-10	100.0%	-	-
Software & other intangible	-	-	-	-	-	-	-	-	-
assets	-	-	-	-	-	-	-	-	-
Total	**91,987**	**-**	**2,284**	**94,271**	**94,270**	**1**	**100.0%**	**-**	**-**

DETAIL PER PROGRAMME 7
PROGRAMME MANAGEMENT OFFICE for the year ended 31 March 2006

ANNUAL FINANCIAL STATEMENTS

Programme Management Office	Programme								
	2005/06							2004/05	
	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
7.1 Programme Management Office	**40,000**	**-**	**-**	**40,000**	**39,898**	**102**	**99.7%**	**-**	**-**
Current payment	31,220	-	-8,580	22,640	22,538	102	99.5%	-	-
Payment for capital assets	8,780	-	8,580	17,360	17,360	-	-	-	-
Total	**40,000**	**-**	**-**	**40,000**	**39,898**	**102**	**99.7%**	**-**	**-**

Economic classification	Programme								
	2005/06							2004/05	
	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 Payments	**31,220**	**-**	**-8,580**	**22,640**	**22,538**	**102**	**99.5%**	**-**	**-**
Compensation of employees	6,639	-	-5,364	1,275	1,173	102	92.0%	-	-
Goods and services	24,581	-	-3,216	21,365	21,365	-	100.0%	-	-
Payment for Capital Assets	**8,780**	**-**	**8,580**	**17,360**	**17,360**	**-**	**100.0%**	**-**	**-**
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Acquisition of capital assets	8,780	-	8,580	17,360	-	17,360	0.0%	-	-
Software & other intangible	-	-	-	-	-	-	-	-	-
assets	-	-	-	17,360	-17,360	-	-	-	-
Total	**40,000**	**-**	**-**	**40,000**	**39,898**	**102**	**99.7%**	**-**	**-**

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1. 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.

2. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 2 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

3. Explanations of material variances from amounts voted (after virement):

3.1 Program	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1-Internal Audit Service	54,631	54,286	345	0.6
Programme 2-Human Resources Services	70,117	69,333	784	1
Programme 3-Procurement Services	52,471	51,775	696	1.3
Programme 4-Finance Services	54,643	54,471	172	0.31
Programme 5-Technology Support Services	273,747	272,318	1,429	0.5
Programme 6-Corporate Service	94,271	94,270	1	0
Programme 7-Programme Management Office	40,000	39,898	102	0.26

Programme 1 - The variance is due to the lack of required skill to fill the vacant positions and this resulted in compensation under spending. The vacancy above resulted in under spending on capital expenditure.

Programme 2 - The saving in goods and services is due to various cost items like stationery and domestic travel costs where cost effective methods were used.

Programme 3 - Within the Programme under-spend in 'Compensation of employees' was due to the delay in the migration of other departments to the GSSC which would have had an impact on appointment of staff.

Programme 4 - The 'Compensation of employees' budget was under-spent by R 3,6m due to the resignation of senior staff members in the last quarter of the year.

Programme 5 - Within the Programme there are no material variances from the amounts voted after virements.

Programme 6 - Within the Programme there are no material variances from the amounts voted after virements.

Programme 7 - The programme was established during the year and not all positions were filled and this resulted in under spending of compensation.

Per Economic classification	2005/06	2004/05
Current Payments	**3,158**	**4,816**
Compensation of Employees	1,068	209
Goods and services	2,090	4,607
Payments for Capital assets	**371**	**29,932**
Buildings & other fixed structures	-	(49)
Machinery & Equipment	17,745	37,940
Software and other intangible assets	(17,374)	(7,959)

The amounts spend on 'Software and other intangible assets' were originally budgeted under 'Machinery & Equipment'.

STATEMENT OF
FINANCIAL PERFORMANCE for the year ended 31 March 2006

ANNUAL FINANCIAL STATEMENTS

	Note	2005/06 R'000	2004/05 R'000
REVENUE			
Annual Appropriation	1	639,880	509,181
Appropriation for unauthorised expenditure approved	6	-	3,370
Departmental Revenue	2	2,024	7,347
TOTAL REVENUE		**641,904**	**519,898**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	239,553	205,951
Goods and services	4	313,738	242,487
Unauthorised expenditure approval	6	-	3,370
TOTAL CURRENT EXPENDITURE	A	**553,291**	**451,808**
Expenditure for capital assets			
Building and other fixed structures	5	-	49
Machinery and equipment	5	65,686	17,987
Software and other intangible assets	5	17,374	7,959
TOTAL EXPENDITURE FOR CAPITAL	B	**83,060**	**25,995**

	Note	2005/06 R'000	2004/05 R'000
TOTAL EXPENDITURE	A + B	**636,351**	**477,803**
NET SURPLUS		**5,553**	**42,095**
Add back unauthorised expenditure	6	-	-
NET SURPLUS FOR THE YEAR		**5,553**	**42,095**
Reconciliation of Net Surplus for the year			
Voted Funds	9	3,529	34,748
Departmental Revenue	10	2,024	7,347
NET SURPLUS FOR THE YEAR		**5,553**	**42,095**

STATEMENT OF
FINANCIAL POSITION at 31 March 2006

ASSETS	Note	2005/06 R'000	2004/05 R'000
Current assets		**42,823**	**40,207**
Unauthorised expenditure	6	29,206	29,206
Cash and cash equivalents	7	15	4,050
Receivables	8	13,602	6,951
TOTAL ASSETS	**A**	**42,823**	**40,207**
LIABILITIES			
Current liabilities		**42,823**	**40,207**
Voted funds to be surrendered to the Revenue Fund	9	3,529	34,748
Departmental revenue to be surrendered to the Revenue Fund	10	48	4,669
Bank overdraft	11	36,973	-
Payables	12	2,273	790
TOTAL LIABILITIES	**B**	**42,823**	**40,207**
NET ASSETS/LIABILITIES	**A - B**	**-**	**-**

STATEMENT OF
CHANGES IN NET ASSETS for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
Capitalisation reserve			
Opening balance		-	-
Transfers		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		-	(157)
Transfer (from) / to Revenue Fund		-	157
Closing balance		-	-
TOTAL		**-**	**-**

CASH FLOW STATEMENT for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Annual appropriated funds received		641,904	519,873
Statutory appropriated funds received		639,880	509,181
Approriation for unauthorised expenditure received		-	3,370
Departmental revenue received		2,024	7,322
Net (increase) in working capital		(5,168)	(2,855)
Surrendered to Revenue Fund		(41,393)	(43,137)
Current payments		(553,291)	(447,762)
Net cash flow available from operating activities	13	**42,052**	**26,119**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(83,060)	(25,995)
Proceeds from sale of capital assets	2	-	25
Net cash flows from investing activities		**(83,060)**	**(25,970)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in cash and cash equivalents		(41,008)	149
Cash and cash equivalents at beginning of period		4,050	3,901
Cash and cash equivalents at end of period	14	**(36,958)**	**4,050**

1 ANNUAL APPROPRIATION

1.1 Included are funds appropriated in terms of the Appropriation Act for National Departments (voted Funds) and Provincial Departments (Equitable Share):

Programmes	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2004/05 R'000
Internal audit services	54,631	54,286	(345)	43,904
Human resource services	70,117	69,333	(784)	87,834
Procurement services	52,471	51,775	(696)	60,565
Finance services	54,643	54,471	(172)	69,219
Technology support services	273,747	272,318	(1,429)	247,659
Corporate Services	94,271	94,270	(1)	-
Programme Management office	40,000	39,898	(102)	-
Total	**639,880**	**636,351**	**(3,529)**	**509,181**

Refer to Notes to the Appropriation Statement for explanation of material variances and no rollovers to be made.

notes

	Note	2005/06 R'000	2004/05 R'000
2 DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND			
Description			
Sales of goods and services other than capital assets		1	425
Interest, dividends and rent on land		8	10
Sales of capital assets		-	25
Financial transactions in assets and liabilities	2.1	2,015	6,887
Departmental revenue collected		**2,024**	**7,347**
2.1 Financial transactions in assets and liabilities			
Nature of loss recovered			
Cheques written back		62	786
Other receipts including Recoverable Revenue		1,953	6,101
Total		**2,015**	**6,887**

Other revenue relates to expenses recovered from prior year eg. Salary and supplier over payments

	Note	2005/06 R'000	2004/05 R'000
3 COMPENSATION OF EMPLOYEES			
3.1 Salaries and wages			
Basic salary costs		155,991	140,005
Performance award		3,591	8,596
Service Based		-	6
Compensative/circumstantial		1,774	2,506
Periodic payment		28,217	25,434
Other non-pensionable allowances		27,160	9,052
		216,733	**185,599**
3.2 Social contributions			
3.2.1 Employer Contributions			
Pension		14,922	12,472
Medical		7,671	7,432
UIF		54	134
Bargaining council		32	54
Official unions and associations		140	259
Insurance		1	1
		22,820	**20,352**
Total compensation of employees		**239,553**	**205,951**
Average number of employees		1189	1094

	Note	2005/06 R'000	2004/05 R'000
4 GOODS AND SERVICES			
Advertising		19,672	1,939
Attendance fees (including registration fees)		12,375	2,098
Bank charges and card fees		120	81
Bursaries (employees)		939	424
Communication		50,400	51,818
Computer services		135,149	83,769
Consultants, contractors and special services		40,218	49,858
Courier and delivery services		502	386
Tracing agents & debt collections		465	589
Entertainment		3,997	963
External audit fees	4.1	1,843	1,165
Equipment less than R5 000		1,918	572
Freight service		-	48
Honoraria (Voluntary workers)		-	2
Inventory	4.2	584	2,164
Legal fees		22	795
Maintenance, repair and running costs		15,553	14,814
Medical services		-	19
Operating leases		2,635	3,490
Personnel agency fees		726	3,272
Plant flowers and other decorations		782	232
Printing and publications		7,962	5,062
Professional bodies and membership fees		11	97
Resettlement costs		174	17

	Note	2005/06 R'000	2004/05 R'000
4 GOODS AND SERVICES (continued)			
Subscriptions		3,808	755
Owned and leasehold property expenditure		4,735	7,257
Transport provided as part of the departmental activities		-	677
Travel and subsistence	4.3	5,609	5,452
Venues and facilities		75	118
Protective, special clothing & uniforms		-	8
Training & staff development		3,464	4,546
		313,738	**242,487**
4.1 External audit fees			
Regulatory audits		1,843	1,165
Total external audit fees		**1,843**	**1,165**
4.2 Inventory			
Domestic consumables		430	1,600
Food and food supplies		151	352
Fuel, oil and gas		1	25
Other consumables		-	2
Medical supplies		2	185
Total Inventory		**584**	**2,164**

NOTES TO
THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
4.3 Travel and subsistence			
Local		4,906	5,264
Foreign		703	188
Total travel and subsistence		**5,609**	**5,452**
5 EXPENDITURE FOR CAPITAL ASSETS			
Building and other fixed structures	Annex 2	-	49
Machinery and equipment	Annex 2	65,686	17,987
Software and other intangible assets	Annex 3	17,374	7,959
Total		**83,060**	**25,995**

6 UNAUTHORISED EXPENDITURE

6.1 Reconciliation of unauthorised expenditure balance

	Note	2005/06 R'000	2004/05 R'000
Opening balance		29,206	32,576
Unauthorised expenditure - current year		-	-
Amounts approved by Legislature (with funding)		-	(3,370)
Current expenditure		-	(3,370)
Expenditure for capital assets		-	-
Unauthorised expenditure awaiting authorisation		29,206	29,206

	Note	2005/06 R'000	2004/05 R'000
7 CASH AND CASH EQUIVALENTS			
Consolidated Paymaster General Account		-	4,040
Cash on hand		15	10
		15	4,050

8 RECEIVABLES

					2005/06 R'000	2004/05 R'000
		Less than one year	One to three years	Older than three years	Total	Total
Staff debt	8.1	893			893	174
Clearing accounts	8.2	504			504	355
Other debtors	8.3	733	1,445		2,178	2,656
Claims recoverable	Annex 4	10,027			10,027	3,766
		12,157	**1,445**	**-**	**13,602**	**6,951**

	Note	2005/06 R'000	2004/05 R'000
8.1 Staff debt			
Loans to various staff members		893	174
Salary corrections		-	-
		893	174
8.2 Clearing accounts			
Salary related accounts		504	355
		504	355
8.3 Other debtors			
Capstone 518 (Pty) Ltd		-	1,078
Damages and losses to be recovered		1,445	1,478
Other items		733	100
		2,178	2,656
9 VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND			
Opening balance		34,748	40,631
Transfer from Statement of Financial Performance		3,529	34,748
Paid during the year		(34,748)	(40,631)
Closing balance		3,529	34,748

	Note	2005/06 R'000	2004/05 R'000
10 DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND			
Opening balance		4,669	(172)
Transfer from Statement of Financial Performance		2,024	7,347
Refunded during the year		-	172
Paid during the year		(6,645)	(2,678)
Closing balance		48	4,669
11 BANK OVERDRAFT			
Consolidated Paymaster General Account		36,973	-
		36,973	-

12 PAYABLES - CURRENT

Description

Amounts owing to	Note	30 Days	30+ Days	Total	Total
other entities	Annex 5	138	-	138	710
Clearing accounts	12.1	62	-	62	20
Other payables	12.2	2,073	-	2,073	60
		2,273	-	2,273	790

	2005/06 R'000	2004/05 R'000
12.1 Clearing accounts		
Description		
Salary related	62	20
	62	20
12.2 Other payables		
Description		
Other	2,073	60
	2,073	60

13 NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	2005/06 R'000	2004/05 R'000
Net surplus/(deficit) as per Statement of Financial Performance	5,553	42,095
Non-cash movements		
(Increase)/decrease in receivables – current	(6,651)	(2,855)
(Increase)/decrease in other current assets	-	3,370
Increase/(decrease) in payables – current	1,483	676
Proceeds from sale of capital assets	-	(25)
Surrenders to Revenue Fund	(41,393)	(43,309)
Refund received from Revenue Fund	-	172
Expenditure on capital assets	83,060	25,995
Net cash flow generated by operating activities	**42,052**	**26,119**

14 RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASHFLOW PURPOSES

	2005/06 R'000	2004/05 R'000
Paymaster general account	(36,973)	4,040
Cash on hand	15	10
	(36,958)	4,050

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

			2005/06 R'000	2004/05 R'000
15 CONTINGENT LIABILITIES				
Liable to	**Nature**			
Housing loan guarantees	Employees	Annex 1	2,533	1,923
			2,533	**1,923**
16 COMMITMENTS				
Current expenditure				
Approved and contracted			12,535	365
			12,535	**365**
Capital expenditure				
Approved and contracted			22,756	21,300
			22,756	**21,300**
Total Commitments			**35,291**	**21,665**

17 ACCRUALS

Listed by economic classification			2005/06 R'000		2004/05 R'000
	30 Days	30+ Days	Total		Total
Goods and services	4,853	-	4,853		3,892
Machinery and equipment	-	-	-		256
	4,853	-	4,853		4,148

	2005/06 R'000	2004/05 R'000
Listed by programme level		
Internal Audit Services	96	265
Human Resource Services	2,414	825
Procurement Services	195	536
Finance Services	475	115
Technology Support Services	283	2,407
Corporate Services	1,390	-
	4,853	**4,148**

		2005/06	2004/05
Confirmed balances with other departments	Annex 5	**138**	**710**
		138	710
18 EMPLOYEE BENEFITS			
Leave entitlement		6,944	14,038
Thirteenth cheque		3,335	2,823
Performance awards		1,943	8,911
		12,222	25,772

DISCLOSURE NOTES TO
THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2006

19 LEASE COMMITMENTS

19.1 Operating leases

	Equipment	Total	Total
Not later than 1 year	1,817	1,817	492
Later than 1 year and not later than 5 years	1,683	1,683	424
Later than 5 years	-	-	-
Total present value of lease liabilities	3,500	3,500	916

20 IRREGULAR EXPENDITURE

	2005/06 R'000	2004/05 R'000
20.1 Reconciliation of irregular expediture		
Opening balance	78,495	27,244
Irregular expenditure - current year	-	51,251
Amounts Condoned	(78,495)	-
Current expenditure	(78,495)	-
Irregular expenditure awaiting condonement	-	78,495
Analysis		
Current	-	51,251
Prior years	78,495	27,244
	78,495	78,495

20.2 Irregular expenditure

Incident

Approval not obtained for administration of two additional payrolls (IBM & Logical benefits).

Although employees were appointed to posts within the GSSC structure, the salary ranges of some of these employees were outside approved DPSA salary structures.

21 RELATED PARTY TRANSACTIONS

	2005/06 R'000	2004/05 R'000
Capstone 518 (Pty) Ltd T/A Infotek Solution Services	-	(6,407)
	-	(6,407)

(1) The company provided IT application support services, including planning, implementation, and change management and support/maintenance services.

(2) The company provided IT services exclusively to the GSSC.

(3) The company is in the process of winding up its operation.

22 KEY MANAGEMENT PERSONNEL

	No of Individuals	2005/06 R'000	2004/05 R'000
Officials			
Level 15 to 16	17	7,762	4,474
		7,762	4,474

23 PROVISIONS

		2005/06 R'000	2004/05 R'000
Potential irrecoverable debts			
Other debtors		1,445	1,445
		1,445	1,445

ANNEXURE 1
TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2006

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 -LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 01/04/2005 R'000	Guarantees issued during the year R'000	Guarantees released/paid/ cancelled/reduced during the year R'000	Guaranteed interest for year ended 31 March 2006 R'000	Closing balance 31 March 2006 R'000	Realised losses not recoverable R'000
ABSA	Housing	2,330	559	19	-	-	578	-
BOE Bank	Housing loan	408	58	-	-	-	58	-
Firstrand	Housing loan	1,031	398	218	-	-	616	-
Nedcor	Housing loan	78	287	74	-	-	361	-
Old Mutual Bank	Housing loan	916	229	202	-	-	431	-
Standard Bank	Housing loan	1,121	374	97	-	-	471	-
Unique Finance	Housing loan	-	18	-	-	-	18	-
		5,884	**1,923**	**610**	**-**	**-**	**2,533**	**-**

ANNEXURE 2

TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2006

CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2005/06	Opening Balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDING AND OTHER FIXED STRUCTURES	39,675	-	-	39,675
Building and structures	39,675	-	-	39,675
MACHINERY AND EQUIPMENT	144,625	65,686	-	210,311
Computer equipment	120,131	58,431	-	178,562
Furniture and office equipment	24,494	7,255	-	31,749
Total capital assets	**184,300**	**65,686**	**-**	**249,986**

ANNEXURE 2.1

Additions Movement Schedule for the year ended 31 March 2006

	Cash R'000	In-Kind R'000	Total R'000
MACHINERY AND EQUIPMENT	65,686	-	65,686
Computer equipment	58,431	-	58,431
Furniture and office equipment	7,255	-	7,255
Total capital assets	**65,686**	**-**	**65,686**

ANNEXURE 2.2

Capital Tangible Asset Movement Schedule for the year ended 31 March 2005

	Additions	Disposals	Total Movement
BUILDING AND OTHER FIXED STRUCTURES	49	-	49
Building and structures	49	-	49
MACHINERY AND EQUIPMENT	17,987	13	17,974
Computer equipment	14,134	13	14,121
Furniture and office equipment	3,853	-	3,853
Total capital assets	**18,036**	**13**	**18,023**

ANNEXURE 3
TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2006

SOFTWARE AND OTHER INTANGIBLE ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2006

	Opening Balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Computer software	7,959	17,374	-	25,333
Total	**7,959**	**17,374**	**-**	**25,333**

ANNEXURE 3.1

Additions Movement Schedule

for the year ended 31 March 2006

	Cash R'000	In-Kind R'000	Total R'000
Computer software	17,374	-	17,374
Total	**17,374**	**-**	**17,374**

ANNEXURE 3.2

Capital Intangible Asset Movement
Schedule for the year ended 31 March 2005

	Additions	Disposals	Total Movement
Computer software	7,959	-	7,959
Total	**7,959**	**-**	**7,959**

ANNEXURE 4

TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2006

INTER-GOVERNMENT RECEIVABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	2006/03/31 R'000	2005/03/31 R'000	2006/03/31 R'000	2005/03/31 R'000	2006/03/31 R'000	2005/03/31 R'000
Agriculture	520	-	-	100	520	100
Education	2,160	-	-	-	2,160	-
DFEA	1,022	-	-	450	1,022	450
Health	3,127	-	-	2,346	3,127	2,346
Housing	1,637	-	-	233	1,637	233
Local Government	394	-	327	-	721	-
Office of the Premier	46	-	-	188	46	188
Safety and Security	374	-	-	37	374	37
Sport	118	-	-	223	118	223
Social services	139	-	-	140	139	140
Tourism	-	-	64	-	64	-
Transport	99	-	-	4	99	4
Total	**9,636**	**-**	**391**	**3,721**	**10,027**	**3,721**
Other Government Entity						
Salaries to be recovered	-	-	-	45	-	45
Subtotal	-	-	-	45	-	45
Total	**9,636**	**-**	**391**	**3,766**	**10,027**	**3,766**

ANNEXURE 5
TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2006

INTER-GOVERNMENT PAYABLES

DEPARTMENT	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	2006/03/31 R'000	2005/03/31 R'000	2006/03/31 R'000	2005/03/31 R'000	2006/03/31 R'000	2005/03/31 R'000
Housing						
Development planning & Local Govt	-	-	-	-	-	-
Health	-	-	-	-	-	-
Transport	138	314	-	-	138	314
Other - Bursaries & Nursing	-	396	-	-	-	396
Total	**138**	**710**	**-**	**-**	**138**	**710**

Human Resources Management

Oversight Report
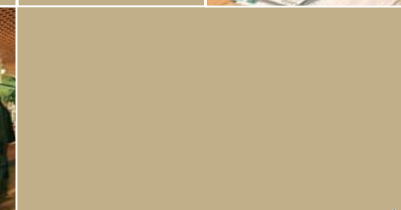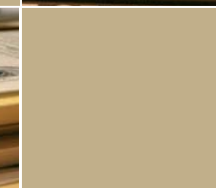
oversight

TABLE 1.1 - Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
0	0	0	0	0
0	0	0	0	0

TABLE 1.2 - Consultation Arrangements for Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
0	0	0	0
0	0	0	0

TABLE 1.3 - Service Delivery Access Strategy

Access Strategy	Actual Achievements
0	0
0	0

TABLE 1.4 - Service Information Tool

Type of Information Tool	Actual Achievements
0	0
0	0

TABLE 1.5 - Complaint Mechanism

Complaint Mechanism	Actual Achievements
0	0
0	0

2005/2006

TABLE 2.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Pr1: Gauteng audit serv(05/06)	52,998	32,329	0	0	61	26	1246
Pr2: Human resources serv(05/06)	66,636	43,868	0	0	65.8	35	1246
Pr3: Procurement service(05/06)	51,486	36,212	0	0	70.3	29	1246
Pr4: Finance services(05/06)	50,527	41,976	0	0	83.1	34	1246
Pr4: Finance services	0	0	0	0	0	0	1246
Pr5: Technology supp serv(05/06)	281,404	39,752	0	0	14.1	32	1246
Pr5: Technology support service	-654	0	0	0	0	0	1246
Pr6: Corporate services(05/06)	92,030	37,640	0	0	40.9	30	1246
Pr6: Support services	5	0	0	0	0	0	1246
Pr7: Programme mng office(05/06)	41,294	1,169	0	0	2.8	1	1246
Special functions	0	0	0	0	0	0	1246
Z = Total as on Financial Systems (BAS)	635,728	232,945	0	0	36.6	187	1246

oversight

TABLE 2.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	109	0.1	0	193,059	0
Skilled (Levels 3-5)	10,242	5.3	113,800	193,059	90
Highly skilled production (Levels 6-8)	64,598	33.5	105,725	193,059	611
Highly skilled supervision (Levels 9-12)	66,541	34.5	182,304	193,059	365
Senior management (Levels 13-16)	14,949	7.7	355,929	193,059	42
Other	3	0	0	193,059	0
Contract (Levels 1-2)	738	0.4	369,000	193,059	2
Contract (Levels 3-5)	896	0.5	128,000	193,059	7
Contract (Levels 6-8)	4,259	2.2	163,808	193,059	26
Contract (Levels 9-12)	9,086	4.7	144,222	193,059	63
Contract (Levels 13-16)	14,417	7.5	360,425	193,059	40
Periodical Remuneration	5,547	2.9	22,100	193,059	251
Total	**191385**	**99.1**	**127846**	**193059**	**1497**

2005/2006

TABLE 2.3 - 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 per Programme (R'000)
Accounts payable (cur4)(03/04)	320	63.2	60	11.9	6	1.2	37	7.3	506
Application mgt (cur5)(03/04)	24	82.8	0	0	0	0	2	6.9	29
Cash book service (cur4)(03/04)	190	73.6	0	0	3	1.2	14	5.4	258
Debts & revenue (cur4)(03/04)	79	55.6	0	0	2	1.4	10	7	142
Employee relations (cur2)(03/04)	283	69.2	0	0	6	1.5	20	4.9	409
Forensic auditig cur	84	82.4	0	0	2	2	5	4.9	102
General acc serv (cur4)(03/04)	70	69.3	10	9.9	1	1	7	6.9	101
Hr & org develop (cur2)(03/04)	136	81.4	0	0	3	1.8	10	6	167
Mngm & aux serv (cur6)(03/04)	412	66.2	33	5.3	6	1	31	5	622
Operation mgt (cur5)(03/04)	964	70.3	0	0	5	0.4	63	4.6	1372
Org struct design (cur2)(03/04)	32	47.1	0	0	1	1.5	5	7.4	68
Payroll admin serv (cur4)(03/04)	527	65.7	44	5.5	8	1	48	6	802
Plan&architecture(cur5)(03/04)	24	57.1	0	0	0	0	4	9.5	42
Policy & proced plan (cur2)(03/04)	83	72.2	0	0	0	0	6	5.2	115
Pr1: Gauteng audit serv	21075	69.4	0	0	205	0.7	921	3	30355
Pr2: Human resource serv	27078	71	372	1	612	1.6	1573	4.1	38119
Pr3: Procurement service	20357	71.2	0	0	277	1	1164	4.1	28573
Pr4: Finance services	24554	67.1	779	2.1	398	1.1	1696	4.6	36568

oversight

TABLE 2.3 - 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 per Programme (R'000)
Pr5: Technology supp serv	14880	66.3	16	0.1	182	0.8	597	2.7	22428
Pr5: Technology support serv.	0	0	0	0	0	0	0	0	187
Pr6: Corporate services	17629	63.6	470	1.7	103	0.4	701	2.5	27732
Pr7: Programme mng office (05/06)	616	58	0	0	6	0.6	6	0.6	1062
Process: recruit cur	204	68.7	0	0	7	2.4	20	6.7	297
Processing r & r (cur2)(03/04)	497	69.1	0	0	17	2.4	49	6.8	719
Processing term (cur2)(03/04)	245	73.6	0	0	7	2.1	18	5.4	333
Procurement support (pr3)	112	83	0	0	1	0.7	7	5.2	135
Programme managem(cur5)(03/04)	52	61.2	0	0	0	0	1	1.2	85
Purchasing (cur3)(03/04)	567	73.1	0	0	16	2.1	52	6.7	776
Quality management (cur3)(03/04)	52	68.4	0	0	2	2.6	4	5.3	76
Risk&finance audit (cur1)(03/04)	360	73.8	0	0	6	1.2	22	4.5	488
Service management	22	61.1	0	0	0	0	2	5.6	36
Strategic sourcing (cur3)(03/04)	158	69.3	0	0	3	1.3	10	4.4	228
Super users (cur4)(03/04)	80	72.1	0	0	1	0.9	6	5.4	111
Unknown	14	100	0	0	0	0	0	0	14
Total	**131780**	**68.3**	**1784**	**0.9**	**1886**	**1**	**7111**	**3.7**	**193057**

2005/2006

TABLE 2.4 - Salaries, Overtime, Home Owners 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 per Salary Band (R'000)
Lower skilled (Levels 1-2)	75	68.8	6	5.5	3	2.8	12	11	109
Skilled (Levels 3-5)	7546	73.2	178	1.7	151	1.5	663	6.4	10309
Highly skilled production (Levels 6-8)	47363	72.9	1120	1.7	919	1.4	3378	5.2	64931
Highly skilled supervision (Levels 9-12)	48926	72.5	400	0.6	566	0.8	2315	3.4	67529
Senior management (Levels 13-16)	8774	58.4	0	0	64	0.4	434	2.9	15026
Other	3	100	0	0	0	0	0	0	3
Contract (Levels 1-2)	490	66.1	22	3	0	0	0	0	741
Contract (Levels 3-5)	621	69.1	9	1	0	0	1	0.1	899
Contract (Levels 6-8)	3078	71.6	50	1.2	0	0	3	0.1	4299
Contract (Levels 9-12)	6575	71.9	0	0	0	0	47	0.5	9149
Contract (Levels 13-16)	8314	57.4	0	0	184	1.3	255	1.8	14492
Periodical Remuneration	13	0.2	0	0	0	0	0	0	5571
Total	**131778**	**68.3**	**1785**	**0.9**	**1887**	**1**	**7108**	**3.7**	**193058**

oversight

TABLE 3.1 - Employment and Vacancies by Programme at End of Period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Mgmnt & aux serv (cur6)(03/04), Permanent	12	0	100	0
Pr1: Gauteng audit serv, Permanent	547	158	71.1	90
Pr2: Human resource serv, Permanent	762	285	62.6	181
Pr3: Procurement service, Permanent	607	225	62.9	219
Pr3: Procurement operations, Permanent	1	0	100	0
Pr4: Finance services, Permanent	1066	290	72.8	282
Pr4: Human resources operations, Permanent	165	0	100	0
Pr5: Technology supp serv, Permanent	485	137	71.8	132
Pr6: Corporate services, Permanent	588	140	76.2	123
Pr7: Programme mng office (05/06), Permanent	57	11	80.7	5
Total	**4290**	**1246**	**71**	**1032**

2005/2006

TABLE 3.2 - Employment and Vacancies by Salary Band at end of Period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	6	2	66.7	2
Skilled (Levels 3-5), Permanent	597	241	59.6	232
Highly skilled production (Levels 6-8), Permanent	1950	491	74.8	441
Highly skilled supervision (Levels 9-12), Permanent	1419	336	76.3	246
Senior management (Levels 13-16), Permanent	180	38	78.9	7
Contract (Levels 1-2), Permanent	4	4	0	4
Contract (Levels 3-5), Permanent	4	4	0	3
Contract (Levels 6-8), Permanent	29	29	0	29
Contract (Levels 9-12), Permanent	68	68	0	57
Contract (Levels 13-16), Permanent	33	33	0	11
Total	**4290**	**1246**	**71**	**1032**

oversight

TABLE 3.3 - 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
Administrative related, Permanent	214	52	75.7	50
All artisans in the building metal machinery etc., Permanent	21	6	71.4	6
Bus and heavy vehicle drivers, Permanent	2	2	0	1
Cleaners in offices workshops hospitals etc., Permanent	3	2	33.3	2
Client inform clerks(switchb recept inform clerks), Permanent	138	2	98.6	2
Communication and information related, Permanent	24	8	66.7	8
Computer programmers., Permanent	2	0	100	0
Computer system designers and analysts., Permanent	135	5	96.3	5
Finance and economics related, Permanent	280	33	88.2	32
Financial and related professionals, Permanent	183	75	59	67
Financial clerks and credit controllers, Permanent	825	202	75.5	200
Food services aids and waiters, Permanent	4	3	25	3
General legal administration & rel. professionals, Permanent	8	1	87.5	1
Head of department/chief executive officer, Permanent	4	1	75	0
Household food and laundry services related, Permanent	1	1	0	1
Housekeepers laundry and related workers, Permanent	4	1	75	1
Human resources & organisat developm & relate prof, Permanent	630	167	73.5	112
Human resources clerks, Permanent	610	142	76.7	97
Human resources related, Permanent	225	99	56	57

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TABLE 3.3 - 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
Information technology related, Permanent	63	36	42.9	36
Language practitioners interpreters & other commun, Permanent	9	1	88.9	1
Library mail and related clerks, Permanent	101	28	72.3	28
Logistical support personnel, Permanent	30	22	26.7	22
Material-recording and transport clerks, Permanent	72	56	22.2	55
Messengers porters and deliverers, Permanent	1	0	100	0
Other administrat & related clerks and organisers, Permanent	63	57	9.5	57
Other administrative policy and related officers, Permanent	2	2	0	2
Other information technology personnel., Permanent	157	72	54.1	72
Risk management and security services, Permanent	122	40	67.2	40
Secretaries & other keyboard operating clerks, Permanent	122	41	66.4	37
Security officers, Permanent	2	2	0	2
Senior managers, Permanent	233	87	62.7	35
Total	**4290**	**1246**	**71**	**1032**

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TABLE 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Grade 16 - Senior Management Service Band D	1	0	0	0	0	0	0
Grade 15 - Senior Management Service Band C	8	2	25	0	0	0	0
Grade 14 - Senior Management Service Band B	14	5	35.7	0	0	0	0
Grade 13 - Senior Management Service Band A	63	9	14.3	0	0	0	0
Grade 12 - Middle Management Service Band B	140	23	16.4	0	0	0	0
Grade 11 - Middle Management Service Band A	111	43	38.7	0	0	0	0
Grade 10 - Highly Skilled Supervision	318	26	8.2	0	0	0	0
Grade 9 - Highly Skilled Supervision	145	70	48.3	0	0	0	0
Grade 8 - Skilled	210	59	28.1	0	0	0	0
Grade 7 - Skilled	179	76	42.5	0	0	0	0
Grade 6 - Skilled	590	57	9.7	0	0	0	0
Grade 5 - Lower Skilled	89	52	58.4	0	0	0	0
Grade 4 - Lower Skilled	24	41	170.8	0	0	0	0
Grade 3 - Lower Skilled	27	11	40.7	0	0	0	0
Grade 2 - Un-Skilled	2	2	100	0	0	0	0
Grade 1 - Un-Skilled	0	0	0	0	0	0	0
Total	**1921**	**476**	**24.8**	**0**	**0**	**0**	**0**

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TABLE 4.2 - Profile of employees 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

TABLE 4.3 - Employees whose salary level exceeded the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
0	0	0	0	0	
0	0	0	0	0	
Total	0				
Percentage of Total Employment	0				0

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

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

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TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2005)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	7	2	0	0
Skilled (Levels 3-5), Permanent	269	66	8	3
Highly skilled production (Levels 6-8), Permanent	398	137	41	10.3
Highly skilled supervision (Levels 9-12), Permanent	167	56	33	19.8
Senior Management Service Band A, Permanent	12	16	5	41.7
Senior Management Service Band B, Permanent	4	2	0	0
Senior Management Service Band C, Permanent	1	0	0	0
Other, Permanent	0	1	13	0
Contract (Levels 1-2), Permanent	43	28	26	60.5
Contract (Levels 3-5), Permanent	19	8	10	52.6
Contract (Levels 6-8), Permanent	32	21	29	90.6
Contract (Levels 9-12), Permanent	13	59	14	107.7
Contract (Band A), Permanent	7	16	3	42.9
Contract (Band B), Permanent	2	8	1	50
Contract (Band C), Permanent	4	8	1	25
Contract (Band D), Permanent	2	0	0	0
Total	**980**	**428**	**184**	**18.8**

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2005)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	20	13	5	25
All artisans in the building metal machinery etc., Permanent	2	0	1	50
Architects town and traffic planners, Permanent	1	0	0	0
Cashiers tellers and related clerks, Permanent	1	0	0	0
Civil engineering technicians, Permanent	1	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	2	1	0	0
Client inform clerks(switchb recept inform clerks), Permanent	4	0	1	25
Communication and information related, Permanent	2	0	0	0
Computer programmers., Permanent	1	0	0	0
Computer system designers and analysts., Permanent	5	0	0	0
Engineering sciences related, Permanent	1	0	0	0
Finance and economics related, Permanent	67	9	11	16.4
Financial and related professionals, Permanent	39	9	5	12.8
Financial clerks and credit controllers, Permanent	205	76	19	9.3
Food services aids and waiters, Permanent	0	2	0	0
General legal administration & rel. professionals, Permanent	1	0	0	0
Head of department/chief executive officer, Permanent	1	1	1	100
Health sciences related, Permanent	1	0	0	0
Household food and laundry services related, Permanent	0	2	1	0
Housekeepers laundry and related workers, Permanent	1	0	1	100

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TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2005)	Appointments	Terminations	Turnover Rate
Human resources & organisat developm & relate prof, Permanent	73	39	10	13.7
Human resources clerks, Permanent	122	29	5	4.1
Human resources related, Permanent	49	27	12	24.5
Information technology related, Permanent	4	5	3	75
Inspectors of apprentices works and vehicles, Permanent	1	0	0	0
Library mail and related clerks, Permanent	41	35	26	63.4
Logistical support personnel, Permanent	31	9	4	12.9
Material-recording and transport clerks, Permanent	54	45	20	37
Messengers porters and deliverers, Permanent	4	2	2	50
Other administrat & related clerks and organisers, Permanent	79	0	1	1.3
Other administrative policy and related officers, Permanent	11	0	0	0
Other information technology personnel., Permanent	19	5	1	5.3
Other occupations, Permanent	14	0	1	7.1
Prosecutor, Permanent	1	0	0	0
Radiography, Permanent	1	0	0	0
Risk management and security services, Permanent	41	13	18	43.9
Secretaries & other keyboard operating clerks, Permanent	43	50	23	53.5
Security officers, Permanent	0	1	0	0
Senior managers, Permanent	37	55	13	35.1
Total	**980**	**428**	**184**	**18.8**

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TABLE 5.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, permanent	5	2.7	0.5	184	980
Resignation, permanent	95	51.6	9.7	184	980
Expiry of contract, permanent	71	38.6	7.2	184	980
Discharged due to ill health, permanent	1	0.5	0.1	184	980
Dismissal-misconduct, permanent	3	1.6	0.3	184	980
Retirement, permanent	3	1.6	0.3	184	980
Other, permanent	6	3.3	0.6	184	980
Total	**184**	**100**	**18.8**	**184**	**980**

Resignations as % of Employment	18.8

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TABLE 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	20	42	210	17	85
All artisans in the building metal machinery etc.	2	0	0	0	0
Architects town and traffic planners	1	0	0	0	0
Attorneys	0	1	0	0	0
Bus and heavy vehicle drivers	0	1	0	0	0
Cashiers tellers and related clerks	1	0	0	1	100
Civil engineering technicians	1	0	0	0	0
Cleaners in offices workshops hospitals etc.	2	2	100	1	50
Client inform clerks(switchb recept inform clerks)	4	2	50	1	25
Communication and information related	2	0	0	1	50
Computer programmers.	1	1	100	0	0
Computer system designers and analysts.	5	0	0	0	0
Engineering sciences related	1	0	0	0	0
Finance and economics related	67	37	55.2	20	29.9
Financial and related professionals	39	37	94.9	12	30.8
Financial clerks and credit controllers	205	162	79	60	29.3
Food services aids and waiters	0	1	0	0	0
General legal administration & rel. professionals	1	1	100	0	0
Head of department/chief executive officer	1	0	0	0	0
Health sciences related	1	0	0	1	100

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TABLE 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Housekeepers laundry and related workers	1	0	0	0	0
Human resources & organisat developm & relate prof	73	60	82.2	17	23.3
Human resources clerks	122	33	27	97	79.5
Human resources related	49	33	67.3	4	8.2
Information technology related	4	2	50	1	25
Inspectors of apprentices works and vehicles	1	0	0	1	100
Library mail and related clerks	41	20	48.8	26	63.4
Logistical support personnel	31	19	61.3	16	51.6
Material-recording and transport clerks	54	55	101.9	32	59.3
Messengers porters and deliverers	4	3	75	2	50
Other administrat & related clerks and organisers	79	13	16.5	39	49.4
Other administrative policy and related officers	11	3	27.3	4	36.4
Other information technology personnel.	19	8	42.1	4	21.1
Other occupations	14	6	42.9	4	28.6
Prosecutor	1	0	0	0	0
Radiography	1	1	100	0	0
Risk management and security services	41	41	100	1	2.4
Secretaries & other keyboard operating clerks	43	34	79.1	13	30.2
Senior managers	37	13	35.1	7	18.9
Total	**980**	**631**	**64.4**	**382**	**39**

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TABLE 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	7	1	14.3	1	14.3
Skilled (Levels 3-5), Permanent	269	24	8.9	74	27.5
Highly skilled production (Levels 6-8), Permanent	398	309	77.6	236	59.3
Highly skilled supervision (Levels 9-12), Permanent	167	220	131.7	44	26.3
Senior management (Levels 13-16), Permanent	17	13	76.5	7	41.2
Contract (Levels 1-2), Permanent	43	4	9.3	1	2.3
Contract (Levels 3-5), Permanent	19	6	31.6	2	10.5
Contract (Levels 6-8), Permanent	32	30	93.8	9	28.1
Contract (Levels 9-12), Permanent	13	22	169.2	6	46.2
Contract (Levels 13-16), Permanent	15	2	13.3	2	13.3
Total	**980**	**631**	**64.4**	**382**	**39**

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TABLE 6.1 - Total number of Employees (incl. Employees with Disabilities) per Occupational Category (SASCO)

Occupational Bands	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	34	4	6	15	11	2	4	2	78
Professionals,	155	22	24	45	126	18	8	51	449
Clerks,	187	21	12	17	300	48	21	52	658
Service and sales workers,	17	1	1	1	16	1	1	4	42
Plant and machine operators and assemblers,	1	0	0	0	0	0	0	0	1
Elementary occupations,	3	3	1	1	6	1	1	1	17
Other,	0	0	1	0	0	0	0	0	1
Total	397	51	45	79	459	70	35	110	1246

	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Employees with disabilities	4	0	0	1	0	0	0	2	7

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TABLE 6.2 - Total number of Employees (incl. Employees with Disabilities) per Occupational Bands

Occupational Bands	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management,	11	1	3	3	4	1	2	0	25
Senior Management,	18	4	4	15	9	0	1	6	57
Professionally qualified and experienced specialists and mid-management,	148	22	22	44	116	19	10	46	427
Skilled technical and academically qualified workers, junior management, supervisors, foremen,	180	23	14	16	284	43	21	56	637
Semi-skilled and discretionary decision making,	38	1	1	1	46	7	1	2	97
Unskilled and defined decision making,	2	0	1	0	0	0	0	0	3
Total	**397**	**51**	**45**	**79**	**459**	**70**	**35**	**110**	**1246**

TABLE 6.3 - Recruitment

Occupational Bands	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	16	4	3	8	7	0	1	2	41
Top Management,	3	0	0	1	2	0	2	0	8
Professionally qualified and experienced specialists and mid-management, Permanent	47	3	10	14	26	2	3	11	116
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	46	6	7	5	70	12	11	4	161
Semi-skilled and discretionary decision making, Permanent	30	0	2	0	37	5	2	3	79

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TABLE 6.3 - Recruitment

Occupational Bands	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making, Permanent	16	1	0	0	14	1	0	0	32
Not Available, Permanent	1	0	0	0	2	0	0	0	3
Total	**159**	**14**	**22**	**28**	**158**	**20**	**19**	**20**	**440**

TABLE 6.4 - Promotions

Occupational Bands	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2	0	4	0	0	0	0	0	6
Senior Management, Permanent	5	0	1	5	1	0	1	5	18
Professionally qualified and experienced specialists and mid-management, Permanent	104	21	11	20	88	14	8	33	299
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	184	32	9	19	243	30	9	67	593
Semi-skilled and discretionary decision making, Permanent	43	3	0	3	46	8	0	3	106
Unskilled and defined decision making, Permanent	4	0	0	0	3	0	0	0	7
Total	**342**	**56**	**25**	**47**	**381**	**52**	**18**	**108**	**1029**

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TABLE 6.4 - Promotions (continued)

	MALE				FEMALE				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Employees with disabilities	3	0	0	2	0	0	0	0	5

TABLE 6.5 - Terminations

	MALE				FEMALE				
Occupational Bands	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Senior Management, Permanent	2	0	1	2	1	0	2	2	10
Top Management	0	0	0	1	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	14	3	5	6	6	2	0	9	45
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	26	3	3	4	22	5	1	8	72
Semi-skilled and discretionary decision making, Permanent	11	1	0	0	7	0	0	4	23
Not Available, Permanent	7	1	0	0	4	1	0	0	13
Contract (Unskilled), Permanent	13	1	0	0	15	1	1	0	31
Total	**73**	**9**	**9**	**13**	**56**	**9**	**4**	**23**	**196**

	MALE				FEMALE				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Employees with disabilities	1	0	0	1	0	0	0	0	2

TABLE 6.6 - Disciplinary Action

Disciplinary action	MALE				FEMALE				Total	Not Available
	African	Coloured	Indian	White	African	Coloured	Indian	White		
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

TABLE 6.7 - Skills Development

Occupational Bands	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	6	1	1	6	4	1	1	4	24
Professionals	76	5	10	14	71	10	3	24	213
Technicians and Associate Professionals	14	5	1	6	19	3	1	6	55
Clerks	129	11	5	9	198	23	7	49	431
Service and Sales Workers	6	0	0	1	5	1	0	1	14
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	4	2	0	1	4	0	1	0	12
Total	**235**	**24**	**17**	**37**	**301**	**38**	**13**	**84**	**749**
Employees with disabilities	0	0	0	0	0	0	0	0	0

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TABLE 7.1 - Performance Rewards by Race, Gender, and Disability, 1 April 2005 to 31 March 2006

	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total number of employment in group	Total % within group	Cost	Average cost per employee
African	386	827	47%	R 2,047,155	
-Male	173	412	42%	R 972,681	R 5,622
-Female	213	415	51%	R 1,074,474	R 5,044
Asian	31	75	41%	R 218,444	
-Male	19	45	42%	R 137,922	R 7,259
-Female	12	30	40%	R 80,521	R 6,710
Coloured	66	126	52%	R 339,220	
-Male	28	60	47%	R 147,973	R 5,285
-Female	38	66	58%	R 191,248	R 5,033
White	125	211	59%	R 922,439	
-Male	45	86	52%	R 403,616	R 8,969
-Female	80	125	64%	R 518,823	R 6,485
Employees with a disability	7	15	47%	R 38,691.39	R 5,527
Total	608	1,239	49%	R 3,527,257.74	

TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service,

Salary Bands	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost	Average Cost per Employee
Lower skilled (Levels 1-2)	26	49	53%	R 62,293	R 2,396
Skilled (Levels 3-5)	176	395	45%	R 663,660	R 3,771
Highly skilled production (Levels 6-8)	280	526	53%	R 1,670,512	R 5,966
Highly skilled supervision (Levels 9-12)	104	231	45%	R 795,578	R 7,650
Total	586	1,201	49%	R 3,192,043	

TABLE 7.3 - Performance Rewards by Critical Occupations, 1 April 2005 to 31 March 2006

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Employee
GSSC Department has not identified critical occupations to be monitored					

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TABLE 7.4 - Performance -related Rewards (Cash Bonus) by Salary Band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost	Average Cost per Beneficiary (R)	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	22	29	76%	R 335,215	R 15,237	
Band B		9	0%			
Band C						
Band D						
Total	**22**	**38**	**58%**	**R 335,215**		

TABLE 8.1 - Foreign Workers by Salary Band

Salary Band	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 of Period	Total Employment at End of Period	Total Change in Employment
Skilled (Levels 3-5)	1	50	0	0	-1	100	2	1	-1
Highly skilled production (Levels 6-8)	0	0	1	100	1	-100	2	1	-1
Highly skilled supervision (Levels 9-12)	1	50	0	0	-1	100	2	1	-1
Total	**2**	**100**	**1**	**100**	**-1**	**100**	**2**	**1**	**-1**

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TABLE 8.2 - 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 of Period	Total Employment at End of Period	Total Change in Employment
Professionals and managers	2	100	1	100	-1	100	2	1	-1
Total	**2**	**100**	**1**	**100**	**-1**	**100**	**2**	**1**	**-1**

TABLE 9.1 - Sick Leave for Jan 2005 to Dec 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Skilled (Levels 3-5)	185	72.4	37	4.6	5	39	803	134
Highly skilled production (Levels 6-8)	2906	65.8	449	55.9	6	853	803	1911
Highly skilled supervision (Levels 9-12)	1526.5	66.3	237	29.5	6	976	803	1012
Senior management (Levels 13-16)	108	69.4	19	2.4	6	178	803	75
Contract (Levels 1-2)	7	42.9	2	0.2	4	1	803	3
Contract (Levels 3-5)	18	44.4	5	0.6	4	3	803	8
Contract (Levels 6-8)	107	72.9	16	2	7	36	803	78
Contract (Levels 9-12)	95	62.1	20	2.5	5	75	803	59
Contract (Levels 13-16)	107	80.4	18	2.2	6	213	803	86
Total	**5059.5**	**66.5**	**803**	**100**	**6**	**2374**	**803**	**3366**

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TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2005 to Dec 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total Number of Days with Medical Certification	Total Number of Employees Using Disability Leave
Highly skilled production (Levels 6-8)	87	50.6	4	80	22	22	44	5
Highly skilled supervision (Levels 9-12)	102	100	1	20	102	98	102	5
Total	**189**	**77.2**	**5**	**100**	**38**	**120**	**146**	**5**

TABLE 9.3 - Annual Leave for Jan 2005 to Dec 2005

Salary Band	Total Days Taken	Average Days per Employee	Number of Employees who took Leave
Skilled (Levels 3-5)	663	8	80
Highly skilled production (Levels 6-8)	10482.08	18	597
Highly skilled supervision (Levels 9-12)	6837.6	19	363
Senior management (Levels 13-16)	622	18	34
Contract (Levels 1-2)	40	10	4
Contract (Levels 3-5)	111	14	8
Contract (Levels 6-8)	428	14	31
Contract (Levels 9-12)	556	16	35
Contract (Levels 13-16)	323	13	25
Total	**20062.68**	**17**	**1177**

TABLE 9.4 - Capped Leave for Jan 2005 to Dec 2005

	Total days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at 31 December 2005	Number of Employees who took Capped Leave	Total number of Capped Leave Available at 31 December 2005	Number of Employees as at 31 December 2005
Highly skilled production (Levels 6-8)	187	5	32	37	10176	320
Highly skilled supervision (Levels 9-12)	131	5	42	27	8204	194
Senior management (Levels 13-16)	18	6	77	3	926	12
Total	**336**	**5**	**37**	**67**	**19306**	**526**

TABLE 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	33	4	8250
Capped leave payouts on termination of service for 2005/06	485	117	4145
Current leave payout on termination of service for 2005/06	265	65	4077
Total	**783**	**186**	**4210**

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TABLE 10.1 - Steps Taken to Reduce the Risk of Occupational Exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
0	0
0	0

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/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 her/his name and position.			
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 of employees who are involved in this task and the annual budget that is available for this purpose.			
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.			
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.			
5. Has the department reviewed 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.			
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.			
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.			
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.			

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TABLE 11.1 - Collective Agreements

Subject Matter	Date		
0	0		
0	0		

TABLE 11.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Total	**0**	**0**	**0**

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	% of total	
0	0	0	
0	0	0	
Total	**0**		

TABLE 11.4 - Grievances Lodged

Number of grievances addressed	Number	% of total
Resolved	0	0
Not resolved	0	0
Total	**0**	

TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	0	0
Total	**0**	

TABLE 11.6 - Strike Actions

Strike Actions	–
Total number of person working days lost	0
Total cost(R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	–
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

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TABLE 12.1 - Training needs Identified 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Employment as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	0	4	0	4
	Male	21	0	15	0	15
Professionals	Female	108	0	75	0	75
	Male	146	0	102	0	102
Technicians and associate professionals	Female	88	121	26	0	147
	Male	57	76	26	0	102
Clerks	Female	394	0	290	0	290
	Male	267	0	168	0	168
Service and sales workers	Female	7	0	5	0	5
	Male	10	0	3	0	3
Craft and related trades workers	Female	2	0	1	0	1
	Male	13	0	3	0	3
Elementary occupations	Female	14	0	9	0	9
	Male	13	0	9	0	9
Sub Total	**Female**	**618**	**121**	**410**	**0**	**531**
	Male	**527**	**76**	**326**	**0**	**402**
Total		**1,145**	**197**	**736**	**0**	**933**

TABLE 12.2 - Training Provided 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Employment as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	0	13	0	13
	Male	21	0	15	0	15
Professionals	Female	108	0	199	0	199
	Male	146	0	172	0	172
Technicians and associate professionals	Female	88	124	50	0	174
	Male	57	77	35	0	112
Clerks	Female	394	0	523	0	523
	Male	267	0	266	0	266
Service and sales workers	Female	7	0	8	0	8
	Male	10	0	7	0	7
Craft and related trades workers	Female	2	0	9	0	9
	Male	13	0	9	0	9
Elementary occupations	Female	14	0	0	0	0
	Male	13	0	1	0	1
Gender sub totals	Female	618	124	802	0	926
	Male	527	77	505	0	582
Total		**1,145**	**201**	**1307**	**0**	**1508**

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Note: The following GSSC staff also attended training,

with external providers and demographics unable to obtain

Computer Literacy	=	188
External Payroll Generic	=	177
Internal Audit Specific	=	159
Procurement Specific	=	37
Total	**=**	**561**

TABLE 13.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**0**	

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TABLE 14.1 - Report on Consultant Appointments using Appropriated Funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Employee Wellness Programme	1		5,458,644.58
Training	1		315,779.00
Fraud Prevention Plan	1		579,293.00

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
3	3		6,353,716.58

TABLE 14.2 - Analysis of Consultant Appointments using Appropriated Funds, i.t.o. HDIs

| Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None			

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TABLE 14.3 - Report on Consultant Appointments using Donor Funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None			

| Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
None			

TABLE 14.4 - Analysis of Consultant Appointments using Donor Funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None			

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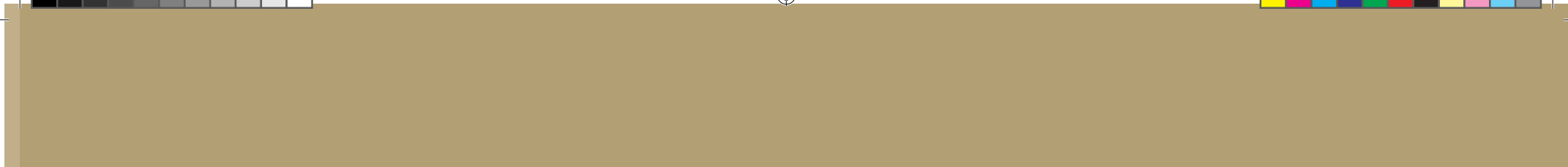
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Corrigenda

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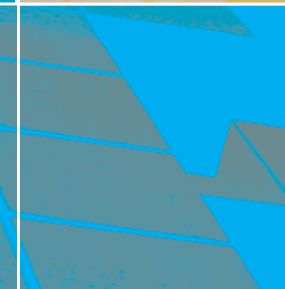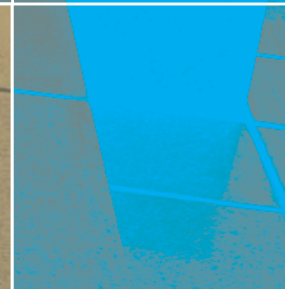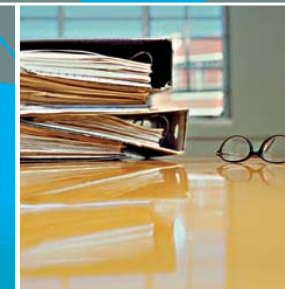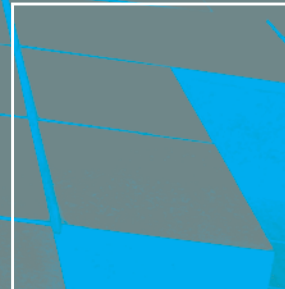
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Corrigenda:
Human Resources Management
Oversight Report

This document serves to amend information on the Gauteng Shared Service Centre (GSSC)'s Annual Report 2005/2006. The amendments are on page 112, 113 & 115 under the Human Resources Oversight Report.

CORRIGENDA: HUMAN RESOURCES
MANAGEMENT OVERSIGHT REPORT April 2005 to March 2006

oversight

TABLE 3.1 - Employment and Vacancies by Programme at End of Period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate
Pr1: Gauteng audit serv, Permanent	222	177	21%
Pr2: Human resource serv, Permanent	336	283	16%
Pr3: Procurement service, Permanent	300	226	25%
Pr4: Finance services, Permanent	455	318	31%
Pr5: Technology supp serv, Permanent	269	156	42%
Pr6: Corporate services, Permanent	303	160	47%
Pr7: Programme mng office (05/06), Permanent	36	32	11%
Total	**1 921**	**1 352**	**30%**

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TABLE 3.2 - Employment and Vacancies by Salary Band at end of Period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate
Lower skilled (Levels 1-2), Permanent	3	2	33%
Skilled (Levels 3-5), Permanent	275	271	2%
Highly skilled production (Levels 6-8), Permanent	800	515	36%
Highly skilled supervision (Levels 9-12), Permanent	685	406	41%
Senior management (Levels 13-16), Permanent	90	90	0
Contract (Levels 1-2), Permanent	2	2	0
Contract (Levels 3-5), Permanent	2	2	0
Contract (Levels 6-8), Permanent	14	14	0
Contract (Levels 9-12), Permanent	34	34	0
Contract (Levels 13-16), Permanent	16	16	0
Total	**1 921**	**1 352**	**30%**

CORRIGENDA: HUMAN RESOURCES

MANAGEMENT OVERSIGHT REPORT April 2005 to March 2006

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TABLE 3.3 - Employment and Vacancies by Critical Occupation at End of Period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Additional Posts
Administrative related, Permanent	100	100	0%	0
All artisans in the building metal machinery etc., Permanent	10	10	0%	0
Bus and heavy vehicle drivers, Permanent	1	2	-100%	1
Cleaners in offices workshops hospitals etc., Permanent	1	2	-100%	1
Client inform clerks(switchb recept inform clerks), Permanent	69	2	97%	0
Communication and information related, Permanent	12	8	33%	0
Computer programmers., Permanent	1	0	100%	0
Computer system designers and analysts., Permanent	67	5	93%	0
Finance and economics related, Permanent	140	33	76%	0
Financial and related professionals, Permanent	90	75	17%	0
Financial clerks and credit controllers, Permanent	202	202	0%	0
Food services aids and waiters, Permanent	2	3	-50%	1
General legal administration & rel. professionals, Permanent	4	1	75%	0
Head of department/chief executive officer, Permanent	2	1	50%	0
Household food and laundry services related, Permanent	1	1	0%	0
Housekeepers laundry and related workers, Permanent	2	1	50%	0
Human resources & organisat developm & relate prof, Permanent	315	212	33%	0
Human resources clerks, Permanent	305	151	50%	0
Human resources related, Permanent	112	99	12%	0

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TABLE 3.3 - Employment and Vacancies by Critical Occupation at End of Period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Additional Posts
Information technology related, Permanent	30	36	-20%	6
Language practitioners interpreters & other commun, Permanent	4	1	75%	0
Library mail and related clerks, Permanent	50	28	44%	0
Logistical support personnel, Permanent	15	22	-47%	6
Material-recording and transport clerks, Permanent	36	56	-56%	20
Messengers porters and deliverers, Permanent	1	0	100%	0
Other administrat & related clerks and organisers, Permanent	31	57	-84%	26
Other administrative policy and related officers, Permanent	1	2	-100%	1
Other information technology personnel., Permanent	78	72	8%	0
Risk management and security services, Permanent	61	40	34%	0
Secretaries & other keyboard operating clerks, Permanent	61	41	33%	0
Security officers, Permanent	1	2	-100%	1
Senior managers, Permanent	116	87	25%	0
Total	**1 921**	**1 352**	**30%**	**63**

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