

DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION

ANNUAL REPORT

For the Financial Year 2022/2023



the dpsa

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA





ANNUAL REPORT

For the Financial Year 2022/2023



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1.2 LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa	MPSA	Minister for the Public Service and Administration
APP	Annual Performance Plan	MTSF	Medium-Term Strategic Framework
APRM	Africa Peer Review Mechanism	NDP	National Development Plan
APSD	Africa Public Service Day	NSG	National School of Government
BBBEE	Broad-Based Black Economic Empowerment	OFA	Organisational Functionality Assessment
BPM	Business Process Map	OFO	Organising Framework for Occupations
COVID-19	Coronavirus Disease	OHS	Occupational Health and Safety
CPSI	Centre for Public Service Innovation	OSC	Office of Standards and Compliance
DCOG	Department of Cooperative Government	PAMA	Public Administration Management Act
DPME	Department of Planning, Monitoring and Evaluation	PER	Personnel Expenditure Review
DPSA	Department of Public Service and Administration	PERSAL	Personnel and Salary System
EA	Executive Authority	PFMA	Public Finance Management Act
EHW	Employee Health and Wellness	PMDS	Performance Management and Development System
ERM	Enterprise Risk Management	PMO	Project Management Office
FOSAD	Forum of South African Directors General	PSCBC	Public Service Co-ordinating Bargaining Council
GEHS	Government Employee Housing Scheme	PSM	Public Service Month
GITOC	Government Information Technology Officers Council	PSR	Public Service Regulations
GTAC	Government Technical Advisory Centre	PSRMF	Public Sector Risk Management Framework
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome	RAAD	Reasonable Accommodation and Assistive Devices
HOA	Home Owner Allowance	SA	South Africa
HOD	Head of Department	SAPS	South African Police Service
HRM&D	Human Resource Management and Development	SCM	Supply Chain Management
ICT	Information and communication technology	SDIP	Service Delivery Improvement Plan
ILSF	Individual Linked Savings Facility	SDM	Service Delivery Model
IT	Information Technology	SITA	State Information and Technology Agency
KM	Knowledge Management	SMS	Senior Management Service
MP	Member of Parliament	TAU	Technical Assistance Unit

GENERAL INFORMATION



2. FOREWORD BY THE MINISTER



2.1 MINISTER'S STATEMENT TO THE 2022/23 ANNUAL REPORT

During the year under review the DPSA continued to coordinate the work of the Public Service in the implementation of Priority 1 of the 6th Administration, namely the pursuit of a **“Capable, Ethical and Developmental State**, which is critical to the attainment of all seven priorities of the MTSF. The National Development Plan, National Framework Towards Professionalisation of the Public Sector, the President's Response to the Judicial Commission of inquiry into Allegations State Capture Report and Auditor General's report points to the fact that strong leadership, a focus on people and improved implementation capability are the cornerstone of a state capacitated with professionals appointed following meritocratic principles.

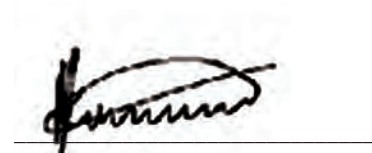
For the MTSF period, the following were adopted and achieved as the department strategic objectives:

1) **Intensifying the Fight Against Corruption:** In this area, a partnership with the members of the FUSION Centre such as the SIU, the SAPS and the NPA was established. The department is coordinating efforts to ensure that, conducting business with the state is eliminated. As a result, in Government in general cases have drastically reduced.

- 2) **Implementation of the Public Administration Management Amendment act:** In March 2023, Cabinet approved the Bill for tabling in Parliament after it was subjected to a rigorous public consultation process, including extensive consultations with organized labour and the National Economic Development and Labour Council (NEDLAC). This is to ensure accountability and enforceability.
- 3) **A Stabilised Public Service:** In 2022, Cabinet approved the Professionalisation Framework of the Public Service to further support the stabilisation of the Public Service. The framework is meant to guide the implementation of key actions and systems to institutionalise professionalism, a career system based on meritocracy and an ethical disposition steeped in the Batho Pele principles.
- 4) **Revitalization of the Batho Pele principles:** In 2022 Cabinet approved the Public Service Batho Pele revitalization strategy. The main objective of the strategy is to ensure that the program maintains the founding principles and remain at the centre of, effectiveness, responsiveness, and timely service delivery to citizens.

As the department, we restate our commitment to ensure the full implementation of all the projects and interventions that contribute to the attainment of the 2019-2024 MTSF objectives during 2023/24 financial year. This is especially important as 2023/24 financial year serves as the last year of the 6th Administration.

I would like to extend my sincere gratitude to my predecessors, Minister Senzo Mchunu, Minister Ayanda Dlodlo and Minister Thulas Nxesi in his acting capacity. Their stewardship and leadership of the Ministry for Public Service and Administration has been invaluable. I also wish to express my appreciation to Deputy Minister Dr Chana Pilane-Majake for her dedication to the work of the department.



MS NOXOLO KIVIET, MP

MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

DATE: 30 AUGUST 2023

Furthermore, I extend my appreciation to the Director General, Ms Yoliswa Makhasi for her leadership and to the DPSA staff for their ongoing commitment to ensuring that the departments that are our clients have the right skills, capacity as well as systems and structures that enable them to deliver government services.



3. FOREWORD BY THE DEPUTY MINISTER

3.1 DEPUTY MINISTER'S STATEMENT

The Department of Public Service and Administration plays a central role in achievement of a competent, ethical, and developmental state, in line with the vision of the National Development Plan (NDP) 2030. Our mission is to implement and coordinate interventions that promote an efficient, effective, and development-oriented public service.

Throughout the financial year, I have had the privilege of leading and guiding key initiatives, including Government Employee Medical Scheme (GEMS), and the Centre of Public Service Innovation (CPSI), Government Employee Housing Scheme (GEHS), the matters pertaining to State-Owned Enterprises in so as it relates to the Minister's powers in terms of section 3(6) of the Public Service Act, Assist with the finalization of legislative framework to ensure the implementation of the Digital Government Strategy and Roadmap as well as the recommendations of Presidential Commission on 4IR in the Public Service Act, Assist with all matters pertaining to Gender whether internal to DPSA or public service wide and assisted in any other matter, including Parliament and Cabinet responsibilities which the Minister may request time to time.

The Government Employee Housing Scheme (GEHS) is a vital benefit for public servants, providing housing access support services. We are proud to report that during this period, **540 093** employees enrolled in GEHS, with **782 186** benefiting from the housing allowance for home ownership, and **185 461** receiving the GEHS Housing Allowance for tenants.

We firmly believe that the health, wellness, and morale of our public servants are paramount to building an effective and efficient government. The successful

implementation of the Government Employee Medical Scheme (GEMS) has been a significant achievement, ensuring comprehensive healthcare coverage for our dedicated public servants.

As we embrace digital transformation, it is essential to manage ICT costs effectively. In the previous financial year, public service departments spent **R22 billion** on ICT products and services. To maximize the return on investment, we have conducted extensive research into ICT spend and will continue partnering with relevant stakeholders to promote innovation and modernize service delivery.

The Centre for Public Service Innovation (CPSI) has been instrumental in fostering innovation within the public sector. Through pilot projects and an enabling environment, the CPSI has unearthed and developed implementable solutions. Their dedication and achievements are detailed in their annual report.

Over 2000 individuals actively engaged in the 2022 Public Service Month program, a resounding success in terms of participation. The event garnered extensive media coverage, highlighting its significance and impact on the public service sector. Moreover, approximately 1000 public servants were provided with valuable training on various crucial topics, including ethical conduct, the Batho Pele Revitalisation Strategy, the Public Service Charter, measures to enhance the performance of public institutions, and the principles of constitutionalism and effective public administration practices. The program's comprehensive approach aimed to empower and equip public servants with the necessary skills and knowledge to excel in their roles and serve the community better.

In our pursuit of delivering a positive citizen experience, we continue to mobilize and support relevant departments to strengthen service delivery processes and products in the communities they serve.

I extend my heartfelt appreciation to the Minister for the Public Service and Administration, Honourable Ms Noxolo Kievit, MP, for her unwavering leadership and support in our journey towards building a capable and developmental state, as envisioned in the National Development Plan.

DR CHANA PILANE-MAJAKE, MP
DEPUTY MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

DATE: 30 AUGUST 2023

3.1.1 REPORT OF THE ACCOUNTING OFFICER

The public service must adapt to the changing environment and meet the needs of citizens in new and innovative ways. This requires a culture of continuous improvement and a commitment to excellence. Public servants must be equipped with the skills and knowledge to deliver high-quality services. Public servants should also be motivated and engaged in their work.

The Department of Public Service and Administration (DPSA) serves as a vital institution in ensuring the effective functioning of the public service and promoting good governance in our country. With a strong commitment to transparency, accountability, and citizen-centred service delivery, the DPSA plays a pivotal role in shaping policies, managing human resources, and enhancing the overall efficiency of the public administration system.

By fostering professionalism, ethical conduct, and continuous improvement, the DPSA strives to create a competent and responsive public service that meets the evolving needs of our nation. Through this introductory paragraph, we will explore the diverse operations and initiatives undertaken by the DPSA to drive positive change and ensure the delivery of high-quality public services to all citizens.

In its 2022/23 Annual Performance Plan, the department had 26 annual targets of which 17 were achieved as at the end of March 2023 resulting in a 65% achievement.

The work done by the Department is informed by the Department's five strategic objectives as expressed in the 2020-2025 Strategic Plan:



Strategic Objective 1: Full implementation of the Public Administration Management Act.

The Public Administration Management Act (PAMA) is a law that sets out the framework for the management of the public service.

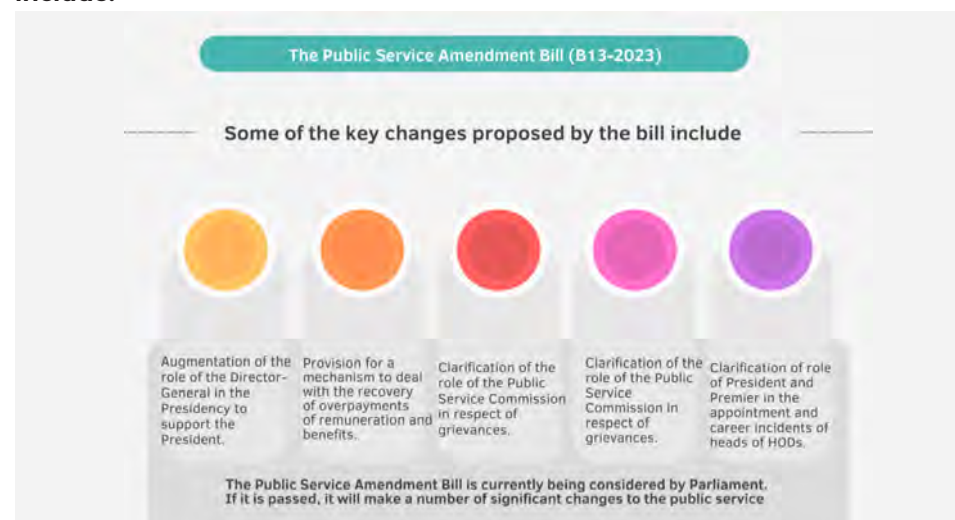
The DPSA is committed to ensuring that PAMA is fully implemented in order to improve the efficiency and effectiveness of the public service.

The Public Administration Management Act should be noted that it augments the Public Service Act. In this regard the Public Administration Management Act the Public Service Act.

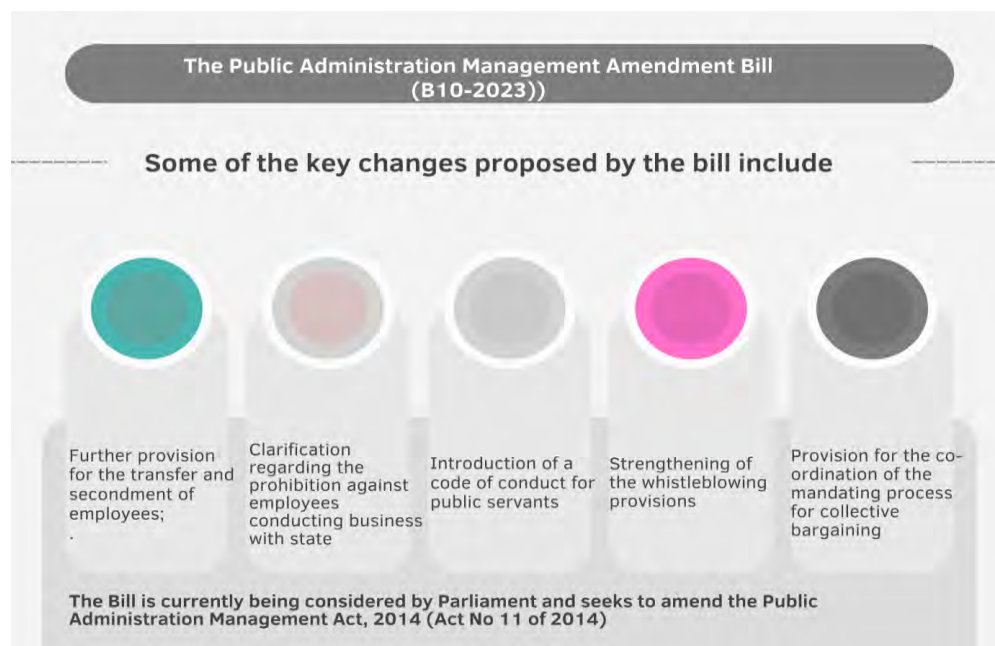
During the 2021/22 financial years, amendments were made to both.

The Public Service Amendment Bill and the Public Administration Management Amendment Bill were subjected to public consultations, including extensive consultations with organised and agreement at NEDLAC. Cabinet approved the Bills for tabling in Parliament in March 2023 and the Bills were duly submitted to Parliament on 31 March 2023.

Some of the key changes proposed by the Public Service Amendment bill include:



Some of the key changes proposed by the Public Administration Management Amendment Bill (B10-2023) include:



Strategic Objective 2: Revitalized implementation of Batho Pele

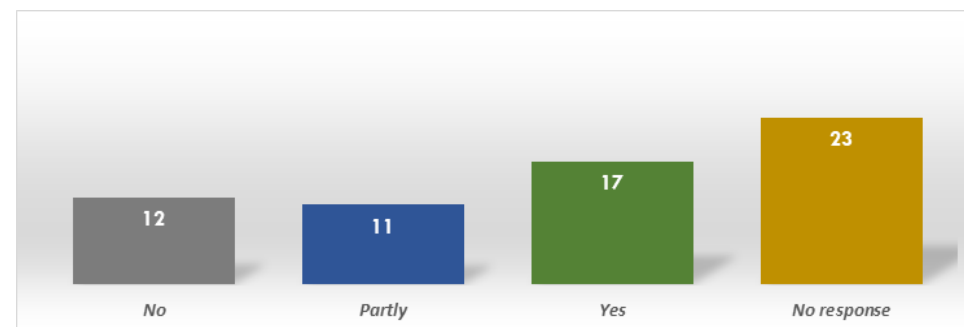
Citizen access to affordable, high-quality and uninterrupted public services is not only a legal requirement that the State is obligated to fulfil; it is also a legitimate expectation of citizens driven by a constitutional framework that is supreme.

The Revitalized Implementation of Batho Pele is a government-wide initiative that seeks to improve the quality of public service delivery in South Africa. The strategy is underpinned by five pillars:

- **Taking the Lead:** This pillar focuses on building capacity and learning from past and current Batho Pele implementation practices.
- **Development:** This pillar focuses on developing context specific Batho Pele standards and communication approaches in consultation with a diversity of stakeholders.
- **Fostering Compliance:** This pillar focuses on ensuring compliance with agreed to and publicised Batho Pele standards through appropriate monitoring of compliance tools.

- **Continuous Improvement:** This pillar focuses on continuous improvement of Batho Pele implementation through a cycle of planning, implementation, monitoring and evaluation.
- **Accountability:** This pillar focuses on ensuring accountability for Batho Pele implementation through a system of performance management and rewards.

The DPSA has conducted workshops with departments promoting and supporting the revised Batho Pele Revitalisation Strategy and its implementation plan. These were followed by an assessment of capacity to develop their context-specific standards. The findings are as follows:



The department will continue to support and building the capacity of departments to develop standards.

Strategic Objective 3: Stabilizing the Public Service.

Service Delivery Improvement Plan (SDIP) Focus Study on Early Warning Systems in the Public Service.

Complaints and compliments provide feedback to the government on the quality of its services. This feedback can be used to identify areas that need improvement, and also to recognize areas of excellence. Overall, a complaints and compliments system is an essential component of effective and accountable governance. It helps to ensure that government services are responsive to the needs of citizens and fosters a culture of transparency, trust, and engagement between the government and the public.

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Research conducted by the Department with regards to SDIP building blocks shows that 50% of Departments have a *Complains and Compliments Management System*.

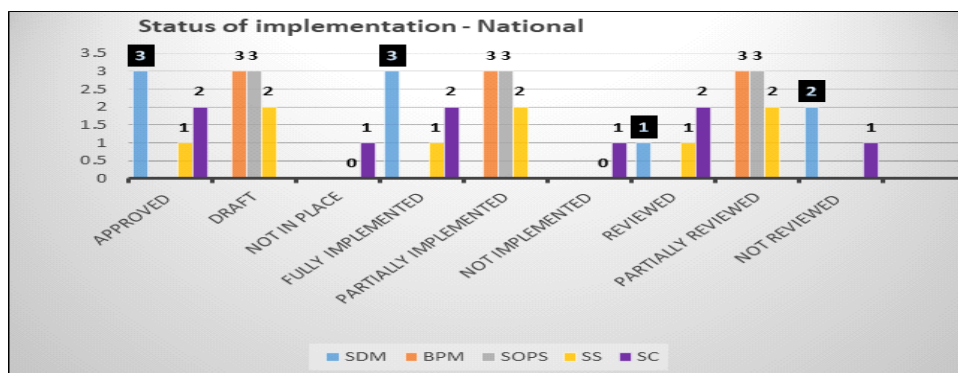
The department will continue to provide technical support and advise to the non-compliant departments to ensure that they do develop and implement a *Complains and Compliments Management System*.

Public Service Wide Research Study on the State of the Public Service Delivery.

The Department during the financial year conducted a study on the state of the public service delivery.

Trust in government is essential for a healthy democracy. When citizens trust their government, they are more likely to participate in the political process, comply with laws and regulations, and support government initiatives. However, trust in government has been declining in recent years. A 2022 survey by the Human Sciences Research Council found that only 17% of South Africans have a great deal or quite a lot of confidence in the federal government to do what is right.

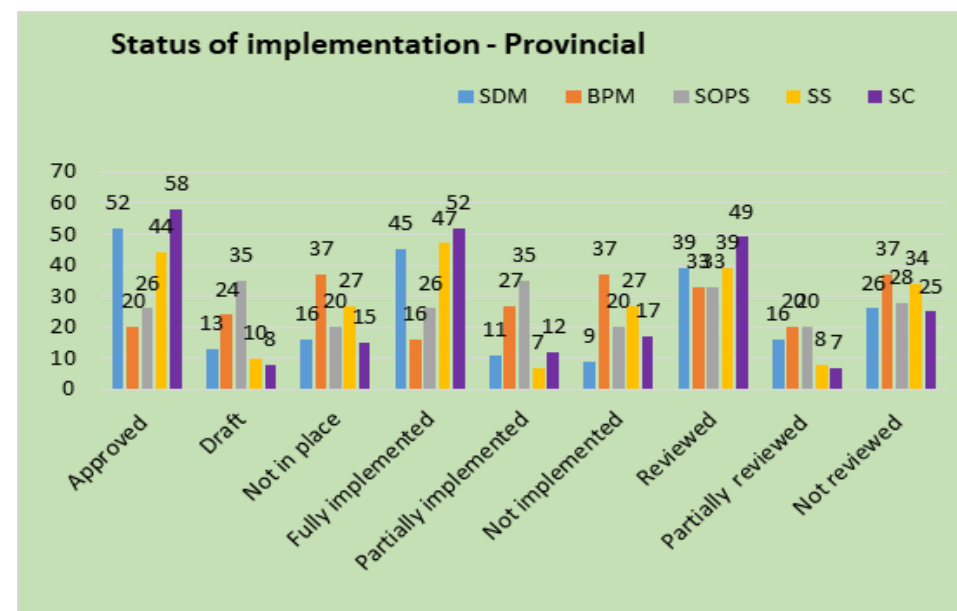
Business Process Modernisation



The study conducted by the Department, shows that the majority of national and provincial departments have approved service delivery models (SDMs), service standards (SS) and service charters (SC) that are in place.

A significant change in the data is that a majority of departments (national and provincial) that had draft SDMS in place in 2020/21, now have approved SDMS in place.

At the provincial level, the general picture is as follows:



Strategic Objective 4: Fighting Corruption.

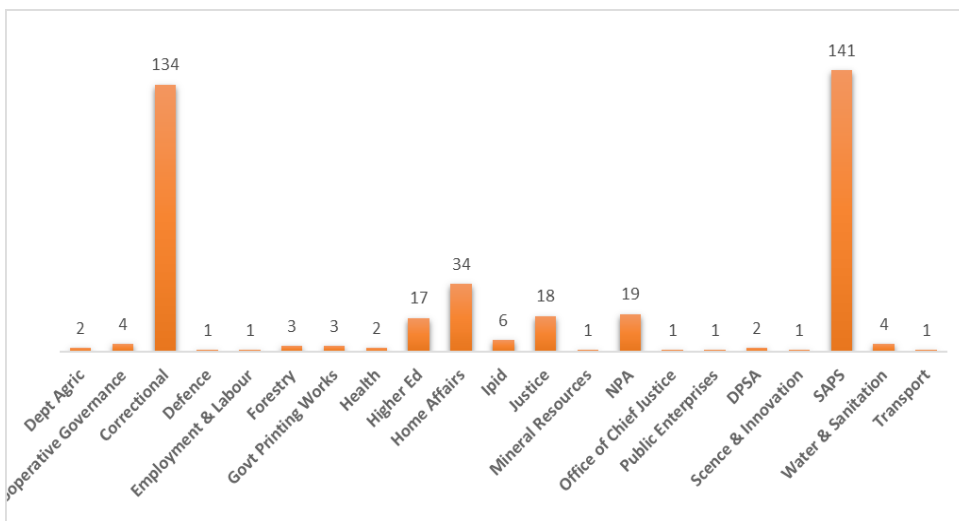
The DPSA recognizes that corruption undermines good governance, hampers service delivery, and erodes public trust. Therefore, it actively promotes measures to prevent, detect, and address corruption within the public sector.

Discipline and Ethics Management in the Public Service

The DPSA provide guidance, develop frameworks, and promote the adoption of effective measures to carry out lifestyle audits within the public service.

A Guideline for Conducting Lifestyle Audits has been developed to promote a culture of accountability, ethical and professional standards of all civil servants as well as strengthening discipline management within the Public Service. This set the scene for the implementation of lifestyle audits in the public service.

Currently there are 315 precautionary suspensions cases across National Departments. The salary costs are R 61 905 593,74:



As lifestyle audits are a decentralised function, it is required of departments to conduct lifestyle audits. The Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit (PAEIDTAU) is responsible to provide implementation support to departments and to monitor implementation progress.

Training and awareness sessions on the Guide to implement lifestyle audits in the Public Service were conducted as follows:

- Limpopo Office of the Premier
- Gauteng Provincial Government
- Eastern Cape Department of Sports, Recreation, Arts and Culture

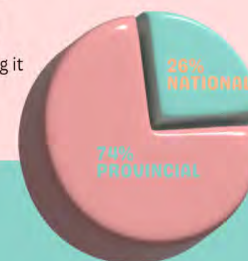
- Western Cape Department of the Premier invited PAEIDTAU to provide implementation support on the implementation of lifestyle audits to various provincial departments in the Western Cape.
- Western Cape Province
- Limpopo Department Transport and Community Safety
- National Government Communication Information System
- Department of Employment and Labour (UIF)
- Mpumalanga Department of Public Works, Roads and Transport
- Limpopo Provincial Government

During the Public Service month all the Justice Crime Prevention and Security (JCPS) Cluster departments were trained on how to implement the Guide as part of the PAEIDTAU plan.

As reflected in the tables above, only 24 national departments and 71 departments in the nine provinces indicated that they performed lifestyle reviews or were in the process of finalising it. The provincial departments have shown a huge improvement during the period under review (2021/2022). In 2020/2021 only 47 provincial departments across all nine provinces performed lifestyle audits whereas in the year 2021/2022, a total of 71 departments performed lifestyle audits. On the other hand, there is a slight decline in terms of lifestyle audits performed at national departments. In the previous year, a total of 27 national departments performed lifestyle audits whereas in 2021/2022, only 24 departments conducted lifestyle audits.

LIFESTYLE AUDITS

24 national departments and 71 departments in the nine provinces indicated that they performed lifestyle reviews or were in the process of finalising it



Life Style Audits are Conducted by Departments and report to DPSA

Strategic Objective 5: Effective implementation of Public Service Policies

Annual Public Service Compliance Monitoring Report on Public Administration

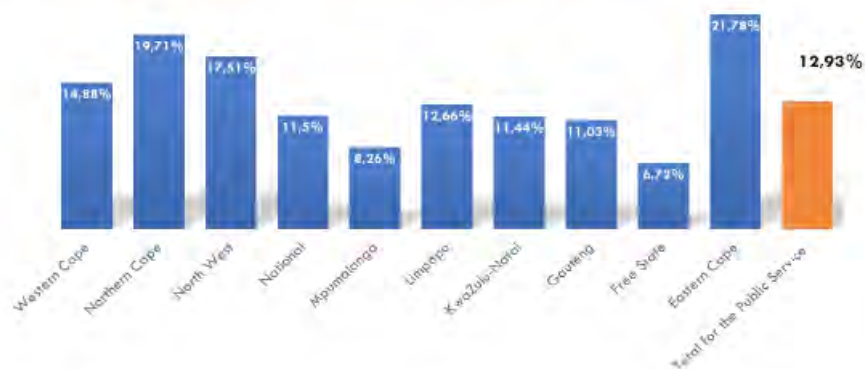
During the year under review, and in line with its mandate, the Office of Standards (OSC) produced an Annual Public Service Compliance Monitoring Report on Public Administration prescripts as issued by the Minister for the Public Service. The report identifies areas of compliance and non-compliance and makes recommendations on what the department can do to improve compliance to these prescripts by national and provincial departments.

Among the other findings, the Annual Public Service Compliance Monitoring Report shows that vacancy rates across departments are still very high, with many departments reporting SMS vacancy rates over 40%.

The Eastern Cape department of Education reported the highest SMS vacancy rate of all provinces at a staggering 74.73%. Nationally, the department of Higher Education and Training also reported the highest SMS vacancy rate among all national departments, at 44.68%. There were, however, a few pockets of excellence among departments. The department of Sports, Recreation, Arts and Culture in two provinces, namely, KwaZulu-Natal and Eastern Cape are among those with very low SMS vacancy rates at 0% and 1.15% respectively; while Limpopo department of Economic Development, Environment and Tourism recorded 0.83% SMS vacancy rate. *The general picture is as follows:*

5.2 VACANCY MANAGEMENT IN THE PUBLIC SERVICE

Vacancy Rate in the Public Service at Quarter 4 (January 2022 - March 2022)



18

Currently there are 315 precautionary suspensions cases across National Departments.

The salary costs are R 61 905 593,74:

Personnel Expenditure Review (PER)

Concerns have been raised over the last few years about the current Public Service Wage Bill, its sustainability and impact on the fiscus. The aim the Personnel Expenditure Review (PER) to assess if the current remuneration strategy/policy meets its objectives and if not, provide evidence to inform the development and implementation of a revised remuneration strategy, framework and policy for the Public Service for the subsequent five years.

During the year under review the department finalised the review and a report was developed.

Some of the critical findings from the PER report are PER:

- There is an absence of competency frameworks across the public service.
- There are significant gaps between the capacity required to deliver on the operating model imperative and the available capacity and capability in most departments which in results in the need to contract in skills.
- Public Service Directives do cover the management of poor performance, but this is seldom actioned in any meaningful manner in practice.

3.1.2 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

Departmental Receipts	2022/2023			2021/2022		
	Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000	Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000
Sale of goods and services other than capital assets	277	179	98	264	178	86
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	13	12	1	5	5	-
Sale of capital assets	320	-	320	-	318	(318)
Financial transactions in assets and liabilities	340	104	236	325	212	113
Total	950	295	655	594	713	(119)

Programme expenditure

Sub-Programme Name	2022/23			2021/22		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	253 427	238 173	15 254	242 330	220 468	21 862
Human Resources Management and Development	50 452	45 385	5 067	47 187	43 611	3 576
Negotiations, Remuneration and Labour Relations	104 350	97 713	6 637	99 874	68 129	31 745
eGovernment Services and Information Management	30 607	25 060	5 547	34 292	21 233	13 059
Government Services Access and Improvement	111 287	109 391	1 896	108 001	104 164	3 837
TOTAL	550 123	515 722	34 401	531 684	457 605	74 079

3.1.3 EXPENDITURE PER ECONOMIC CLASSIFICATION

2022/23				2021/22		
Sub-Programme Name	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Compensation of Employees	299 744	277 244	22 500	289 439	268 177	21 262
Goods and Services	181 876	173 423	8 453	185 876	137 517	48 359
Transfers and Subsidies	53 558	52 798	760	48 468	46 760	1 708
Payment of Capital Assets	14 544	11 869	2 675	7 449	4 712	2 737
Payments for financial assets	401	388	13	452	439	13
TOTAL	550 123	515 722	34 401	531 684	457 605	74 079

The final departmental expenditure as at the end of the 2022/23 financial year amounted to R515, 722 million or 93.7 per cent of the final budget of R550, 123 million.

The breakdown per economic classification is as follows:

- Compensation of Employees: R277, 244 million
- Goods and Services: R173, 423 million
- Transfers and Subsidies: R52, 798 million
- Payment of Capital Assets: R11, 869 million
- Payment of Financial Assets: R388 thousand

The amount spent on Transfers and Subsidies includes an amount of R 45,045 million transferred to the Centre for Public Service Innovation (CPSI).

Reasons for underspending

The total expenditure on compensation of employees amounted to R277,244 million or 92.5% of the final budget of R299,744 million. The underspending of R22, 500 million or 7.5% is mainly due to 57 unfilled vacant posts throughout the department, of which 19 are SMS posts and the Minister and ministry staff.

Under the economic classification Goods and Services, the final expenditure was R173,423 million or 95.4% of R181,876 million final budget allocation. The reasons for underspending of R8, 453 million or 4.6% are mainly as follows:

- The main underspending under D: ICT of R1, 184 million is due to the quotations received for SharePoint, Microsoft Power Apps, and Power Automate that were more than R1 million, which necessitated a tender process.
- The underspending under D: Risk and Ethics Management of R1, 096 million is due to delays in concluding the appointment of a service provider to develop and implement a Business Continuity Management System (BCMS) for the department.

- The underspending amounting to R988 thousand under D: Workplace Environment Management is due to a delay to kick start the project for refurbishment of a boardroom into a Media/Conference room.
- Under the Project Management Office (PMO), the underspending of R973 thousand relates to delays in initiating the process for the appointment of a service provider to provide Research and Development Support Services for the department.
- The underspending under D: Internal Transformation Programme amounting to R677 thousand is due to delays in concluding the appointment of a service provider for the Employee wellness programme and primary health care services.
- The underspending under D: Internal Audit amounting to R645 thousand relates to delays to appoint a service provider to conduct a Quality Assurance Review.

The expenditure for Transfers and Subsidies, R52,798 million or 98.6% of the total final budget of R53,558 million. The underspending of R760 thousand or 1.4% is mainly on Households (R549 thousand) for Leave Gratuities (Leave days utilized/Delay in exit).

The payments for Capital Assets expenditure is R11,869 million or 81.6% of the final budget of R14,544 million. The underspending of R2, 675 million or 18.4% million is mainly due to R1, 114 million under Remuneration, Employment Conditions and HR Systems, which relates to procurement of additional space for the server for the SAS system. An amount of R744 thousand is due to awaiting delivery of a Ministerial Vehicle.

The payments for Financial Assets expenditure is R388 thousand, which relates to the writing off, of impaired receivables.

Virement/s

Only one virement was done after the Adjusted Estimate of Expenditure budget allocation.

This virement approved the movement of a total amount of R4 315 000 under Goods and Services between programmes.

Programme 1: Administration received an amount of R1 445 000 from Programme 3: Negotiations, Labour Relations and Remuneration Management (Programme Management Office) to increase the operational funding of the Office of the Deputy Minister and the Office of the Director General.

Programme 5: Government Service Access and Improvement received an amount of R2 870 000 from Programme 2: Human Resource Management and Development (Office of Standards and Compliance) to fund the North West Intervention, the Review of the Khaedu project and the State Capacity project.

Roll over/s

The department did not roll over any funds from the 2021/22 financial year.

Unauthorised, Fruitless and Wasteful Expenditure

The department did not incur any unauthorized or Fruitless and wasteful expenditure during the year under review. An amount of R11 782, 34 was reported as irregular expenditure in the 2nd quarter of 2022/23 financial year. The expenditure is in relation to relocation costs incurred by the department on behalf of a newly appointed employee without the employee being required to provide a written undertaking to repay the department should the employee leave the public service in a year or less.

Strategic focus over the short to medium term period

Over the short to medium term, the department will continue to implement activities aligned to its 2020-2025 Strategic Outcomes and Objectives

Public Private Partnerships

None

Discontinued Activities/Activities to be discontinued

No activities were discontinued or are to be discontinued

New or Proposed Activities

No new activities were implemented and are proposed.

Supply Chain Management

Unsolicited bids

The Department did not accept, consider or conclude on any unsolicited bids during the year under review.

Supply Chain Management systems and processes

There are processes and systems in place within Supply Chain Management (SCM) to prevent irregular expenditure. These include checklists at various stages during the procurement and payment processes.

Challenges

There were two vacant positions in the Directorate namely the Chief Payments Officer and the Assistant Director: Procurement. Both posts were advertised with the Chief Payment Officer commencing duty on 1 March 2023 and the Assistant Director will commence duty 2 May 2023. Despite these vacancies, the SCM Directorate managed to function effectively and efficiently as a result of officials absorbing the responsibilities of the vacant positions.

Gifts and Donations received in Kind from Non-Related Parties

The department received sponsorship to the value of R227 000 during the 2022/23 financial year. This mainly related to a South Africa / European Union partnership that included the DPSA, CPSI and Wits University in relation to Strengthening Digital Government in South Africa.

Exemptions and Deviations received from National Treasury

The Department did not receive any Exemptions or Deviation from National Treasury.

Events after the Reporting Date

In March 2023 the President appointed Minister Noxolo Kievit as the Minister for the Public Service and Administration.

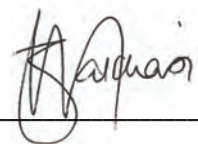
Acknowledgements and Appreciation/Conclusion

I would like to thank Acting Minister Nxesi, Minister Noxolo Kiviet and Deputy Minister Chana Pilane-Majake for their leadership and stewardship during the 2022/23 financial year.

I further extend my gratitude to all the staff members of the Department of Public Service and Administration for their ongoing dedication to ensuring that the department continues to achieve its mandate and related objectives.

Approval and Sign Off

I approve and sign off the annual report as a true reflection of the work undertaken during the reporting period.



Ms. Yoliswa Makhasi

ACCOUNTING OFFICER

DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION

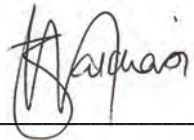
DATE: 31 MAY 2023

3.1.4 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY FOR THE ANNUAL REPORT

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

- *All information and amounts disclosed in the annual report are consistent.*
- *The annual report is complete, accurate and is free from any omissions.*
- *The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.*
- *The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by National Treasury.*
- *The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.*
- *The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.*
- *The external auditors are engaged to express an independent opinion on the annual financial statements.*
- *In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the DPSA for the financial year ended 31 March 2023.*

Yours faithfully



Ms. Yoliswa Makhasi

ACCOUNTING OFFICER

3.1.5 STRATEGIC OVERVIEW





3.1.6 LEGISLATIVE AND OTHER MANDATES

3.1.6.1. Constitutional Mandate

The Department of Public Service and Administration derives its mandate from **Section 197 (1) And (2) of the Constitution of the Republic of South Africa** which states that Public Administration must be governed by the following democratic values and principles;

1. *A high standard of professional ethics must be promoted and maintained;*
2. *Efficient, economic and effective use of resources must be promoted;*
3. *Public administration must be development – oriented;*
4. *Services must be provided impartially, fairly, equitably and without bias;*
5. *People's needs must be responded to, and the public must be encouraged to participate in policy making;*
6. *Public administration must be accountable;*
7. *Transparency must be fostered by providing the public with timely, accessible and accurate information;*
8. *Good human resources management and career-development practices, to examine human potential, must be cultivated; and*
9. *Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.*

3.1.6.2. Legislative Mandates

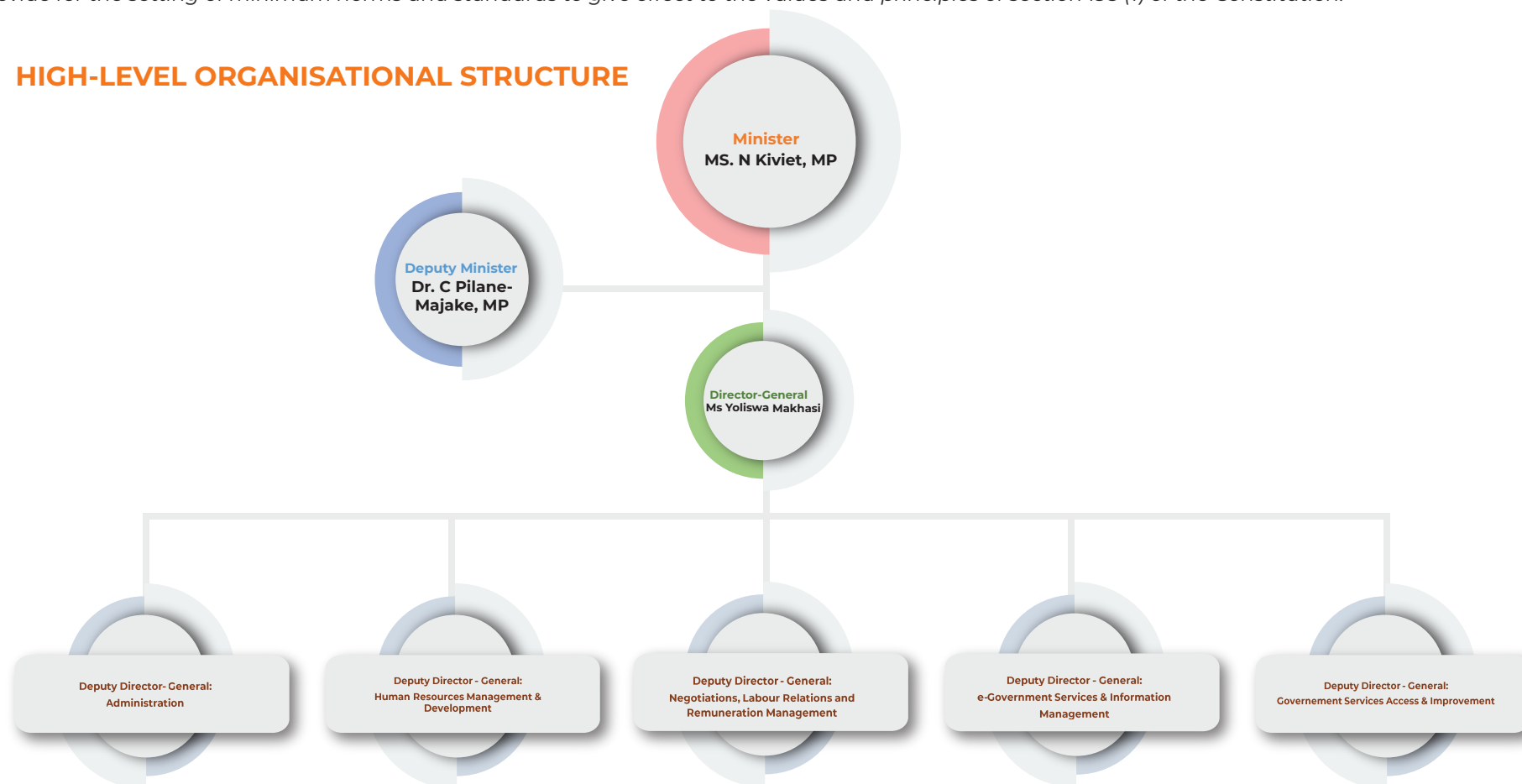
In terms of the Public Service Act of 1994, as amended, the Minister for the Public Service and Administration is responsible for establishing norms and standards relating to;

1. *The functions of the Public Service;*
2. *The organisational structures and establishments of departments and other organisational and governance arrangements in the Public Service;*
3. *The conditions of service and other employment practices for employees;*
4. *Labour relations in the Public Service;*
5. *Health and wellness of employees;*
6. *Information management in the Public Service;*
7. *Electronic government;*
8. *Integrity, ethics, conduct and anti-corruption in the Public Service; and*
9. *Transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the Public Service and its service delivery to the public.*

The Public Administration Management Act , 2014 , seeks to provide a uniform legal framework across the three spheres of government for bringing some degree of commonality of purpose in key public administration areas. The Act aims to:

- *promote and give effect to the values and principles in Section 195 (1) of the Constitution namely; high standard of professional ethics, efficient, economic and effective use of resources, development-oriented public service, services must be provided impartially, fairly, equitably and without bias, people's needs must be responded to, transparent public service and accountable public service.*
- *provide for the transfer and secondment of employees;*
- *promote a high standard of professional ethics in public administration;*
- *promote the use of information and communication technologies in the public administration;*
- *promote efficient service delivery in the public administration;*
- *facilitate the eradication and prevention of unethical practices in the public administration; and*
- *provide for the setting of minimum norms and standards to give effect to the values and principles of section 195 (1) of the Constitution.*

3.1.7 HIGH-LEVEL ORGANISATIONAL STRUCTURE



3.1.7.1 Entities Reporting to the Minister

The Department does not oversee any public entities envisaged under the Public Finance Management Act. The following entities report to the Minister for the Public Service and Administration:

Entities reporting to the Minister.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Centre for Public Service Innovation	Government component in terms of the Public Service Amendment Act, Act 30 of 2007. Tasked by the MPSA to fulfil the mandate in relation to innovation for improved service delivery in the Public Service	The DPSA transfers payment to CPSI as they are part of Budget Vote 11	The CPSI aims to entrench the culture and practice of innovation in the Public Service through: • unearthing existing innovations for learning and replication; • researching, leading and promoting the development and testing of new innovations; • investigating and facilitating the replication and mainstreaming of innovations; and • providing content driven platforms and products for public officials to adopt innovative approaches

3.1.7.2 Centre for Public Service Innovation

The CPSI was established as a government component in April 2008 in line with the Public Service Amendment Act 30 of 2007. CPSI functions as an autonomous entity with its own Accounting Officer reporting directly to the MPSA. As from 1 April 2015, the CPSI became independent and only receives transfer payments from the DPSA.

3.1.7.3 National School of Government

The National School of Government is mandated to provide or facilitate the provision of training to public servants. The Mission of the National School of Government is to Empower Public Servants to be Responsive to Citizen Needs and Government Priorities, through Education, Training and Development interventions.

Departments capacity to deliver on its mandate.

The department is organised into the following 5 Programmes/Branches.

- The department's organisational structure has a total of 418 positions of which 367 were filled as of March 2023.
- Due to the reduction in the compensation budget, the department could not fill all of its vacancies as a result vacancies had to be prioritised and the recruitment process is still underway.
- As at March 2023, the department had 57 (12.20 %) vacant positions which are the different stages of the recruitment process. It is anticipated that all these vacancies will be filled by the end of the 2023 financial year. However, more vacancies are expected to be created because of natural attrition including resignations. The department has a recruitment plan which seeks to ensure that all the vacancies are filled by the end of March 2024.



PART

PERFORMANCE INFORMATION

B

4 PART B: PERFORMANCE INFORMATION

4.1 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES-

Report on the audit of the annual performance report

1. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
2. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Human Resource Management and Development	36	Manage, oversee and facilitate human resource planning, management and development in the workplace. Facilitate compliance with minimum norms and standards set by the Minister for Public Service and Administration, in line with the Public Administration Management Act (1994), through the office of standards and compliance.
Programme 3: Negotiations, Labour Relations Remuneration Management	39	Manage, oversee and facilitate organisational development, job grading, macro organisation, remuneration, human resource information systems, conditions of service, labour relations and dispute management in the public service. Administrate the implementation of the Government Employees Housing Scheme and the macro organisation of the state, and ensure coordinated collective bargaining.
Programme 5: Government Services Access and Improvement	43	Manage, oversee and facilitate service access, operations management and service delivery improvement in the Public Service and Administration public service.

3. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
4. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
5. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

6. The material findings on the performance information of the selected programmes are as follows:

Programme 2: Human Resource Management and Development

Approved Job Competency Framework for public sector

- There was no link between the indicator of approved job competency framework for public sector and the planned target which relates to submitting of the framework for approval.

Programme 3: Negotiations, Labour Relations Remuneration Management

Approval of Collective Bargaining Policy

- There was no link between the indicator which relates to approval of collective bargaining policy and the planned target which relates to developing the collective bargaining policy and reviewing of the related procedures.

Approved reviewed generic functional structure for Programme 1: Administration Functions

- There was no link between the indicator which relates to approved generic functional structure for Programme 1: administration functions and the planned target which relates to reviewed generic functional structure functions submitted for approval.

Other matters

7. I draw attention to the matters below.

Achievement of planned targets

8. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under-achievements. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

9. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 2: Human Resource Management and Development, Programme 3: Negotiations, Labour Relations Remuneration Management and Programme 5: Government Services Access and Improvement. Management subsequently corrected some of the material misstatements identified in the selected programmes however management did not correct all of the other material misstatements and I reported material findings in this regard.

4.2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

SERVICE DELIVERY ENVIRONMENT

Service Delivery Improvement Plan

The DPSA developed its draft Service Delivery Improvement Plan (SDIP) for the 2018/19 – 2021 cycle, however this draft SDIP needed to be reviewed and aligned to the 2020 approved reviewed organisational structure which resulted in changes to the programme structure.

There was a gap year granted to departments by the DPSA in 2021-2022 in line with SDIP's Circular No.1 of 2020/21. A draft SDIP aligned to the new programme structure was developed and will be implemented during the 2023/24 financial year.

Main services and standards

Main Services	Beneficiaries	Current/Actual Standard of Service	Desired Standard of Service	Actual Achievement
Not applicable due to the 2021-2022 SDIP's gap year, granted in line with SDIP's Circular No.1 of 2020/21.				

Batho Pele arrangements with beneficiaries

Current/Actual Arrangements	Desired Arrangements	Actual Achievements
Not applicable due to the 2021-2022 SDIP's gap year, granted in line with SDIP's Circular No.1 of 2020/21.		

Service delivery information tool

Current/Actual Information Tools	Desired Information Tools	Actual Achievements
Not applicable due to the 2021-2022 SDIP's gap year granted in line with SDIP's Circular No.1 of 2020/21.		

Complaints mechanism

Current/Actual Complaints Mechanism	Desired Complaints Mechanism	Actual Achievement
Complaints /Complement Management Policy and Procedure		
Implementation of the Complaints /Complement Management Policy and Procedure for compliance with the DPSA Complaints/Compliment Management Framework.		
The DPSA's Complaints Management Policy and Procedure was approved in January 2019 and the Department has initiated the process to develop an online Complaints/ Compliments Management System.		

4.3 OVERVIEW OF DEPARTMENTAL PERFORMANCE

The Department has put measures to digitalize its internal operations as well as its collaborations with the rest of the public service. 2022/23 saw the department internal submission and approval processes being fully conducted online.

To ensure business continuity and recovery following natural or man-made disasters and outages ; the department is in the process of developing its Disaster Recovery Framework and plan which will provide for the recovery and restoration of data and applications in physical or virtual environments amongst other processes and systems.

As a key step on the journey to a paperless and digitized DPSA; the DPSA has fully implemented an online e-submission system for approval of documents that require decision making.

During the year under review, department did not incur any unauthorized, irregular expenditure, fruitless and wasteful expenditure. Irregular expenditure amounting to R11 782.34 was incurred in relation to a prior financial year 2021/22. The case is in respect of relocation costs incurred by the department on behalf of a newly appointed employee without the employee being required to provide a written undertaking to repay the department should the employee leave the public service in a year or less.

Key Policy Developments and Legislative Changes

There were no policy developments and legislative changes that impacted on the operations of the department during this reporting period.

4.4 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Full Implementation of Public Administration Management Act

The Public Service Amendment Bill and the Public Administration Management Amendment Bill were tabled in Parliament on 24 May 2023. The bills are intended to reform the public service and make it more efficient and effective.

The Public Service Amendment Bill proposes a number of changes, including:

- A new code of conduct for public servants
- A new system for performance management
- A new system for recruitment and selection
- A new system for disciplinary action
- The Public Administration Management Amendment Bill proposes a number of changes, including:
- A new system for the management of public finances
- A new system for the management of public property
- A new system for the management of public procurement

Stabilising the Public Service

The Departments continues to support departments in both the business process modernisation and organisational functional assessments.

Business process modernization (BPM) is the process of identifying, analyzing, and improving business processes. It is a systematic approach to improving the way an organization works. BPM can be used to improve efficiency, effectiveness, and customer satisfaction.

Organizational functional assessments (OFAs) are a type of BPM that focuses on the organization's structure and functions. OFAs can be used to identify areas where the organization can be improved, such as by streamlining processes, eliminating duplication, or improving communication.

Fighting Corruption intensified

A Lifestyle Audit guide has been developed, and departments were supported in the conducting lifestyle audits.

Lifestyle audits are a relatively new tool in the fight against corruption, but they have the potential to be a powerful weapon. If used effectively, they can help to clean up the public service and restore public confidence in government.

Improved Implementation of the Batho Pele Programme

DPSA supported departments in setting Batho Pele Standards. The Batho Pele Revitalisation Strategy is a government initiative that aims to improve the quality of public service delivery in South Africa. The strategy was launched in 2021.

Improved Implementation of Public Administration Policies

The OSC is responsible for ensuring compliance with the Public Administration and Management Act, 2014 (PAMA).

The OSC plays an important role in ensuring that public administration in South Africa is efficient, effective.

During the financial year, an annual report on departments' compliance to public administration norms and standards was developed.

4.5 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME 1: ADMINISTRATION

Programme Purpose:

Provide strategic leadership, management and support services to the department, and coordinate the department's international relations.

Sub-programmes:

1. *Departmental Management – to manage strategic executive support service to the Director-General.*
2. *Corporate Services – to manage and monitor the provision of human resource and transformation management services to provide facilities and security management services.*
3. *Finance Administration – to manage and facilitate the provision of financial management services.*
4. *Internal Audit – to manage the departmental risks and conduct internal regulatory and functionality audits.*
5. *Legal Service – to provide legal services.*
6. *International Relations and Donor Funding- Manage the Provision of Executive Support to the Office Of The Director- General.*
7. *Office Accommodation-provision of office accommodation and pay for municipal services*

The programme contributes to the following outcomes;

1. Improved Implementation of Public Administration Policies

STRATEGIC OUTCOMES, PERFORMANCE INDICATORS, OUTPUTS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

PROGRAMME 1: ADMINISTRATION

Outcome	Output	Output Indicator	Actual Achievement 2019/2021	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023	Comment on Deviations
Improved implementation of administrative policies	Fruitless, wasteful and irregular expenditure monitored and addressed	Monitoring reports on fruitless, wasteful and irregular expenditure	-	Fruitless, wasteful and irregular expenditure monitored.	Fruitless, wasteful and irregular expenditure was monitored.	4 Monitoring reports on fruitless, wasteful and irregular expenditure	Achieved 4 Monitoring reports on fruitless, wasteful and irregular expenditure were compiled	Not Applicable	Not Applicable
	Compliance with the Broad-Based Black Economic Empowerment (BBBEE) prescripts	Bi-annual monitoring reports on the compliance with the BBBEE prescripts	-	-	The department's Broad Based Black Economic Empowerment (BBBEE) status was monitored on a bi-annual basis	2 Bi-annual monitoring reports on the compliance with the BBBEE prescripts	Achieved 2 Bi-annual monitoring reports on the compliance with the BBBEE Prescripts were compiled	Not Applicable	Not Applicable
	Institutional capacity to mainstream gender, youth and disability rights	% representation of women in SMS position	-	-	-	50% representation of women in SMS position	Not Achieved The representation of women in SMS positions was at 47,14%	2,86% less than the targeted 50%. As there were no recruitment processes for SMS posts that were at the interview and nominations stage during the 4th quarter no SMS posts were filled	Continue to monitor the implementation of the affirmative action measures that promote the appointment of women during the recruitment processes for SMS posts.

Outcome	Output	Output Indicator	Actual Achievement 2019/2021	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023	Comment on Deviations
		% representation of Youth	-	-	-	30% % representation of Youth]	Not Achieved The representation of youth was at 16,45%	13,55% less than the targeted 30% .Youth is not a designated group in terms of the EE Act as a result the department cannot put in place Affirmative Action Measures to promote the employment of youth as a targeted group as has been done with the appointment of Women into SMS posts.	Continue to monitor youth representation as vacant posts are filled. Review the structure to create lower level technical posts into which youth can be appointed DPSA to review the regulations/ directives on minimum requirements for the Public Service
		% representation of people with disability	-	-	-	2% representation of people with disability	Achieved 2,49% representation of people with disability	0,49% more than the targeted 2% as a result of more persons with disabilities being employed	Not Applicable
	Public Service Amendment Bill	Revised Public Service Amendment Bill	-	Draft Public Service Amendment Bill was submitted to the Office of the Chief State Law Adviser for pre-certification. And gazetted in March 2021.	Not Achieved The Revised Public Service Amendment Bill has not yet been submitted to Cabinet	Table the Public Service Amendment Bill in Parliament	Achieved The Public Service Act Amendment Bill was presented to cabinet to approve the tabling of the Bill in parliament and the Bill was duly tabled to Parliament through the letters sent by the Minister for Public Service and Administration.	Not Applicable	Not Applicable

Outcome	Output	Output Indicator	Actual Achievement 2019/2021	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023	Comment on Deviations
	Public Administration Management Amendment Bill	Public Administration Management Amendment Bill tabled in Parliament	-	-	The Bill was gazetted. Consultations were held with the Department of Cooperative	Table the Public Administration Management Amendment Bill in Parliament	Achieved The Public Management Administration Amendment Bill was presented to cabinet to approve the tabling of the Bill in parliament and the Bill was duly tabled to Parliament through the letters sent by the Minister for Public Service and Administration.	Not Applicable	Not Applicable

Strategy to overcome Areas of under Performance

Define time frames for consultation with stakeholders upfront to avoid protracted processes.

Changes to Planned Targets

There were no changes to the planned targets.

Linking Performance with Budgets

2022/23				2021/2022		
Sub-Programme Name	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Ministry	30 826	23 838	6 988	30 003	24 797	5 206
Departmental Management	11 840	11 399	441	10 298	9 376	922
Corporate Services	100 869	95 695	5 174	95 501	83 500	12 001
Finance Administration	29 949	28 899	1 050	28 707	26 887	1 820
Internal Audit	6 234	5 543	691	5 766	5 752	14
Legal Services	10 595	9 990	605	12 365	11 596	769
International Relations and Donor Funding	9	7	2	2 296	1 170	1 126
Office Accommodation	63 105	62 802	303	57 394	57 390	4
TOTAL	253 427	238 173	15 254	242 330	220 468	21 862

4.6 PROGRAMME 2: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

Purpose:

Manage, oversee and facilitate human resource planning, management and development in the workplace. Facilitate compliance with minimum norms and standards set by the Minister for Public Service and Administration, in line with the Public Administration Management Act (1994), through the office of standards and compliance

Subprogrammes

- 1) Management: Human Resource Management and Development provides administrative support and management to the programme.
- 2) Office of Standards and Compliance facilitates compliance with the minimum norms and standards set by the minister, in line with section 16 of the Public Administration Management Act (1994).
- 3) Human Resource Planning, Employment and Performance Management manages, develops and monitors the implementation of policies and programmes related to human resource planning, employment practices and employee performance management.
- 4) Human Resource Development manages, develops and monitors the implementation of policies and programmes related to human resource development.
- 5) Transformation and Workplace Environment Management manages, develops and monitors the of policies and programmes related to diversity, transformation and workplace environment management.

The programme contributes to the following outcomes;

1. Full Implementation of Public Administration Management Act
2. Stabilising the Public Service
3. Improved Implementation of Public Administration Policies

STRATEGIC OUTCOMES, PERFORMANCE INDICATORS, OUTPUTS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

PROGRAMME 2: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

Outcome	Output	Output Indicator	Actual Achievement 2019/2021	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023	Comment on Deviations
A stabilised Public Service	Legislative framework to institutionalise mandatory in-service training framework	Legislative framework on Mandatory in-service training for the public service developed	-	-	-	Directive on Mandatory Directive on Mandatory in-service training for the public service submitted for approval	Not Achieved The Draft Directive Mandatory in-service training for the public service was not submitted for approval	The Draft Directive Mandatory in-service training for the public service was developed and the engagements with National Treasury on funding required and the National School of Government took longer than planned	The Directive will be issued during the 2023/24 financial year
	Human resource management and Development Strategy approved	Approved HRM&D strategy	-	-	-	HRM&D strategy and implementation plan submitted for approval	Not Achieved The draft HRM&D strategy and implementation plan were not submitted for approval	The draft HRM&D strategy and implementation plan could not be finalized as the project leader was on secondment which could not be extended when the secondment period ended at the beginning of the 3rd quarter.	The department has secured technical support from partners and the work will be concluded by the end of the 2023/24 financial year
	Job Competency Framework for public sector approved	Approved Job Competency Framework for public sector	-	-	-	Job Competency Framework for public sector submitted for approval	Not Achieved The Job Competency Framework for public sector was not submitted for approval	The were capacity challenges which impacted on the development of the Job Competency Framework	The department has secured technical support from partners and the work will be concluded during the 2023/24 financial year
Improved implementation of administrative policies	Annual Compliance Monitoring Report on selected PA Norms and Standards	Annual Compliance Monitoring Report on selected PA Norms and Standards produced	-	-	-	Annual Compliance Monitoring Report on selected PA Norms and Standards was submitted for approval	Achieved The Annual Compliance Monitoring Report on selected PA Norms and Standards was submitted for approval	Not Applicable	Not Applicable

Strategy to overcome Areas of under Performance

Matters with regards to challenges in consultations will be resolved

Changes to Planned Targets

There were no changes to the planned targets.

Linking Performance with Budgets

2022/23				2021/2022		
Sub-Programme Name	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Management: Human Resources Management and Development	3 654	3 517	137	3 626	3 484	142
Office of Standards and Compliance	10 776	8 793	1 983	8 794	8 236	558
Human Resource Planning, Employment and Performance Management	15 427	14 120	1 307	15 323	14 324	999
Human Resource Development	10 303	9 939	364	9 004	8 476	528
Transformation and Workplace Environment Management	10 292	9 016	1 276	10 440	9 091	1 349
TOTAL	50 452	45 385	5 067	47 187	43 611	3 576

4.7 PROGRAMME 3: NEGOTIATIONS, LABOUR RELATIONS AND REMUNERATION MANAGEMENT

Programme Purpose:

Manage, oversee and facilitate organisational development, job grading, macro organisation, remuneration, human resource information systems, conditions of service, labour relations and dispute management in the public service. Administrate the implementation of the Government Employees Housing Scheme and the macro organisation of the state, and ensure coordinated collective bargaining.

Subprogrammes

- 1) Management: Negotiations, Labour Relations and Remuneration Management provides administrative support and management to the programme.
- 2) Negotiations, Labour Relations and Dispute Management manages, develops and monitors the implementation of policies and programmes in labour relations and dispute management in the public service, and facilitates and manages collective bargaining in the Public Service Coordinating Bargaining Council and the General Public Service Sector Bargaining Council.
- 3) Remuneration, Employment Conditions and Human Resource Systems manages, develops and monitors the implementation of policies and practices related to remuneration and employment conditions in the public service. This subprogramme also manages and coordinates data on governance and human resource information systems specifically related to human resources.
- 4) Macro Benefits and Government Employees Housing Scheme manages, develops and monitors the implementation of policies and programmes on macro benefits in the public service, administers the housing allowance scheme, provides stakeholder management, and facilitates employee access to affordable housing finance and housing supply (ownership and rental). Organisational Development, Job Grading and Macro Organisation of

the State manages, develops and monitors the implementation of policies and programmes related to organisational design, job grading and job descriptions; and manages and coordinates processes related to national macro organisations of the state. 2023 Estimates of National Expenditure Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit manages, develops and monitors the implementation of policies, strategies and programmes related to ethics and integrity in the public service, and provides technical assistance and support when required.

The programme contributes to the following outcomes;

1. Full Implementation of Public Administration Management Act
2. Fighting Corruption intensified
3. Stabilising the Public Service
4. Improved Implementation of Public Administration Policies

STRATEGIC OUTCOMES, PERFORMANCE INDICATORS, OUTPUTS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

PROGRAMME 3: NEGOTIATIONS, LABOUR RELATIONS AND REMUNERATION MANAGEMENT

Outcome	Output	Output Indicator	Actual Achievement 2019/2021	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023	Comment on Deviations
A stabilised Public Service	Collective bargaining processes for the State in the Public Service Coordinating Bargaining Council strengthened	Approval of Collective Bargaining Policy	-	Manage the Collective Bargaining processes for the State in the Public Service Coordinating	Achieved The Collective bargaining processes were managed.	1 DPSA Collective bargaining policy developed, procedures reviewed.	Achieved 1 DPSA Collective bargaining policy was developed and the procedures were reviewed	Not Applicable	Not Applicable
	Approval of Collective Bargaining Policy	1 DPSA Collective bargaining policy developed, procedures reviewed.	-	-	-	Reviewed generic functional structure for Programme 1: Administration Functions submitted for approval	Achieved The Reviewed generic functional structure for Programme 1: Administration Functions was submitted for approval	Not Applicable	Not Applicable
	Personnel Expenditure Reviewed	Personnel Expenditure review conducted	-	The Personnel Expenditure Review could not commence due to budget cuts to departments as a results of Covid-19	The Personnel Expenditure Review (PER) has not been finalised.	Finalize the Personnel Expenditure Review (PER) report in consultation with stakeholders and submit final report for approval.	Achieved The Personnel Expenditure Review (PER) report was finalized in consultation with stakeholders and the final report was submitted for approval.	Not Applicable	Not Applicable
	Job evaluation System for the Public Service	Job evaluation System for the Public Service implemented	-	No work was undertaken due to lack of funding provided for the current financial year	The job evaluation system for the public service was not developed.	Job evaluation System for the Public Service final report submitted for approval	Not Achieved The Job Evaluation System for the Public Service final report was not submitted for approval	The procurement process for a service provider to develop the system was not finalized by March 2023	A service provider has been appointed and the system will be developed and piloted during the 2023/24 financial year

Outcome	Output	Output Indicator	Actual Achievement 2019/2021	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023	Comment on Deviations
Fight against corruption intensified	Timely resolution of disciplinary cases	Approval Discipline management strategy	-	-	A Consolidated Annual Report was produced	The Discipline Management Strategy Approved	Achieved The Discipline Management Strategy was approved	Not Applicable	Not Applicable
	Lifestyle Audits Guidelines produced	Number of departments supported to implement the lifestyle.	-	-	The Guidelines on Conducting Lifestyle Audits was issued, implementation support was provided and implementation has been assessed	All JCPS Departments supported to implement the lifestyle Audits	Achieved All the JCPS Departments were supported to implement the Lifestyle Audits. In addition, the following departments were supported: In addition the department also supported the following departments; Limpopo Office of the Premier, Gauteng Provincial Government, Eastern Cape Dpt of Sports, Recreation, Arts and Culture, Western Cape Dpt of the Premier , Western Cape Province ,Limpopo Department Transport and Community Safety National GCIS, Dpt of Employment and Labour (UIF), Mpumalanga Dpt of Public Works, Roads and Transport and the Limpopo Provincial Government	The Department decided to virtually support all the JCPS Departments during Pubic Service Month and as a result it was possible to extend invites for provision of support to other departments	Not Applicable

Strategy to overcome Areas of under Performance

In order to enhance performance in the following projects, as well as broadly: Conduct Personal Expenditure Review; and the Development of the Job Evaluation system for the Public Service, the branch will strengthen its project management, and contract management capacity. In instances where external consultants are engaged, the branch will tighten contract management and periodic reporting and engagement.

Changes to Planned Targets

There were no changes to the planned targets.

Linking Performance with Budgets

2022/23				2021/2022		
Sub-Programme Name	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Management: Negotiations, Labour Relations and Remuneration	3 306	3 087	219	2 649	817	1 832
Negotiations, Labour Relations and Dispute Management	7 551	7 067	484	7 138	6 892	246
Remuneration, Employment Conditions and HR Systems	38 609	35 665	2 944	38 708	20 147	18 561
Government Employees Housing Scheme, Project Management Office	14 473	12 745	1 728	14 149	10 062	4 087
Organisational Development, Job Grading, and Macro Organisation of the State	14 253	13 277	976	19 064	13 163	5 901
Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit	26 158	25 872	286	18 166	17 048	1 118
TOTAL	104 350	97 713	6 637	99 874	68 129	31 745

4.8 PROGRAMME 4: e-GOVERNMENT SERVICE AND INFORMATION MANAGEMENT

Programme purpose

Manage, oversee and facilitate ICT governance, enablement, ICT infrastructure, information and knowledge management, and innovation in the public service. Coordinate and facilitate ICT stakeholder management.

Subprogrammes

- 1) Management: eGovernment Services and Information Management provides administrative support and management of the programme.
- 2) eEnablement and ICT Service Infrastructure Management manages, develops and monitors the implementation of policies and programmes on e-services and ICT infrastructure.
- 3) Information and Stakeholder Management manages, develops and monitors the implementation of policies and programmes in information management, data and information archiving, and coordinates and facilitates ICT stakeholder management.
- 4) ICT Governance and Management manages, develops and monitors the implementation of policies and programmes for ICT enterprise architecture, ICT risk, security standards, business continuity and service management.
- 5) Knowledge Management and Innovation manages, develops and monitors the implementation of policies and programmes for knowledge management and innovation.

The programme contributes to the following outcomes;

1. Full Implementation of Public Administration Management Act
2. Stabilising the Public Service
3. Improved Implementation of Public Administration Policies

STRATEGIC OUTCOMES, PERFORMANCE INDICATORS, OUTPUTS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

PROGRAMME 4: E-GOVERNMENT SERVICE AND INFORMATION MANAGEMENT

Outcome	Output	Output Indicator	Actual Achievement 2019/2021	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023	Comment on Deviations
Improved implementation of administrative policies	Modernisation and digitisation of the public sector	Approval of the Digital Government Policy Framework for the Public Service	Achieved the Digital Government Policy Framework for the Public Service was submitted for approval	Achieved The Audit report on the implementation of the National e-Government Strategy was issued to national and provincial departments in March 2021	Achieved National e-Government Strategy ; Corporate Governance of ICT Policy Framework and the determination and directive on Cloud Computing in the Public Service were issued	Approved Digital Government Policy Framework for the Public Service	Not Achieved The Digital Government Policy Framework for the Public Service was not approved	The Policy Framework for the Public Service was routed for approval in March 2023 which is the month when the Minister was appointed, the framework will first be presented to the Minister for decision making	After approval, the Policy Framework will be issued for implementation by departments during the 2023-24 financial year
		Approval of the Digital service attributes standard	-	-	-	Approved Digital service standard	Not Achieved The Digital service standard was not approved	The Digital Service Standard was routed for approval in March 2023 which is the month when the Minister was appointed, the Standard will first be presented to the Minister for decision making	After approval, the Policy Framework will be issued for implementation by departments during the 2023-24 financial year
		Approval of the Public Service Data and Information Management Directive	-	-	-	Approved Public Service Data and Information Management Directive	Not Achieved Public Service Data and Information Management Directive was not approved	The Public Service Data and Information Management Directive was routed for approval in March 2023 which is the month when the Minister was appointed, the Directive will first be presented to the Minister for decision making	After approval, the Policy Framework will be issued for implementation by departments during the 2023-24 financial year

Strategy to overcome Areas of under Performance

Measures will be put in place to ensure the targets are approved

4.8.1 Changes to Planned Targets

There were no changes to the planned targets

Linking Performance with Budgets

2022/23				2021/2022		
Sub-Programme Name	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Management: e-Government Services and Information Management	4 048	3 933	115	3 645	3 142	503
E-Enablement and ICT Service Infrastructure Management	8 545	7 107	1 438	7 329	6 742	587
Information and Stakeholder Management	5 238	2 596	2 642	6 553	2 751	3 802
ICT Governance and Management	8 187	7 609	578	12 069	5 602	6 467
Knowledge Management and Innovation	4 589	3 815	774	4 696	2 996	1 700
TOTAL	30 607	25 060	5 547	34 292	21 233	13 059

4.9 GOVERNMENT SERVICES ACCESS AND IMPROVEMENT

Programme purpose

Manage, oversee and facilitate service access, operations management and service delivery improvement in the Public Service and Administration public service.

Subprogrammes

- 1) Management: Government Service Access and Improvement provides administrative support and management to the programme.
- 2) Operations Management manages, develops and monitors the implementation of policies and programmes related to service delivery mechanisms and business process management. Service Delivery Improvement, Citizen Relations and Public Participation manages and facilitates the development and implementation of social compacts and complaints management policy, and manages and coordinates citizen relations and public participation programmes.
- 3) Service Access manages, develops and monitors the implementation of policies and programmes related to service planning, and manages and coordinates service centres and frontline service delivery programmes and interventions.
- 4) International Cooperation and Stakeholder Relations establishes and manages the department's bilateral, multilateral and institutional relations and cooperation programmes with international organisations, including the African Peer Review Mechanism and the open government partnership project.
- 5) Centre for Public Service Innovation facilitates transfer payments to the Centre for Public Service Innovation which unlocks innovation in the public sector and creates an enabling environment for improved and innovative service delivery through activities targeted at capacity development.

The programme contributes to the following outcomes;

1. Full Implementation of Public Administration Management Act
2. Stabilising the Public Service
3. Improved Implementation of the Batho Pele Programme

STRATEGIC OUTCOMES, PERFORMANCE INDICATORS, OUTPUTS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

PROGRAMME 5: GOVERNMENT SERVICE ACCESS AND IMPROVEMENT

Outcome	Output	Output Indicator	Actual Achievement 2019/2021	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023	Comment on Deviations
A stabilised Public Service	Organisational Functionality Assessment framework implemented by the departments	Institutionalise the Organisational Functionality Assessment Framework in the public service	The report on the state of readiness of departments to OFA Tool was submitted to the Director-General in March 2020	Consultations were held with national and provincial Departments on the full implementation of the Organisational Functionality Assessment Tool	The Directive on the Organisational Functionality Assessment Tool was issued to national and provincial departments.	The Organisational Functionality Assessment Framework institutionalised in the public service	Achieved The Organisational Functionality Assessment Framework was institutionalised in the public service	Not Applicable	Not Applicable
Improved implementation of administrative policies	Business Processes Modernisation Programme implemented	Number of departments implementing Business Processes Modernisation		The Business Processes Modernisation Programme was developed	The implementation of the Business Processes Modernisation Programme was monitored	Implementation of the Business Processes Modernisation Programme (BPM) in three partner departments	Achieved The Business Processes Modernization Programme (BPM) was implemented four partner departments due to a high response from more departments as follows; 1, Department of Human Settlements – North West 2, Department of Co-operative Governance, Human Settlements and Traditional Affairs (COGHSTA)	An additional department requested to be part of the Programme and the DPSA had sufficient capacity to include the department	

Outcome	Output	Output Indicator	Actual Achievement 2019/2021	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023	Comment on Deviations
							- Limpopo , 3, Department of Agriculture, Rural Development and Environmental Affairs (DARDLEA) – Mpumalanga and 4. Department of Education - KwaZulu Natal		
Improved implementation of Batho Pele Programme	Revised Batho Pele Programme implemented	Number of departments supported on the implementation of Batho Pele Programmes	Report on the implementation of the Batho Pele standards by all national and provincial departments was compiled.	Batho Pele Revitalization strategy was submitted to the Director-General in March 2021	The implementation of the revised Batho Pele Programme was monitored.	Departments supported on the implementation of the Batho Pele Programme through 10 sector focused sessions per annum	Achieved Departments were supported on the implementation of the Batho Pele Programme through 10 sector focused sessions per annum	Not Applicable	Not Applicable
Improved implementation of administrative policies	African Peer Review Mechanism 2nd Generation country review implemented	Approval of the National Plan of Action	-	-	The Institutionalization of the African Peer Review Mechanism (APRM) was monitored.	APRM National Plan of Action approved	Achieved The APRM National Plan of Action was approved	Not Applicable	Not Applicable
	SDIP building blocks through an automated system implemented	Number of departments complied with SDIP building blocks through an automated system	-	-	-	Departments complied with SDIP building blocks and capacity building provided in 10 sectors.	Achieved Departments complied with SDIP building blocks and capacity building was provided in 10 sectors.	Not Applicable	Not Applicable
Improved implementation of administrative policies	Research study on the State of Public Service Delivery approved	Approval of the Research study on the State of Public Service Delivery	-	-	-	Research Study on the State of the Public Service Delivery approved	Achieved The Research Study on the State of the Public Service Delivery was approved	Not Applicable	Not Applicable

4.9.1 Strategy to overcome Areas of under Performance

This is not applicable as all the planned targets were achieved.

4.9.2 Changes to Planned Targets

There were no changes to the planned targets.

Linking Performance with Budgets

2022/23				2021/2022		
Sub-Programme Name	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Management: Government Service Access and Improvement	3 445	3 418	27	3 025	2 621	404
Operations Management	13 482	13 453	29	13 137	12 189	948
Service Delivery Improvement, Citizen Relations and Public Participation	13 566	13 469	97	13 715	13 701	14
Service Access	21 531	21 429	102	21 174	21 051	123
International Co-operation and Stakeholder Relations	14 218	12 577	1 641	13 997	13 149	848
Centre for Public Service Innovation	45 045	45 045	-	42 953	41 453	1 500
TOTAL	111 287	109 391	1 896	108 001	104 164	3 837

4.9.3 TRANSFER PAYMENTS

Transfer Payments to Public Entities

Name of Public Entity	Services rendered by the Public Entity	Amount transferred to the Public Entity	Amount Spent by the Public Entity	Achievements of the Public Entity
Centre for Public Service Innovation	Facilitating the unearthing, development and practical implementation of innovative solutions within the Public Service	45045	45045	Innovation research and development initiatives undertaken. The prototyping of the two multi-year projects, an e-hailing solution for <i>Gauteng EMS Planned Patient Transfer</i> and the <i>Northern Cape Virtual Thusong Centre</i> were completed as planned. Following the appointment of a systems developer, work on the “back-end” coding of the EMS project continued whilst work on the “front-end” user interface of the Virtual Thusong Centre was completed. Both these solutions will be tested and piloted in the 2023/24 financial year. The CPSI continued its support to Youth Digital Skills Development Initiatives. During the year this included providing mentorship during the NEMISA Datathon (25 - 27 November 2022), the Northern Cape Developer (NCDev) hackathon (3 - 5 December 2022) and capacity building during a youth digital skills development programme in Springbok in February 2023. The CPSI was also requested, in line with our commitment to regional and South-South learning, to support a Public Finance Management Hackathon in the Kingdom of Lesotho, hosted by the Government of Lesotho and the International Monetary Fund from 24 to 26 January 2023. As part of the CPSI's DDM commitments, the CPSI supported the piloting of the <i>Let's Talk Citizen Engagement Mobile Application</i>, funded by the UNDP South Africa, in the Waterberg and OR Tambo Districts. The mobile application provides a two-way platform for communication with citizens and for reporting service delivery challenges. Following Design Workshops in Quarter 2, training of municipal officials and software configuration were concluded in the third and fourth quarters. The application was launched in the Waterberg District on 3 March 2023 and is downloadable on the various mobile application stores. Research initiatives included the <i>SA-EU Dialogue series on Strengthening Open Digital Governance</i> that was concluded in the third quarter and the <i>Multi-Year Assessment of Public Sector Innovation</i> in partnership with NACI. The Qualitative Phase of the initiative was concluded with a comprehensive report with three case studies. The final phase, a quantitative survey, commenced in Q4 with contracting and two initial reports (inception report and conceptual framework) concluded. The unit also produced an <i>assessment report of the replication of the learning management system (eLMS)</i>, a Public Sector Innovation Awards winning project subsequently replicated in 7 schools. The report will assist the CPSI in strengthening its replication and scaling methodology.

Name of Public Entity	Services rendered by the Public Entity	Amount transferred to the Public Entity	Amount Spent by the Public Entity	Achievements of the Public Entity
				Innovative Solutions replicated. CPSI facilitated the replication of two (2) innovative projects to improve service delivery. Digital Fingerprint Project The project aims to solve the challenge of unidentified deceased with long waiting times for DNA to be matched. This sometimes leads to pauper burials at the cost of the State. In partnership with CSIR, the Gauteng Forensic Pathologic Services (FPS) started the project using Biometrics scanners and third-party verification to access Department of Home Affairs database to identify unknown deceased. The CPSI has facilitated the replication of this project in five sites in Gauteng, including procurement of biometric scanners, and laptops and the development of an upgraded software from CSIR. In addition, the CPSI also paid for 12 months' costs of verification through a third-party service provider. CPSI - The benefits of the project are, amongst others, improved quality of fingerprints collected from deceased resulting in improved identification rate at the Department of Home Affairs. - Immediate identification of the deceased. Families of known unclaimed bodies can be traced using their credit profile information. Edenvale Hospital Blood Optimisation Project The project ensures the efficient use of blood and blood products to save costs. The challenge at the hospital was that different units within the hospital would order blood separately for the same patient and use very little for their needs at the time. This resulted in the discarding of opened blood pouches as it could no longer be re-used and this led to high blood usage resulting in high costs for the hospital. The CPSI facilitated the replication of the Blood Optimisation project through. - The introduction of an accountability form developed for doctors to ensure actual blood requirements are linked to a patient in all units. - Training of medical personnel of the Outpatient Department on the use and completion the accountability form. In addition, the CPSI continued to provide support to the E-learning project that was replicated in selected schools in North-West, Free State and Eastern Cape provinces in 2021/2022 to ensure continuity and sustainability of this solution.

Name of Public Entity	Services rendered by the Public Entity	Amount transferred to the Public Entity	Amount Spent by the Public Entity	Achievements of the Public Entity
				Knowledge platforms sustained to nurture an enabling environment for Innovation in the Public Sector <i>Public Sector Innovation Conference</i> The 16th Public Sector Innovation Conference was successfully held in August 2022. The conference serves as a platform for innovators to share and exchange knowledge and best practices on innovation. Furthermore, the conference provides an ideal opportunity to showcase innovative projects and solutions mostly from the public service. The 2022, Public Sector Innovation conference took place under the theme: “Building Social Innovation Partnerships for a capable developmental State.” The conference is a critical platform to promote and nurture the culture and practice of innovation in the public sector to improve service delivery. In addition, international best practices and experience from Bangladesh and OECD was also shared with the participants. <i>Public Sector Innovation Awards Programme</i> The 20th Public Sector Innovation Awards 2022 Programme was successfully implemented during the year under review. The Awards Programme recognises successful and effective service delivery projects and initiatives that have been achieved through the application of innovative approaches, methodologies and tools, aiming to improve services to the citizens of South Africa. The Minister for the Public Service and Administration conferred awards to winners in three categories, including Ministerial Awards to public service individuals and teams. The Public Sector Innovator of the Year was awarded to the Hospital and Emergency Centre Tracking Information System (HECTIS) Project from the Western Cape Department of Health. The Centre also uses this programme, through the recognition of Public Sector Trailblazer initiative, to unearth and promote the in-sourcing of System Developers in various government departments to enable them to develop home-grown solutions to alleviate service delivery challenges. In addition, the Awards Programme is a critical source to identify innovative solutions for replication and scaling up. In addition, the Finalists of the 20th Public Sector Innovation Awards Programme 2022 were capacitated through Design Thinking and Public Sector Innovation Training workshops. Regional/International Programme In April 2022 and March 2023, the CPSI represented Republic of South Africa in the United Nations' CEPA (Community of Experts in Public Administration). The CPSI further represented the Republic of South Africa in the Jury of the AAPAM Innovative Management Award Programme. It participated in the adjudication of entries received from across Africa. This culminated in a Review Meeting held in December 2022 to select and confirm finalists. This culminated in recognition to winners on the 8th of December 2022 as part of the AAPAM Annual Roundtable held in Decembers 2022.

Name of Public Entity	Services rendered by the Public Entity	Amount transferred to the Public Entity	Amount Spent by the Public Entity	Achievements of the Public Entity
				The South African Public Sector Innovation Journal: Ideas that Work. Articles and case studies on innovative solutions were published online through the CPSI website. These articles are part of knowledge sharing and learning for the Public Service to use innovation to improve service delivery. Design Thinking and Public Sector Innovation Workshops Four Design Thinking and Public Sector Innovation Training workshops were conducted in 2022/2023 as part of capacitating public officials in modern tools and approaches to solve service delivery challenges in their fields. One of the workshops was held at a DDM pilot area, Waterberg District in Limpopo province in support of the District Development Model. This is part of efforts by the organisation to nurture an enabling environment for innovation in the Public Sector. To date, the CPSI has also assisted the National School of Government (NSG) in crafting an online Systems Design Thinking Course that will be part of the courses offered by the NSG to public servants.
TOTAL				

4.9.4 Transfer Payments to all organisations other than public entities

Transfer payments made.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38(1) (j) of the PFMA	Amount transferred. R'000	Amount spent by the entity R'000	Reason for the funds unspent by the entity
Organisation for Economic Cooperation and Development	International organisation	Partnership fee	Yes	319	–	
African Association for Public Administration and Management	International organisation	Membership fee	Yes	317	–	
International Institute of Administrative Sciences	International organisation	Membership fee	Yes	43	–	
Open Government Partnership	International organisation	Membership fee	Yes	1 750	–	
Tshwane Municipality	Municipality	Licence fees paid to municipalities	Yes	1	–	
Households	Department of Public Service and Administration Employees	Employees Severance package and Leave gratuity	Yes	5 323	–	
TOTAL				7 753	–	

Transfer payments not made.

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Amount budgeted for R'000	Amount transferred. R'000	Reason why funds were not transferred
South African Broadcasting Corporation	Departmental agency	Radio and television licences	100	–	There was a delay in receiving an invoice
TOTAL					

4.9.5 CONDITIONAL GRANTS

Not applicable.

4.9.6 DONOR FUNDS

0.1 Donor Funds Received

The department did not receive any donor funding during the year under review.

4.9.7 CAPITAL INVESTMENT

Not applicable.



PART

GOVERNANCE

5 PART C: GOVERNANCE

5.1 INTRODUCTION

The DPSA continued to implement good governance practices in the management of the State resources whilst also ensuring their effective, efficient and economical use. The various management committees put in place have assisted the Accounting Officer to ensure that the DPSA operates in compliance with the standards of governance processes, risk management and internal controls for the efficient utilisation of State resources.

5.1.1 RISK MANAGEMENT

The DPSA continued to implement the Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (PSRMF). The Department has reviewed the risk management strategy and policy.

5.1.1.1 Risk Assessments

During the year under review, the DPSA conducted risk assessments at strategic and operational levels in order to appraise and update the existing risks. The risk management process is aligned with the planning and objective-setting process of the Department. Further the compliance risk management and strengthen.

5.1.1.2 Risk Maturity

The department has implemented measures to improve Risk management processes, practices and systems such as building a dedicated independent ERM Function reporting to the HOD, conducted risk awareness programs for the employees, established the Risk Champions Forum and discussion of risk management in meetings.

1.4.2.3 Risk Management Committee

The Department has a fully constituted and functional combined Audit and Risk Committee (ARC) established in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) and the National Treasury Regulations. The ARC is independently chaired and comprises of five (5) non-executive members. The DPSA Executive Committee (EXCO) members and other senior managers are standing invitees to the ARC meetings. The ARC performs an oversight role in risk management. The department has established the internal Risk & Ethics Committee which provides management oversight on the implementation of Risk and Ethics Management in the department.

1.4.3. FRAUD AND CORRUPTION

The DPSA is committed to a zero-tolerance approach to fraud and corruption and has an approved Fraud Prevention and Anti-Corruption Policy and Strategy. The department has adopted a four-dimensional strategic approach to mitigating the risk of fraud and corruption in line with the National Anti-Corruption Strategy namely, fraud prevention, detection, investigation and resolution.

The Department supports the National Anti-Corruption Hotline and, in addition to reporting suspected fraud and corruption, employees are encouraged through the whistle blowing policy to make confidential disclosures about suspected activities of fraud and corruption through established internal reporting mechanisms. During the year under review measures were implemented and awareness sessions were conducted in an effort to prevent fraud. The awareness sessions focused among others:

- Fraud prevention, Anti-Corruption and Whistle blowing,
- Code of Ethical and Professional conduct.
- Gifts, Donations and Sponsorships,
- Financial Disclosure,
- Remunerative work outside the public service, and
- Security Vetting and Screening.

5.1.2 MINIMISING CONFLICT OF INTEREST

The Department implemented National Treasury Regulations 16A8, 2005, which provides operating guidelines on how to manage conflict of interest and ensure accurate declarations are made by all Supply Chain Management (SCM) practitioners as well as by other role-players involved in procurement processes. As well, the Bid Committee members disclosed their business interests and signed the Code of Conduct in accordance with the National Treasury Practice Note 4 section 6 of 2003 and 7 section 3.3 of 2009/10.

The Department has further put measures in place to ensure that all employees who wish to perform remunerative work outside of the public service are enjoined to obtain prior approval in line with the Public Service Regulations, 2016 (PSR) and the Directive on Other Remunerative Work Outside Public Service.

Financial disclosures within the Department continued to be managed in accordance with the PSR. All SMS members complied with the submission of their financial disclosures by 30 April 2022. All other designated categories of employees also complied with the submission of their financial disclosures within the prescribed timelines of 31 July 2022.

The DPSA has commenced with the implementation of the Lifestyle Audit. Lifestyle audits implemented encompass three processes which are Lifestyle Reviews, Lifestyle Investigations and Lifestyle Audits. The DPSA has reviewed the submitted financial disclosures for all SMS members and all other designated categories of employees as part of Lifestyle Reviews to measure a person's lifestyle i.e., property and assets owned, spending habits and way of living against legitimate income.

5.1.3 CODE OF CONDUCT

The DPSA continued to implement the Code of Conduct in line with the PSR. Any breaches of the Code of Conduct were dealt with in terms of the guidelines on labour relations and disciplinary procedures. All newly appointed employees were provided with a copy of the Code of Conduct. Employees' compliance with the Code of Conduct is mandatory as it forms part of their conditions of employment with the DPSA. Therefore, all line managers were required to monitor compliance and take appropriate action in the event of non-compliance. Furthermore, the DPSA established its Ethics Committee in the 2021/22 financial year.

The department has embarked on the institutionalisation of ethics culture as it is directly influencing the organisational culture with the leadership setting the tone at the top and the following activities were performed:

- Resigning of the Code of Conduct
- Taking public service pledge by Managers across all levels led by the Director General to recommit to put people first.
- All the Senior Managers were trained on Ethics & Corporate Governance.
- Employees completed compulsory Ethics in Public Service eLearning.

5.1.4 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

In compliance with the occupational health and safety and environmental matters the following was implemented during the 2022/2023 financial year:

In line with the scope of work as stipulated in the Total Facilities Management (TFM) contract-

- i. The Building Management System (BMS) was serviced monthly through a specialist, to ensure that malfunctions in the system is proactively found and corrected.
- ii. The Heating Ventilation Air-Conditioning (HVAC) system is continuously serviced and maintained by a full-time service provider. The HVAC system is divided into different sections, i.e., Chiller Plant, Air Handling Units, Pumps and Ice Plant. The 36 Air Handling Units in the building were serviced monthly. The performance of the air-conditioner pumps was continuously monitored by the onsite HVAC service provider and the chilled and condenser water pumps were serviced. New probe sensors were sourced and installed in the Ice Plant.
- iii. Fire extinguishers were serviced and re-pressurized. This is done on an annual basis.
- iv. Indoor Air Quality: The Batho Pele House building has Energy Recovery Ventilation (Fresh Air Supply Units) connected to the ductwork of the HVAC system and a few big fans located on the roof of the building. A maintenance schedule to ensure that the filters in these units get cleaned on a regular basis, is in place.
- v. A specialist maintains and services the access control system on a continuous basis.

An Emergency Evacuation drill/exercise, monitored by the Tshwane Emergency Service (Fire Department), was conducted on 29 September 2022 and 23 March 2023 and all staff in the building participated in the drill. Afterwards a report with recommendations was presented to the department, which will be used for future improvements.

The Occupational Health and Safety (OHS) Committee, chaired by the Deputy-Director General: Administration, as the section 16.2 appointee held three (3) meetings during the reporting year, in which ongoing progress are being reported by relevant business units on OHS and Employee Health and Wellness matters and various recommendations made to the Accounting Officer for consideration.

During 2022/23 the following Universal Access Design for People with Disabilities has been attended to:

- A sliding door was also installed in the auditorium for easy access to people on wheelchairs. The motor for the sliding door and sensor installation has been installed and the door is fully operational.
- An unannounced drill was conducted on the 23rd of March 2023. An evaluation report was received from the Tshwane Emergency Services.
- Expired contents were replaced in the first aid boxes.

- Inspection checklists and First Aid Treatment Forms placed in First aid boxes to help monitor the use of stock and document treatment of injuries.
- Training on the usage of Evacuation Chairs were conducted for 15 Health and Safety Representatives, 20 DPSA Security personnel, and 4 employees on the same floors as colleagues with disabilities.
- The Departments is no longer required to record and/or report on COVID-19 cases. The department still provides hand sanitiser at the entrance to the building and on all floors next to lifts and bathrooms.
- In line with DPSA Circular no 38 of 2022, employees who have comorbidities relating to COVID-19 use the leave arrangements in accordance with the Determination and Directive on Leave of Absence in the Public Service, issued August 2021. The Department issued an Internal Circular, dated 8 July 2022 to inform all DPSA employees to return to work on 11 July 2022. Going forward, all pre-existing comorbidities and those that are sick as a result of Covid-19 infections are managed in accordance with the sick leave and incapacity leave provisions.
- Pause areas on all floors are open for usage.
- The Gym facility is fully operational and opened on five (5) days a week, for DPSA employees and contractors occupying office space in the building, to use.

5.1.5 PORTFOLIO COMMITTEES

DATE	SUBJECT	ISSUES RAISED and ACTION TAKEN
Wednesday, 4 May	Briefing by the Public Service Commission on the 2022/2026 Strategic Plan and Annual Performance Plan for 2022/2023 financial year, Briefing by the National School of Government on the 2022/2026 Strategic Plan and Annual Performance Plan for 2022/2023 financial year - Briefing by the Department of Public Service and Administration and Centre for Public Service Innovation on the 2022/2026 Strategic Plan and Annual Performance Plans for 2022/2023 financial year	The department responded to all the questions raised during the meeting

DATE	SUBJECT	ISSUES RAISED and ACTION TAKEN
Wednesday, 11 May 2022	Briefing by the Department of Public Service and Administration, National School of Government (NSG), Centre for Public Service Innovation (CPSI), and Public Service Commission (PSC) on their Annual Performance Plans and Strategic Plans	The department responded to all the questions raised during the meeting
Wednesday, 25 May 2022	Briefing by the Government Employees Pension Fund on turnaround time of payment of pension fund of the retired public servants and challenges encountered. An update by the Government Employee Medical Scheme in redressing the allegations of the racial profiling, transformation and implementation of the findings of the Advocate Ngcukaitobi report. - Briefing by the Department of Public Service and Administration on the success and challenges regarding the implementation of Government Employees Housing Scheme and its savings	The department responded to all the questions raised during the meeting.
Wednesday, 08 June 2022	- Briefing on the Public Administration Laws General Amendment Bill [B 16 - 2021] by Dr LA Schreiber, MP - Briefing by the Presidency Socio Economic Impact Assessment System (SEIAS) Unit in the Presidency on the inputs regarding the Public Administration Laws General Amendment Bill. - Briefing by the Department of Public Service and Administration on the Public Service Amendment Bill - Briefing by the Public Service Commission on the Public Service Commission Amendment Bill	The department responded to all the questions raised during the meeting.
Wednesday, 24 August 2022	Portfolio Committee on Small Business and Development Briefing on the Department of Small Business Development Organisational Structure by DPSA	The department responded to all the questions raised during the meeting.
Wednesday, 15 June 2022	Briefing by the Department of Public Service and Administration on the Graduate Recruitment Scheme programme aimed at attracting youth to consider public service as career of their choice - Briefing by Centre for Public Service Innovation on the impact of the innovative solutions discovered in 2021/22 financial year aimed at improving service delivery. - Briefing by the National School of Government on the implementation of the mandatory training courses for all public servants and challenges thereof	The department responded to all the questions raised during the meeting.
Wednesday, 24 August 2022	Briefing by the Department of Public Service and Administration on the effective management of disciplinary cases and challenges encountered in the implementation of the policy on the disciplinary cases for senior managers in the public service. - Briefing by the Department of Planning, Monitoring and Evaluation on the effective management of disciplinary cases and challenges encountered in the implementation of the policy on the disciplinary cases for Heads of Department in the Public Service. - Briefing by the National School of Government on the draft - Framework for the Professionalization of the Public Service.	The department responded to all the questions raised during the meeting.
Wednesday, 24 August 2022	Briefing by the Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure on Re: Re enforcement of the implementation of the Public Service regulations across the public Service to ensure uniformity and Standardirization of Government Administration of Business process	The department responded to all the questions raised during the meeting.

DATE	SUBJECT	ISSUES RAISED and ACTION TAKEN
Wednesday, 31 August 2022	- Briefing on the submissions received for Public Administration Laws General Amendment Bill [B 16 2021]. - Portfolio Committee deliberations on Public Administration Laws General Amendment Bill [B 16 2021]	The department responded to all the questions raised during the meeting.
Wednesday, 31 August 2022	Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure Briefing by the Department of Public Service and Administration in relation to the enforcement of the implementation of the Public Service regulations across the public service to ensure uniformity and standardisation of government administrative business process.	The department responded to all the questions raised during the meeting.
Wednesday, 12 October 2022	Auditor-General South Africa to brief the Committee on the audit outcomes for 2021/22 financial year in relation to the DPSA, NSG, CPIS and PSC. Briefing on the progress report with regard to the implementation of the recommendations contained in the budget report 2022/23 financial year Briefing by the Department of Public Service & Administration and Centre for Public Service Innovation on the annual reports for 2021/22 financial year. Briefing by the National School of Government on the annual report for 2021/22 financial year. Briefing by the Public Service Commission on the annual report for 2021/22 financial year	The department responded to all the questions raised during the meeting.
Wednesday, 14 September 2022	Briefing by the Public Service Commission on the tabled National Macro Organization of Government Report in the National Assembly. Briefing by the National Treasury and the Government Employees Pension Fund on the turnaround time payment of pension fund for the retired public servants and challenges encountered. DPSA presented as well.	The department responded to all the questions raised during the meeting.
Wednesday, 26 October	Briefing on the Department of Small Business Development Organisational Structure by DPSA.	The department responded to all the questions raised during the meeting
Wednesday, 02 November 2022	Comprehensive report by the Department of Public Service and Administration on the Public Service Month - Report by the Public Service Commission on the "Ethics in recruitment and selection processs in the public service" - Brefing by the National School of Government on the Framework for Professionalising the Public Service	The department responded to all the questions raised during the meeting.
Wednesday, 16 November 2022	Report by the Public Service Commission on the "Effectiveness of continuous employee development in enhancing capacity and service delivery in the public service" - Briefing by the Department of Public Service and Administration on the Framework for Monitoring of Compliance with Public Administration Legislative Framework end	The department responded to all the questions raised during the meeting.

DATE	SUBJECT	ISSUES RAISED and ACTION TAKEN
Wednesday, 22 February, 2023	Briefing by the Department of Public Service and Administration, National School of Government and Centre for Public Service Innovation on the first, second and third quarter performance of the 2022/23 financial year	The department responded to all the questions raised during the meeting
Wednesday, 01 March, 2023	Comprehensive monitoring report on the implementation of the lifestyle audits by government departments and challenges encountered thereof as a result of guidelines published by the Department of Public Service and Administration.	The department responded to all the questions raised during the meeting
Wednesday, 07 March, 2023	We refer to our correspondence of 25 November 2022 (copy attached), regarding progress that needed to be made towards the finalisation of the IFMS project. The Committee has arranged a follow up meeting, to which the DPSA is also invited,	The department responded to all the questions raised during the meeting

5.1.6 SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

5.1.7 PRIOR MODIFICATIONS TO AUDIT REPORTS-

Can only be included once the audit is finalised

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter*
The DPSA had a clean audit for the year 2021/22		
<i>Non-Compliance</i>		
The bid of the winning supplier was received through a courier and did not sign the register indicating date and time of submission.	2021/22	
B-BBEE certificate not submitted within 30 days after the audited financial statements.	2020/21	
Vacant posts SMS and non-SMS not advertised within 6 months and not filled within 12 months.	2019/20	
Verifications checks not done on newly appointed employees.	2021/22	
Virements report not submitted to the executive authority.	2021/22	
Asset Register undervalued at year end.	2021/22	

5.1.8 INTERNAL CONTROL UNIT

The internal audit function is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The DPSA has established an effective system of internal control through policies and procedures that are reviewed frequently. The Internal Audit Function provides assurance on the adequacy and effectiveness of these internal control systems.

Management has always cooperate in the implementation of audit recommendations from the Internal Audit function. The Executive Committee; and the Audit and the Risk Committee monitors the control improvement on a regular basis. Based on the overall assessment, management is confident that the DPSA's internal control environment is satisfactory.

2.5.11 INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit

The Internal Audit Function provides management with independent assurance and insight on the effectiveness of internal controls, governance, risk management and financial management systems.

The Audit and Risk Committee oversees the operations of the Internal Audit Function and has approved a risk-based internal audit plan that was fully executed during the financial year. Audit reports were presented to both management and the Audit and Risk Committee.

Audit and Risk Committee

The Audit and Risk Committee is a critical part of the department's governance structure. The committee's work helps to ensure that the department is managed in a sound and ethical manner and that the department's financial reporting is accurate and reliable.

The department has appointed a duly functional Audit and Risk Committee. The committee has successfully discharge its oversight responsibilities over the affairs of the department in line with PFMA and the Treasury Regulation. The committee has adopted formal Terms of Reference as its Audit Committee Charter to regulate and govern its affairs.

Name	Qualifications	Internal or External Member	If Internal, Position in the Department	Date of Appointment	Date Resigned/ Contract Ended	No. of Meetings Attended
Dr. Pritish Dala (Chairperson)	- PHD Information Technology, - Master of Information Technology, - Bachelor of Science (Computer Science) Honours (Cum Laude), - Bachelor of Information Technology (Cum Laude), - Certified Governance of Enterprise Information Technology (CGEIT), - Certified Risk and Information Systems Control (CRISC), - Certified Information System Auditor (CISA), - Certified Ethical Hacker (CEH), - Certified Computer Hacking Forensic Investigator (CHFI), - Certified Data Privacy Solution Engineer (CDPSE), - Certified Information Security Manager (CISM), - Certified Information Systems Security Professional (CISSP), - Lead Auditor ISO 27001.	External	Not applicable	November 2019	–	4 / 4
Mr. Ameen Amod	- Master of Business Administration (MBA) - B. Com in Accounting and Economics - Chartered Director (CD) - Certified Internal Auditor (CIA) - Certified Government Auditing (CGAP) - Certification in Risk Management Assurance (CRMA).	External	Not applicable	November 2019	–	4 / 4
Ms. Sizo Mzizi	- ACMA CGMA - ACG (CPG) - BCom Hons: Financial Management - Post Graduate Diploma in Corporate Law - BTech: Cost and Management Accounting	External		March 2022	–	1/4
Ms. Nyawa Dikwayo	- Chartered Accountant CA(SA) - Master of Philosophy in Development Finance. - Postgraduate Diploma in Applied Accounting Sciences - Bachelor of Commerce in Accounting	External	Not Applicable	March 2022	–	1/4

5.1.9 AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2023.

Audit and Risk Committee Responsibility

The ARC has complied with its responsibilities arising from sections 38 (1) (a) (ii), 76 (4) (d) and 77 of the Public Finance Management Act (PFMA) as well as Treasury Regulation 3.1. Furthermore, the ARC has adopted a formal terms of reference as its Charter and has regulated its affairs in compliance with this Charter as well as discharged all its responsibilities as contained therein.

Effectiveness of Internal Control

An assessment of the findings identified by Internal Audit as well as the audit and management reports presented to the ARC by the Auditor-General of South Africa (AGSA), reveals that the internal control, risk management and governance processes are generally adequate and effective, with room for improvement as it relates to the quality of performance information, government employee housing scheme and internal disciplinary processes.

The ARC is satisfied that Internal Audit provided assurance in terms of control, risk management and governance processes as per the approved risk-based audit plan. At the end of the financial year, the following audit engagements were reported as complete as per the approved risk-based audit plan:

- Four quarterly performance information;
- Annual performance information;
- Annual and interim financial statements;
- Supply chain management;
- Performance audit: Government employee housing scheme;
- Human resource management (labour relations); and
- Irregular expenditure.

In-Year Management and Monthly/Quarterly Reports

DPISA has reported quarterly to the National Treasury and the Executive Authority as required by the PFMA. The ARC as well as assurance providers provided Management with recommendations to improve the quality of quarterly financial and non-financial information reporting (performance information, information communication technology, risk management, human resource management, legal and compliance) during the year under review.

Evaluation of Financial Statements and Annual Performance Report

The ARC has reviewed:

- The unaudited annual financial statements, with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;
- Changes in accounting policies and practices;
- Compliance with legal and regulatory provisions;
- The basis for the going concern assumption, including any financial sustainability risks and issues;
- The unaudited annual performance information on predetermined objectives with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;
- The AGSA audit and management reports, with due consideration of the responses provided by Management; and
- The audited annual financial statements as well as the annual performance information on predetermined objectives to be included in the annual report for any significant adjustments resulting from the audit and reported to the Accounting Officer.

Auditor-General of South Africa (AGSA) Report

The ARC concurs with the conclusions of the AGSA on the annual financial statements and is of the opinion that the audited annual financial statements may be read together with the audit report of the AGSA.

Conclusion

The ARC would like to express our appreciation to the Executive Authority and Accounting Officer for their leadership and support as well as all other assurance providers and most importantly to Management for maintaining an unqualified audit opinion relating to the annual financial statements and no material findings relating to compliance. The ARC implores Management to address the material findings identified relating to the usefulness of performance information by enhancing the quality assurance processes and implementing the recommendations provided by the AGSA.

P. Dala

Dr. P Dala

Chairperson DPSA Audit and Risk Committee

Date: 11 August 2023

5.1.10 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	Not within the Mandate of the DPSA.
Developing and implementing a preferential procurement policy?	N/A	The DPSA makes use of the Preferential Procurement Policy Framework Act and its associated Regulations from the Preferential Procurement Perspective.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	Not within the Mandate of the DPSA.
Developing criteria for entering into partnerships with the private sector?	N/A	Not within the Mandate of the DPSA.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	Not within the Mandate of the DPSA.



PART

HUMAN RESOURCE MANAGEMENT



PART D: HUMAN RESOURCE MANAGEMENT

1 INTRODUCTION

In 2023, the Human Resources department made significant progress in all areas of its responsibility. The Human Resources Management is committed to providing a positive and supportive workplace environment for all employees.

The information provided below provide a detailed account of the human resources management function in the department.

2 OVERVIEW OF HUMAN RESOURCES

The number of posts on the establishment of the DPSA decreased in the 2022/2023 reporting year from 419 in 2021/2022 to 415 (excluding the Minister, Deputy Minister and Special Adviser) and 358 of these posts were filled posts, compared to the 355 filled posts in the 2021/2022 report.

The Department spent 92,5 % of the total voted expenditure for compensation, compared to the 92,7% spent in the 2021/2022 financial year. The largest percentage of personnel cost relates to the compensation of employees on salary levels 9 to 12 and levels 13 and higher (Senior Management), during the reporting period (Table 3.1.2).

As of 31 March 2023, the DPSA had a total of 11 persons employed additional to the fixed establishment, compared to the 20 persons employed additional to the establishment in the 2021/2022 financial year (Table 3.2.1). The vacancy rate decreased from 14,46% (2021/2022) to 13,73% in the reporting year. The vacancy rate on SMS Level was reported the highest (21,34%) in the current reporting year. Vacancies on SMS level increased to 21,34% (Table 3.2.2), compared to the 15,7% reported in the 2021/2022 reporting period.

There were 26 posts, out of a total of 409 posts, subjected to job evaluation during the period under review. The majority of these jobs (57,69%) were on salary levels 9 - 12. Two (2) posts were approved for downgrading and one post for upgrading (Table 3.4.1). The post to be upgraded was a vacant post and did not have any impact on staff (Table 3.4.2).

The DPSA's staff turnover rate increased from 14,2% (2021/2022) to 14,3% in the reporting year (table 3.5.1). The majority of staff that left the department were due to the expiry of their contracts (33,3%). The other reasons for staff leaving the department were: Resignation (29,6%); Retirement (13%); Transfer to another department (11,1%); Death (5,6%); Discharge due to ill health (5,6%) and Dismissal (1,9%) - (table 3.5.3). The increase in the turnover rate can be attributed to the number of persons whose contracts expired as a consequence of their terms of employment being linked to the Minister, impacted by the Minister's resignation in April 2022.

Most of the recruitment during the reporting period were on salary levels 9 - 12 (21 employees), followed by salary levels 3 – 5 (13 employees); SMS level (8 employees), and 5 employees on salary levels 1-2 and salary levels 6 – 8 respectively, as well as 20 employees appointed in the Internship Program (2022 to 2024), of the total 72 employees entering the department (Table 3.5.1) compared to 43 employees that entered the department in 2021/2022.

Internal “promotions” significantly increased to ten (10) employees in the current reporting period, compared to the three (3) employees in the previous reporting year (2021/2022). The employees that were appointed to higher posts within the department through the recruitment process in 2022/2023 were employed on salary levels 9 – 12 (50%), salary levels 6 – 8 (30%) and salary levels 3 – 5 (20%) - (Table 3.5.5).

Table 3.6.1 reflects that the staff profile of the DPSA as at 31 March 2023, as follows: 52,2% African female, 36,59% African male, 2,23% White female, 3,63% White male, 1,11% Coloured female, 1,96% Coloured male, 1,68% Indian female and 0,5 Indian male. The representativity of females at Senior Management Service level (Levels 13 - 16) increased from 44% in the 2021/2022 reporting period to 47,14% in 2022/2023, decreasing the previous deficit of 6% to 2,86% to reach the national target of 50% women on SMS level.

The department met the 2% national target of employment of people living with disabilities in previous reporting periods. The percentage people living with disabilities have stayed consistent from the previous reporting period on 2,5%, still exceeding the national target with 0,25%.

Ninety six percent of SMS members in the Department signed their performance agreements by 31 May 2022, as reflected in Table 3.7.1. Of the three (3) employees who did not sign their agreements by the end of May 2022, one (1) was affected by re-assignment on 1 May 2022, one (1) was seconded out of the department from 1 May 2022 and the other one (1) was on suspension (Table 3.7.1).

No employees in the DPSA received performance rewards for the performance cycle 2021/2022 as performance rewards are not payable in terms of the Incentive Policy Framework of 2019 from the 2021/2022 performance cycle (Tables 3.8).

For the period January 2022 to December 2022 (Table 3.10.1), a total of 3,209 days sick leave were utilised, compared to the 1,569 days utilised for sick leave in the 2021 calendar year. The number of staff members that used sick leave came to 330 in 2022, compared to 228 in 2021. This reflects an average of 10 days sick leave per employee who used sick leave - compared to the average of 7 days sick leave per employee who used sick leave in 2021. The increase of the number of employees using sick leave days could be contributed to the rotation of staff attending to work in the office during the COVID-19 pandemic from March 2020, but being recalled back to the office on a permanent basis from 11 July 2022.

It needs to be noted that 2022 is the first year of the three year sick leave cycle (2022 - 2024) and Table 3.10.2 reflects the number of employees who used incapacity leave as 13, using an average of 42 working days each. In 2021, in the third year of the previous sick leave cycle, 22 employees used incapacity leave, on average 39 working days each. Most of the employees using incapacity leave during the reporting period were in the salary levels 9 - 12 category (69%) and in the salary level 6 - 8 category (15%). This was followed by 8% in the salary level 1 - 2 and salary level 3 - 5 categories respectively.

A total of 10,305 working days annual leave were utilised by 394 employees (on average 26 days per employee) from the 2022 leave cycle, compared to 9,190 leave credits taken by 399 employees (an average of 23 days per employee) in the 2021 leave cycle (Table 3.10.3).

Capped leave refers to leave accrued prior to 1 July 2000, which employees can only utilise after exhausting their previous and current leave cycles' annual leave credits. No capped leave days were utilised in the period 1 January 2022 to 31 December 2022, compared to one (1) employee on salary level 3 - 5 utilising six (6) days' capped leave in the 2021 leave cycle (Table 3.10.4). Eight (8) employees' capped leave credits were paid out due to Retirement and Discharge due to Ill

Health. Four (4) employees' annual leave credits of the 2021 leave cycle was paid out in the reporting period (2022/2023), due to not being able to use their credits as a result of operational requirements, compared to the ten (10) employees in the previous reporting period (2021/2022).

A total of thirty two (32) grievances were dealt with in the reporting period and twenty five (25) of these grievances were resolved in 2022/2023 (Table 3.12.4), compared to thirteen (13) grievances being dealt with in (2021/2022). No employees in the department participated in strike actions during the reporting period (Table 3.12.6). Two (2) employees were suspended for a total period of 899 days in the reporting period (Table 3.12.7), compared to three (3) employee being suspended for 459 days of the 2021/2022 reporting period.

In equipping our staff with skills, a total of 292 training needs were identified from 385 employees (Table 3.13.1). The DPSA provided 219 training opportunities to employees throughout the year (Table 3.13.2). Fifty eight (58%) of the training opportunities were attended by females, compared to forty two (42%) attended by male employees in the current reporting period.

One (1) employee suffered an injury on duty during the reporting period, which required basic medical attention (Table 3.14.1).

Table 3.15.1(a) reports on 117 individual consultants that worked a total of 2,134 days on contracts with a total value of R22,885,052.81 using appropriated funds for the period 1 April 2022 to 31 March 2023, compared to 96 individual consultants that worked a total of 1,307 days to the value of R11,064,551.82 in the previous reporting year (2021/2022).

Table 3.15.1(b) reports on 36 individual contractors that worked a total of 45 days on contracts with a total value of R656,093.29 using appropriated funds for the period 1 April 2022 to 31 March 2023, compared to 57 individual contractors that worked a total of 363 days to the value of R1,688,480.80 in the previous reporting year (2021/2022).

No application for granting an Employee Initiated Severance Package was received in the 2022/2023 reporting period (Table 3.16.1).

3 HUMAN RESOURCES OVERSIGHT STATISTICS

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

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

Table 3.1 - Personnel expenditure by programme for the period 1 April 2022 to 31 March 2023

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	238,173	111,697	1,135	1,043	46,90%	532
Human Resources Management and Development	45,385	40,748	158	5	89%	905
Negotiations, Labour Relations and Remuneration Management	97,713	57,494	643	15,445	58%	845
e-Government Services and Information Management	25,060	19,501	203	2,723	77%	1,026
Government Services Access and Improvement	109,391	47,804	269	1,148	43%	919
TOTAL	515,722	277,244	2,408	20,364	54%	704

Table3.2 - Personnel costs by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Personnel expenditure (R'000)	% of total personnel expenditure	Number of employees	Average personnel cost per employee (R'000)
Lowest skilled (Level 1-2)	4,479	2%	13	345
Skilled (Level 3-5)	22,668	8%	80	283
Highly skilled production (Level 6-8)	33,613	12%	95	354
Highly skilled supervision (level 9-12)	109,640	39%	130	843
Senior and Top Management (Level 13 and above)	106,844	39%	76	1,406
TOTAL	277,244	100%	394	704

Table 3.3 - Salaries, overtime, homeowners allowance and medical aid by programme for the period 1 April 2022 to 31 March 2023

Programme	Salaries		Overtime		Homeowners Allowance (HOA)		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	73,628	88,2%	1,735	2,1%	2,733	3,3%	5,411	6,5%
Human Resources Management and Development	32,164	96,1%	141	0,4%	405	1,2%	754	2,3%
Negotiations, Labour Relations and Remuneration Management	12,785	93,7%	0	0%	533	3,9%	321	2,4%
e-Government Services and Information Management	27,821	94,9%	0	0%	504	1,7%	1,001	3,4%
Government Services Access and Improvement	39,189	93,4%	302	0,7%	1,014	2,4%	1,456	3,5%
Total	185,587	91,9%	2,178	1,1%	5,189	2,6%	8,943	4,4%

Table 3.4 - Salaries, overtime, homeowners allowance and medical aid by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Salaries		Overtime		Homeowners Allowance (HOA)		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lowest skilled (Level 1-2)	2,870	70,3%	19	0,5%	364	8,9%	830	20,3%
Skilled (Level 3-5)	15,584	79,7%	740	3,8%	1,138	5,8%	2,089	10,7%
Highly skilled production (Level 6-8)	25,021	84,1%	809	2,7%	1,251	4,2%	2,658	8,9%
Highly skilled supervision (Level 9-12)	71,083	94%	610	0,8%	1,236	1,6%	2,685	3,6%
Senior and Top Management (Level 13 and above)	71,029	97,4%	0	0%	1,200	1,6%	681	0,9%
TOTAL	185,587	91,9%	2,178	1,1%	5,189	2,6%	8,943	4,4%

4 Employment and Vacancies

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

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. The information is presented in terms of three key variables:

- programme
- salary band
- critical occupations.

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

Table 4.1 - Employment and vacancies by programme as at 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Administration	218	194	11%	2
Human Resources Management and Development	53	43	18.87%	0
Negotiations, Labour Relations and Remuneration Management	71	61	14.08%	2
e-Government Services and Information Management	26	18	30.77%	0
Government Services Access and Improvement	47	42	10.64%	7
TOTAL	415	358	13.73%	11

Note: The Minister, Deputy Minister, Special Adviser and Interns are not included in the table above.

Table 4.2 - Employment and vacancies by salary band as at 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Lower skilled (levels 1-2)	22	21	4.54%	0
Skilled (levels 3-5)	74	67	9.46%	5
Highly skilled production (levels 6-8)	77	70	9.09%	2
Highly skilled supervision (levels 9-12)	147	124	15.64%	3
Senior Management (levels 13-16)	89	70	21.34%	1
Occupation Specific Dispensation	6	6	0%	0
Interns	0	0	0%	19
TOTAL	415	358	13.73%	30

Note: The Minister, Deputy Minister and Special Adviser are not included in the table above.

Table 4.3 - Employment and vacancies by critical occupation as at 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Highly skilled supervision (levels 9-12)	147	124	15.64%	3
Senior Management Service	89	70	21.34%	1
TOTAL	236	194	17.79%	4

5 Filling of SMS Posts

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

Table 5.1 – SMS posts information as at 31 March 2023

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/HOD	1	1	100%	0	0%
Salary level 15	5	4	80%	1	20%
Salary level 14	20	15	75%	5	25%
Salary level 13	63	50	79.4%	13	20.6%
TOTAL	89	70	78.7%	19	21.4%

Table 5.2 – SMS posts information as at 30 September 2022

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100%	0	0%
Salary Level 15	5	4	80%	1	20%
Salary Level 14	20	14	70%	6	30%
Salary Level 13	63	54	85.7%	9	14.3%
TOTAL	89	73	82%	16	18%

Table 5.3 – Advertising and filling of SMS posts for the period 1 April 2022 to 31 March 2023

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not advertised in 6 months but filled in 12 months
Salary level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	4	0	0
Salary Level 13	5	1	4
TOTAL	9	1	4

Table 5.4 – Reasons for not having complied with the filling of funded vacant SMS posts – advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 to 31 March 2023

Reasons for vacancies not advertised within six months:	
4 posts were not advertised within 6 months of becoming vacant due to various reasons ranging from:	
1.	Post was subjected to Job Evaluation, but approval was still required from the Minister for the draft advertisement to be placed.
2.	Conclusion of Job Evaluation process of two posts delayed advertising; and
3.	Post was subjected to Job Evaluation, but the grading was not approved (Organisational Design process recommended).
Reasons for vacancies not filled within twelve months:	
1.	Deputy Director-General post was advertised on two occasions where a suitable candidate could not be identified.
2.	Director post was advertised where a suitable candidate could not be identified. After re-advertising, the suitable candidate did not assume duty on expected date and headhunting required in future.
3.	Two Chief Director posts were advertised but approval for the nomination of selection panel members delayed the recruitment process.
4.	Delays in conclusion of Job Evaluation process, impacted on the time to proceed with the recruitment process.
5.	Delays in conclusion of the selection process, due to selection panel members' unavailability for purposes of shortlisting, interviews and nomination after conducting interviews; and
6.	Posts were filled through secondment/internal re-assignment in the Ministry.

Table 5.5 – Disciplinary steps taken for not complying with the prescribed timeframes for filling of SMS posts within 12 months for the period 1 April 2022 to 31 March 2023

Disciplinary steps taken
None

6 Job Evaluation

Within a nationally determined framework, Executive Authorities may evaluate or re-evaluate any job in their organisation. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 6.1 - Job evaluation by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Number of posts on approved establishment as of 1 April 2022	Number of jobs evaluated	% of posts evaluated by salary band	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	22	0	0%	0	0%	0	0%
Skilled (Levels 3-5)	76	0	0%	0	0%	0	0%
Highly skilled production (Levels 6-8)	72	2	2.8%	0	0%	1	50%
Highly skilled supervision (Levels 9-12)	150	15	1%	1	6.7%	1	6.7%
Senior Management Service Band A (Directors)	63	4	6.3%	0	0%	0	0%
Senior Management Service Band B (Chief Directors)	20	5	25%	0	0%	0	0%
Senior Management Service Band C (DDGs)	5	0	0%	0	0%	0	0%
Senior Management Service Band D (DG)	1	0	0%	0	0%	0	0%
TOTAL	409	26	6.4%	1	3.8%	2	7.7%

Note: The OSD posts are not included in the table above

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

Table 6.2 - Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 to 31 March 2023

Gender	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 disabilities					0

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

Table 6.3 - Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 to 31 March 2023

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0%

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

Table 6.4 - Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 to 31 March 2023

Gender	African	Asian	Coloured	White	Total
TOTAL	0	0	0	0	0
Employees with disabilities	0	0	0	0	0
Total number of employees whose remuneration exceeded the grade determined by job evaluation					Not applicable

7 Employment Changes

This section provides information on changes in employment during the financial period. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupation.

Table 7.1 - Annual turnover rates by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Number of employees at beginning of period – 1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	21	5	5	23,8%
Skilled (Levels 3-5)	78	13	14	17,9%
Highly skilled production (Levels 6-8)	73	5	3	4,1%
Highly skilled supervision (Levels 9-12)	123	21	17	13,8%
Senior Management Service, Band A	53	7	10	18,9%
Senior Management Service, Band B	17	1	3	17,6%
Senior Management Service, Band C	5	0	0	0%
Senior Management Service, Band D	2	0	1	50%
Occupation Specific Dispensation	6	0	0	0%
Interns	0	20	1	0%
TOTAL	378	72	54	14,3%

Note: Minister and Special Advisers are excluded in the table above and contract employees are included.

Table 7.2 - Annual turnover rates by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Number of employees at beginning of period - 1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate %
Highly skilled supervision (Levels 9-12)	123	21	17	13,8%
Senior Management Service	77	8	14	18,2%
TOTAL	200	29	31	15,5%

Table 7.3 - Reasons why staff left the Department for the period 1 April 2022 to 31 March 2023

Termination type	Number	% of total terminations
Death	3	5,6%
Resignation/Contract Resignation/Internship Resignation	16	29,6%
Expiry of contract	18	33,3%
Dismissal	1	1,9%
Discharge due to ill health	3	5,6%
Retirement/Early Retirement	7	13%
Transfer to other Public Service Department/Bureau/Secondment end date	6	11,1%
TOTAL	54	100%
Total number of employees who left as a % of total employment	14,3%	
Total number of employees who resigned as a % of total employment	4,2%	

Table 7.4 - Promotions by critical occupation for the period 1 April 2022 to 31 March 2023

Occupation	Employees as at 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Highly skilled supervision (Levels 9-12)	120	5	4,2%	75	62,5%
Senior Management Service	74	0	0%	38	51,4%
TOTAL	194	5	2,6%	113	58,2%

Table 7.5 - Promotions by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Employees as at 1 April 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	21	0	0%	8	38%
Skilled (Levels 3-5)	68	2	2,9%	36	52,9%
Highly skilled production (Levels 6-8)	69	3	4,3%	46	66,7%
Highly skilled supervision (Levels 9-12)	120	5	4,2%	75	62,5%
Senior Management Service	74	0	0%	38	51,4%
Occupation Specific Dispensation	6	0	0%	2	33,3%
TOTAL	358	10	2,8%	205	57,3%

Note: Interns are not included in the table above.

8 Employment Equity

Table 8.1 - Total number of employees (including employees with disabilities) in each of the following occupational. categories as at 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (levels 13-16)	27	2	2	6	27	1	2	3	70
Professionals (Levels 9-12)	43	2	0	6	68	0	1	4	124
Technicians and associate professionals (Levels 6-8)	20	0	0	0	45	3	1	1	70
Clerks (Levels 3-5)	36	3	0	0	27	0	1	0	67
Elementary occupations (Level 2)	4	0	0	0	17	0	0	0	21
Occupational Specific Dispensation	1	0	0	1	3	0	1	0	6
TOTAL	131	7	2	13	187	4	6	8	358
Employees with disabilities	3	0	0	2	3	0	1	0	9

Note: The Minister, Deputy Minister and Interns are not included in the table above.

Table 8.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (levels 15-16)	2	0	0	0	2	1	0	0	5
Senior management (Levels 13-14)	25	2	2	6	25	0	2	3	65
Professionals (Levels 9-12)	43	2	0	6	68	0	1	4	124
Technicians and associate professionals (Levels 6-8)	20	0	0	0	45	3	1	1	70
Clerks (Levels 3-5)	36	3	0	0	27	0	1	0	67
Elementary occupations (Level 2)	4	0	0	0	17	0	0	0	21
Occupational Specific Dispensation	1	0	0	1	3	0	1	0	6
TOTAL	131	7	2	13	187	4	6	8	358
Employees with disabilities	3	0	0	2	3	0	1	0	9

Note: The Minister, Deputy Minister and Interns are not included in the table above.

Table 8.3 - Recruitment for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15-16)	0	0	0	0	0	0	0	0	0
Senior Management (Levels 13-14)	4	0	0	1	3	0	0	0	8
Professionally qualified and experience specialists and mid-management (Levels 9-12)	9	0	0	0	12	0	0	0	21
Skilled technical and academically qualified workers, junior management (Levels 6-8)	4	0	0	0	1	0	0	0	5
Semi-skilled and discretionary decision making (Levels 3-5)	1	1	0	0	11	0	0	0	13
Unskilled and defined decision making (Level 2)	3	0	0	0	2	0	0	0	5
Occupation Specific Dispensation	0	0	0	0	0	0	0	0	0
Interns	10	0	0	0	10	0	0	0	20
TOTAL	31	1	0	1	39	0	0	0	72

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 8.4 - Promotions for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15-16)	0	0	0	0	0	0	0	0	0
Senior Management (Levels 13-14)	0	0	0	0	1	0	0	0	1
Professionally qualified and experience specialists and mid-management (Levels 9-12)	1	0	0	0	4	0	0	0	5
Skilled technical and academically qualified workers, junior management (Levels 6-8)	1	0	0	0	2	0	0	0	3
Semi-skilled and discretionary decision making (levels 3-5)	0	0	0	0	2	0	0	0	2
Unskilled and defined decision making (level 2)	0	0	0	0	0	0	0	0	0
TOTAL	2	0	0	0	8	0	0	0	10
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 8.5 - Terminations for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15-16)	1	0	0	0	0	0	0	0	1
Senior Management (Levels 13-14)	6	0	0	3	2	0	1	1	13
Professionally qualified and experience specialists and mid-management (Levels 9-12)	7	1	0	0	7	0	1	1	17
Skilled technical and academically qualified workers, junior management (Levels 6-8)	1	0	0	0	1	0	0	1	3
Semi-skilled and discretionary decision making (levels 3-5)	5	0	0	0	9	0	0	0	14

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making (level 2)	3	0	0	0	2	0	0	0	5
Occupation Specific Dispensation	0	0	0	0	0	0	0	0	0
Intern	1	0	0	0	0	0	0	0	1
TOTAL	24	1	0	3	21	0	2	3	54
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 8.6 - Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	2	0	0	0	0	0	0	1	3

Table 8.7 - Skills development for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management (Levels 13 - 16)	34	1	3	5	35	0	3	5	86
Professionally qualified and experience specialists and mid-management (Levels 9 - 12)	28	1	0	0	44	0	1	1	75
Skilled technical and academically qualified workers, junior management (Levels 6 - 8)	2	0	0	0	17	0	0	1	20
Semi-skilled and discretionary decision making (Levels 3 - 5)	13	1	0	0	16	0	0	0	30
Unskilled and defined decision making (Level 2)	0	0	0	0	3	0	0	0	3
Occupation Specific Dispensation	0	0	0	1	0	0	1	0	2
Interns	2	0	0	0	1	0	0	0	3
TOTAL	79	3	3	6	116	0	5	7	219
Employees with disabilities	0	0	0	1	3	0	0	0	4

9 Signing of Performance Agreements by SMS Members

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

Table 9.1 – Signing of performance agreements by SMS members as at 31 May 2022

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
13	63	55	54	98%
14	20	15	15	100%
15	5	4	2	50%
16	1	1	1	100%
TOTAL	89	75	72	96%

Table 9.2 – Reasons for not having concluded performance agreements for all SMS members as at 31 May 2022

Reasons
1 Employee on suspension, 1 Employee on Secondment by 31 May 2022 and 1 Employee re-assigned on 1 May 2022.

Table 9.3 – Disciplinary steps taken against SMS members for not having concluded performance agreements. at 31 May 2022

Reasons
None

10 Performance Rewards

In accordance with the DPSA Incentive Policy Framework, 2019 performance rewards are no longer payable from the 2021/2022 performance cycle.

11 Foreign Workers

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

Table 11.1 - Foreign workers by salary band for the period 1 April 2022 to 31 March 2023

None

Table 11.2 - Foreign workers by major occupation for the period 1 April 2022 to 31 March 2023

None

12 Leave Utilisation

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

Table 12.1 - Sick leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower Skilled (Levels 1-2)	260	92.3%	20	6.1%	13	156
Skilled (Levels 3 -5)	665	74.3%	68	20.6%	10	668
Highly skilled production (Levels 6 - 8)	729	74.2%	75	22.7%	10	329
Highly Skilled supervision (Levels 09 -12)	1,200	82.6%	117	35.5%	10	853
Senior Management (Levels 13 - 16)	335	85.1%	50	15.1%	7	1,738
TOTAL	3,209	80%	330	100%	10	3,744

Table 12.2 - Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower Skilled (Levels 1-2)	19	100%	1	8%	19	11
Skilled (Levels 3 -5)	12	100%	1	8%	12	11
Highly skilled production (Levels 6 - 8)	103	100%	2	15%	52	157
Highly Skilled supervision (Levels 09 -12)	414	100%	9	69%	46	784
Senior Management (Levels 13 - 16)	0	0%	0	0%	0	0.
TOTAL	548	100%	13	100%	42	963

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

Table 12.3 - Annual leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower Skilled (Levels 1-2)	371	18	21
Skilled (Levels 3 -5)	2,067	63	33
Highly skilled production (Levels 6 - 8)	2,232	80	28.
Highly Skilled supervision (Levels 09 -12)	3,701	150	25
Senior Management (Levels 13 - 16)	1,934	83	23
TOTAL	10,305	394	26

Table 12.4 - Capped leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Total Employees with capped leave as at 31 December 2022	Total Days of capped leave available as at 31 December 2022	Average capped leave per employee as at 31 December 2022
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3 - 5)	0	0	0	2	186	93
Highly skilled production (Levels 6 - 8)	0	0	0	11	282	26
Highly Skilled supervision (Levels 09 -12)	0	0	0	28	661	24
Senior Management (Levels 13 - 16)	0	0	0	17	566	33
TOTAL	0	0	0	58	1,695	29

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

Table 12.5 - Leave pay-outs for the period 1 April 2022 to 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2022/2023 due to non-utilisation of leave for the previous leave cycle (2021)	286	4	72
Capped leave payouts on termination of service for 2022/2023	1,460	8	183
Current leave payout on termination of service for 2022/2023	1,931	41	47
TOTAL	3,677	53	69

13 HIV/AIDS and Health Promotion Programmes

Table 13.1 - Steps taken to reduce the risk of occupational exposure.

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk.
All employees	Voluntary HIV/AIDS and TB Testing and screening. Creation of awareness on protection and prevention through distribution of information material.

Table 13.2 - Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the Required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in the Public Service Regulations, 2016? If so, provide her/his name and position	√		Ms M Phalane, Director: Internal Transformation Programmes (ITP) is the designated SMS member for Employee Health and Wellness (EHW).
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose	√		EHW Unit has one EHW Officer, one OHS Officer, and a Deputy Director: Internal EHW (currently vacant) and the Director: ITP. The allocated Budget: R400,000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme	√		The key elements for the department's Health Promotion Programme are HIV/AIDS and TB Management, Health and Productivity Management, SHERQ Management and Wellness Management.
4. Has the department established (a) committee(s) as contemplated in the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent		X	The Committee became dysfunctional. The Health & Wellness Committee has to be re-established in the 2023/24 financial year.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed		X	No additional policies were reviewed for this purpose during the financial year under consideration.
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	√		There is a HIV/AIDS, TB and Communicable Disease Policy, which has elements of Elimination of unfair discrimination and stigma in the workplace; Promotion of equitable access to opportunities, benefits and protection, creation of a safe and healthy work environment, giving effect to international and regional obligations of South Africa on HIV/AIDS and TB in the workplace, Provision of programs for Reasonable Accommodation, care and supportive counselling; and protection and promotion of human rights.

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing (VCT)? If so, list the results that you have achieved	√		HIV/AIDS Counselling and Testing Sessions facilitated by GEMS are held quarterly. Quarter 1: Screened 29 employees for HIV/AIDS and tested 0 employees for HIV/Aids (all negative) Quarter 2: Screened did not take place due to delays in the challenges that GEMS encountered in assigning their service provider for DPSA during September 2022. Quarter 3: Screened 15 employees for HIV/AIDS and tested 0 employees for HIV/Aids (all negative) Quarter 4: Screened 41 employees for HIV/AIDS and tested 0 employees for HIV/Aids (all negative)
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators	√		The Department monitors and evaluate the impact of its health promotion program through quarterly Wellness Day reports, the annual EHW report and Standard Monitoring Tool (SMT) annually, which are submitted to DPSA Line Function as part of compliance reporting.

14 Labour Relations

Table 14.1 - Collective agreements for the period 1 April 2022 to 31 March 2023

Subject matter
No collective agreements were concluded at the Departmental Bargaining Council

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

Table 14.2 - Misconduct and disciplinary hearings finalised for the period 1 April 2022 to 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Written Warning	1	33.33%
Dismissal	1	33.33%
Not guilty	1	33.33%
TOTAL	3	100%

Table 14.3 - Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 to 31 March 2023

Type of misconduct	Number	% of total
Gross insubordination, failure to provide handover report, failure to support the implementation of the reorganisation process in the department, insolence	1	33.33%
Contravention of the provisions of PSCBC Resolution 1 of 2003	1	33.33%
Theft	1	33.33%
TOTAL	3	100%

Table 14.4 - Grievances lodged for the period 1 April 2022 to 31 March 2023

Grievances	Number	% of total
Number of grievances resolved	25	78%
Number of grievances not resolved	7	22%
Total number of grievances lodged	32	100%

Table 14.5 - Disputes lodged with Councils for the period 1 April 2022 to 31 March 2023

Disputes	Number	% of total
Number of disputes upheld	1	17%
Number of disputes dismissed	0	0%
Number of disputes unresolved	5	83%
Total number of disputes lodged	6	100%

Table 14.6 - Strike actions for the period 1 April 2022 to 31 March 2023

Total number of persons working days lost	No days were lost as no DPSA employee participated in the strike
Total costs (R'000) of working days lost	No costs incurred as there was no working days lost
Amount (R'000) recovered as a result of no work no pay	No costs recovered as there were no days lost

Table 14.7 - Precautionary suspensions for the period 1 April 2022 to 31 March 2023

Number of people suspended	2
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	899
Cost (R'000) of suspensions	R 3,988

15 Skills Development

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

Table 15.1 - Training needs identified for the period 1 April 2022 to 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Senior Management (Levels 13 - 16)	Female	32	0	27	0	27
	Male	42	0	35	0	35
Professionally qualified and experienced specialists (Levels 9-12)	Female	71	0	85	0	85
	Male	49	0	27	0	27
Skilled technical junior (Levels 6 - 8)	Female	51	0	48	0	48
	Male	18	0	8	0	8
Semi-skilled (Levels 3 - 5)	Female	29	0	22	0	22
	Male	39	0	20	0	20
Elementary occupations (Levels 1 - 2)	Female	17	0	15	0	15
	Male	4	0	5	0	5
Occupational Specific Dispensation	Female	4	0	0	0	0
	Male	2	0	0	0	0
Sub Total	Female	204	0	197	0	197
	Male	154	0	95	0	95
TOTAL		358	0	292	0	292

Table 15.2 - Training provided for the period 1 April 2022 to 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Senior Management (Levels 13 - 16)	Female	32	0	43	0	43
	Male	42	0	43	0	43
Professionally qualified and experienced specialists (Levels 9 - 12)	Female	71	0	46	0	46
	Male	49	0	29	0	29
Skilled technical junior (Levels 6 - 8)	Female	51	0	18	0	18
	Male	18	0	2	0	2
Semi-skilled (Levels 3 - 5)	Female	29	0	16	0	16
	Male	39		14	0	14
Elementary occupations (Levels 1 - 2)	Female	17	0	3	0	3
	Male	4	0	0	0	0
Occupational Specific Dispensation	Female	4	0	1	0	1
	Male	2	0	1	0	1
Interns	Female	0	0	1	0	1
	Male	0	0	2	0	2
Sub Total	Female	204	0	128	0	128
	Male	154	0	91	0	91
TOTAL		358	0	219	0	219

16 Injury on Duty

The following table provide basic information on injury on duty.

Table 16.1 - Injury on duty for the period 1 April 2022 to 31 March 2023

Nature of injury on duty	Number	% of total
Required basic medical attention	1	100%
Temporary total disablement	0	0%
Permanent disablement	0	0%
Fatal	0	0%
TOTAL	1	100%

17 Utilisation of Consultants

Table 17.1 (a) - Report on consultant appointments using appropriated funds for the period 1 April 2022 to 31 March 2023

Project title	Total number of consultants that worked on the project	Duration (work days)	Contract value in Rand
Audit committee member for DPSA	1	1	38 412,00
Audit committee member for DPSA	1	1	19 206,00
Audit committee member for DPSA	1	1	57 618,00
Audit committee member for DPSA	1	1	28 694,80
Audit committee member for DPSA	1	1	29 449,20
Audit committee member for DPSA	1	1	29 449,20
Audit committee member for DPSA	1	1	57 618,00
Audit committee member for DPSA	1	1	38 412,00
Audit committee member for DPSA	1	1	29 449,20
Audit committee member for DPSA	1	1	29 449,20
Audit committee member for DPSA	1	1	38 412,00
Audit committee member for DPSA	1	1	19 206,00
Audit committee member for DPSA	1	1	29 449,20
Audit committee member for DPSA	1	1	29 449,20
Audit committee member for DPSA	1	1	38 412,00
Audit committee member for DPSA	1	1	19 206,00
APRM National Governing Council Member	1	3	7 857,00
APRM National Governing Council Member	1	21	54 999,00
APRM National Governing Council Member	1	26	68 094,00
APRM National Governing Council Member	1	3	7 857,00
APRM National Governing Council Member	1	19	49 761,00
APRM National Governing Council Member	1	13	34 047,00
APRM National Governing Council Member	1	23	60 237,00
APRM National Governing Council Member	1	22	57 618,00
APRM National Governing Council Member	1	11	28 809,00

Project title	Total number of consultants that worked on the project	Duration (work days)	Contract value in Rand
APRM National Governing Council Member	1	2	5 238,00
APRM National Governing Council Member	1	25	65 475,00
APRM National Governing Council Member	1	5	13 095,00
APRM National Governing Council Member	1	6	15 714,00
APRM National Governing Council Member	1	15	39 285,00
APRM National Governing Council Member	1	17	44 523,00
APRM National Governing Council Member	1	25	65 475,00
APRM National Governing Council Member	1	15	39 285,00
APRM National Governing Council Member	1	29	115 005,00
APRM National Governing Council Member	1	16	41 904,00
APRM National Governing Council Member	1	15	39 285,00
APRM National Governing Council Member	1	12	42 858,00
APRM National Governing Council Member	1	16	41 904,00
Social media monitoring March 2022	1	1	10 839,76
Social media monitoring April 2022	1	1	10 839,78
Social media monitoring May 2022	1	1	10 839,77
Social media monitoring June 2022	1	1	10 839,77
Social media monitoring July 2022	1	1	10 839,76
Social media monitoring August 2022	1	1	10 839,76
Social media monitoring September 2022	1	1	10 839,76
Social media monitoring October 2022	1	1	10 839,76
Social media monitoring November 2022	1	1	10 839,77
Social media monitoring December 2022	1	1	10 839,76
Social media monitoring January 2023	1	1	10 839,75
Social media monitoring February 2023	1	1	10 839,75
The organisational culture and change management project.	1	8	129 231,25
The organisational culture and change management project.	1	4	75 037,50
The organisational culture and change management project.	1	17	312 656,25
Broad-Based Black Economic Empowerment compliance audit.	1	1	69 000,00

Project title	Total number of consultants that worked on the project	Duration (work days)	Contract value in Rand
Competency Assessment: Director: Knowledge Management and Innovation. (x2 Candidates)	1	2	16 882,00
Competency assessment: Director: legislation. (x1 Candidate)	1	2	8 891,00
Competency Assessment: Director: Partnership International Relations and Donor Management. (x1 Candidate)	1	2	8 891,00
Competency Assessment: Director: Information Management. (x1 Candidate)	1	2	8 891,00
Competency Assessment Advisory	1	1	5 040,45
Development and implementation of a public service emerging leaders' program.	1	23	200 000,00
Development and implementation of a public service emerging leaders' program.	1	35	301 500,00
Development and implementation of a public service emerging leaders program.	1	19	160 000,00
ICT Advisory Service from SITA	1	730	2 688 191,13
Personnel Expenditure Review in the Public Sector.	1	306	5 372 800,00
Personnel Expenditure Review in the Public Sector.	1	253	5 099 675,00
Personnel Expenditure Review in the Public Sector.	1	59	3 001 014,24
PILIR, monthly HRM fees April 2022 based on 375 heads (head counting) at a unit price of R8,75 per head.	1	1	3 281,25
PILIR, monthly HRM fees May 2022 based on 375 heads (head counting) at a unit price of R8,75 per head.	1	1	3 281,25
PILIR, monthly HRM fees June 2022 based on 375 heads (head counting) at a unit price of R8,75 per head.	1	1	3 281,25
PILIR, monthly HRM fees July 2022 based on 384 heads (head counting) at a unit price of R8,75 per head.	1	1	3 360,00
PILIR, monthly HRM fees August 2022 based on 384 heads (head counting) at a unit price of R8,75 per head.	1	1	3 360,00
PILIR, monthly HRM fees September 2022 based on 384 heads (head counting) at a unit price of R8,75 per head.	1	1	3 360,00
PILIR, monthly HRM fees October 2022 based on 398 heads (head counting) at a unit price of R8,75 per head.	1	1	3 482,50
PILIR, monthly HRM fees November 2022 based on 398 heads (head counting) at a unit price of R8,75 per head.	1	1	3 482,50
PILIR, monthly HRM fees December 2022 based on 398 heads (head counting) at a unit price of R8,75 per head.	1	1	3 482,50
PILIR, monthly HRM fees January 2023 based on 405 heads (head counting) at a unit price of R8,75 per head.	1	1	3 543,75

Project title	Total number of consultants that worked on the project	Duration (work days)	Contract value in Rand
PILIR, monthly HRM fees February 2023 based on 405 heads (head counting) at a unit price of R8,75 per head.	1	1	3 543,75
PILIR, monthly HRM fees March 2023 based on 405 heads (head counting) at a unit price of R8,75 per head.	1	1	3 543,75
Research Report on the use of Individual Linked Savings Facility (ILSF) for the Benefit of Government Employees.	1	15	208 150,00
Research Report on the use of Individual Linked Savings Facility (ILSF) for the Benefit of Government Employees.	1	16	285 200,00
Review of DPSA HRMD policies, prescripts, circulars and regulations.	1	87	429 311,23
Vulnerable employee assessment.	1	1	517,50
Editing & Evaluation of translated text.	1	1	450,00
French to English interpreters	1	4	187 946,00
SDR magazine language sub-edit and proofreading services for 3 editions over 12 months	1	1	10 000,00
SDR magazine language sub-edit and proofreading services for 3 editions over 12 months	1	1	12 192,50
SDR magazine language sub-edit and proofreading services for 3 editions over 12 months	1	1	12 192,50
Sign Language Interpreter for the Africa Public Service Day.	1	1	10 925,00
Sign Language Interpreter for the Launch of the 2022 IPMS.	1	1	5 347,50
Sign Language Interpreter for the Launch of the 2022 IPMS.	1	1	5 347,50
Transcription services from Audio content to print format.	1	1	1 745,45
Floor plans/drawings of the Batho Pele building for anticipated seating arrangement.	1	1	325 120,18
Professional services rendered in relation to revision of the PAMA Amendment Bill.	1	5	15 525,00
Professional services rendered in relation to revision of the PAMA Amendment Bill.	1	7	55 292,00
Legal costs	1	20	249 150,00
Legal costs	1	14	294 913,46
Legal costs	1	29	566 605,00
Legal costs	1	9	172 260,00
Legal costs	1	21	327 520,00
Legal costs	1	11	61 657,00
Legal costs	1	6	88 320,00
Legal costs	1	9	157 250,00

Project title	Total number of consultants that worked on the project	Duration (work days)	Contract value in Rand
Legal costs	1	4	79 120,00
Legal costs	1	11	127 974,75
Pre-employment security screening/checks	1	1	13 682,41
Pre-employment security screening/checks	1	1	16 938,88
Pre-employment security screening/checks	1	1	10 148,81
Pre-employment security screening/checks	1	1	5 592,22
Pre-employment security screening/checks	1	1	15 836,19
Pre-employment security screening/checks	1	1	3 362,19
Pre-employment security screening/checks	1	1	8 419,85
Pre-employment security screening/checks	1	1	4 340,47
Pre-employment security screening/checks	1	1	1 865,74
Pre-employment security screening/checks	1	1	3 967,02
Pre-employment security screening/checks	1	1	11 426,32
Pre-employment security screening/checks	1	1	253,00
Pre-employment security screening/checks	1	1	189,67
	Total individual consultants	Total duration (work days)	Total contract value in Rand
TOTAL	117	2134	22 885 052,81

Table 17.1 (b) - Report on contractor appointments using appropriated funds for the period 1 April 2022 to 31 March 2023

Project title	Total number of contractors that worked on the project	Duration (work days)	Contract value in Rand
Stand-up comedy performance for youth day.	1	1	1 200,00
Theoretical performance on gender based violence.	1	1	15 850,00
Drama and dance performance at the DPSA's long service awards.	1	1	2 000,00
Community mobilisation: Loud hailing for the Deputy Minister's outreach: Zandspruit.	1	1	2 000,00
Casual labourers worked as Marshals at the Deputy Minister's outreach: Zandspruit.	1	1	4 000,00
Delivery and collection services for the Deputy Minister's outreach: Zandspruit.	1	1	2 500,00

Project title	Total number of contractors that worked on the project	Duration (work days)	Contract value in Rand
Infrastructure services for the Deputy Minister's outreach: Zandspruit.	1	1	21 500,00
Infrastructure services for the Deputy Minister's outreach: Zandspruit.	1	1	123 500,00
Roving microphones during a Knowledge Management Forum Meeting.	1	1	900,00
Hybrid and recording during the AAPAM 41st roundtable conference.	1	6	160 000,00
Provision of Hall draping & décor for the 5 days events.	1	5	192 500,00
Height Medical Examination for contract workers.	1	1	1 973,40
A public address system for the outreach programme in Augrabies in the Northern Cape.	1	1	2 000,00
Sound system for the Dpsa's Presidential pre-imbizo with the community of the Kheis Local Municipality. (Northern Cape).	1	1	2 000,00
Move furniture from the North West Office of the Premier to DPSA (Batho Pele House).	1	1	22 114,80
Transportation, insurance, and one-month storage for personal and household goods.	1	1	10 443,54
Relocation of 22 multifunction printers within Batho-Pele House.	1	1	16 203,20
Transportation of a solid oak table from DG's residence to DPSA offices in Parliament Towers, Cape Town.	1	1	1 955,00
Inspection and maintenance of the disability lift at Maponya Mall Thusong Service Centre.	1	1	5 550,00
Inspection and maintenance of the disability lift at Maponya Mall Thusong Service Centre.	1	1	5 550,00
Inspection and maintenance of the disability lift at Maponya Mall Thusong Service Centre.	1	1	5 550,00
Inspection and maintenance of the disability lift at Maponya Mall Thusong Service Centre.	1	1	5 550,00
Replacement of lift button of the disability lift at Maponya Mall Thusong Service Centre.	1	1	3 500,00
Attend emergency call-out for disability lift at Maponya Mall Thusong Service Centre.	1	1	5 850,00
DSTV supply and installation.	1	1	3 650,00
DSTV connection in the DG's office.	1	1	2 000,00
DSTV Reinstallation Labour.	1	1	6 208,85
DSTV repairs for Deputy Minister's house in Cape Town.	1	1	1 480,00
DSTV repair call-out fee for Deputy Minister's House Cape Town.	1	1	450,00
DSTV repairs for Deputy Minister's house in Cape Town.	1	1	1 470,00
Cellphone repairs.	1	1	1 819,00
Cellphone repairs.	1	1	1 606,00
Television Technician for Minister.	1	1	1 897,00

Project title	Total number of contractors that worked on the project	Duration (work days)	Contract value in Rand
Re-installation of equipment removed from Ford Everest to BMW Sedan 520d(G30)@ LST premises.	1	1	2 702,50
Maintenance and repairs of gym equipment.	1	1	10 570,00
Fixing and maintaining the SmartDrive wheelchair.	1	1	8 050,00
	Total individual contractors	Total duration (work days)	Total contract value in Rand
TOTAL	36	45	656 093,29
Grand total consultants and contractors	Total number of consultants and contractors that worked on the project	Total duration (work days)	Total contract value in Rand
	153	2 179	23 541 146,10

Table 3.17.2- Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 to 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
The DPSA does not conduct an analysis of consultants appointment in terms of HDIs			

18 Severance Packages

Table 18.1 – Granting of employee-initiated severance packages for the period 1 April 2022 to 31 March 2023

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by the PSC
None	0	0	0	0
TOTAL	0	0	0	0

19 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	Not within the Mandate of the DPSA.
Developing and implementing a preferential procurement policy?	N/A	The DPSA makes use of the Preferential Procurement Policy Framework Act and its associated Regulations from the Preferential Procurement Perspective.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	Not within the Mandate of the DPSA.
Developing criteria for entering into partnerships with the private sector?	N/A	Not within the Mandate of the DPSA.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	Not within the Mandate of the DPSA.



PART

PFMA COMPLIANCE REPORT

PART E: PFMA COMPLIANCE REPORT

1 Information on Irregular, Fruitless and Wasteful, Unauthorised Expenditure and Material Losses

Irregular expenditure

a) Reconciliation of irregular expenditure

	2022/2023	2021/2022
Description	R'000	R'000
Opening balance	968	2 395
Add: Irregular expenditure confirmed	-	23
Less: Irregular expenditure condoned	-	(1 450)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	968	968

Included in the above comparative amount of R23 thousand is R11 thousand for irregular expenditure incurred and confirmed in the previous year (2021/22) and R12 thousand added in respect of irregular expenditure incurred during the previous financial year, which was identified and confirmed in the current financial year.

Reconciling notes

	2022/2023	2021/2022
Description	R'000	R'000
Current year	-	23
Prior years	968	945
Total	968	968

b) Details of current and previous year irregular expenditure is under determination

	2022/2023	2021/2022
Description	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	3	831
Irregular expenditure under investigation	-	-
Total	3	831

Included in the comparative amount of R831 are three cases of irregular expenditure emanating from the contravention of Supply Chain Management prescripts and the Public Service Regulations in respect of the following.

- Three transactions for failure to ensure that the relevant prescripts and due processes relating to Supply Chain Management were followed in the approval of the appointment of a service provider: R506 thousand.
- Two transactions in respect of expenditure incurred for services rendered after the contract with the service provider had ended: R21 thousand.
- Nine transactions in respect of salaries paid to the officials who worked beyond their contract's expiry date: R304 thousand.

c) Details of current and previous year irregular expenditure condoned

	2022/2023	2021/2022
Description	R'000	R'000
Irregular expenditure condoned	-	1 450
Total	-	1 450

During the 2021/22 financial year, the National Treasury condoned the irregular expenditure at a total amount of R1, 450 million incurred during the 2009/10 to 2011/12 financial years emanating from contravention of Supply Chain Management prescripts in respect of the following.

- Twenty-five (25) transactions for procurement of goods and services with a value above R30 000 to R500 000 without applying the 80/20 commercial evaluation criteria; R1, 388 million.
 - One transaction for procurement of goods and services with a value above R30 000 to R500 000 without obtaining a valid tax clearance certificate: R55 thousand.
 - One transaction for variation of order above the 15% prescribed threshold without obtaining written prior approval from National treasury; R6 thousand.
- a) During the current and previous financial years no irregular expenditure were removed.
 - b) During the current and previous financial years no irregular expenditure were recovered.
 - c) During the current and previous financial years no irregular expenditure were written off.
 - d) The department did not incur any irregular expenditure in relation to inter-institutional arrangements by other institutions.
 - h) The department did not incur any irregular expenditure in relation to inter-institutional arrangements where the Department of Public Service and Administration is the responsible institution.

Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary Steps Taken
During the 2022/23 financial year the official responsible for failing to ensure that the relevant prescripts and due processes relating to Supply Chain Management were followed in the approval of the appointment of a service provider, was issued with a final written warning.
Total R506 thousand

Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

	2022/2023	2021/2022
Description	R'000	R'000
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	-	1
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	(1)
Closing Balance	-	-

Included in the comparative are two transactions of traffic fines administration fees that were recovered from the respective officials.

Reconciling notes

	2022/2023	2021/2022
Description	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	3	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	-	-
TOTAL	3	-

b) Details of current and previous year fruitless and wasteful expenditure under assessment

	2022/2023	2021/2022
Description	R'000	R'000
Fruitless and wasteful expenditure under assessment	3	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	3	-

Included in the above total is 2 cases of no show where officials were booked accommodation.

c) Details of current and previous year fruitless and wasteful expenditure recovered

	2022/2023	2021/2022
Description	R'000	R'000
Fruitless and wasteful expenditure recovered	-	1
Total	-	1

d) During the current and previous year no fruitless and wasteful expenditure were not recovered or written off.

e) No disciplinary or criminal steps were required to be taken in relation to fruitless and wasteful expenditure in the current or previous financial years.

d) Total unconfirmed fruitless and wasteful expenditure under assessment.

	2022/2023	2021/2022
Description	R'000	R'000
No show for Accommodation	3	-

Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

	2023/2022	2021/2022
Description	R'000	R'000
Opening balance	8 812	8 812
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off ⁷	-	-
Closing Balance	8 812	8 812

The amount of R 8 812 000 unauthorised expenditure was incurred in the 2013/14 financial year. The department appeared before SCOPA during 2016. The department is awaiting a determination from Parliament.

Since the 2013/14 financial year the department has not incurred any further unauthorised expenditure.

Material losses

The department did not incur any material losses in the current or previous financial years and no material losses were written of or recovered.

2 Information on payment of suppliers

The department paid all valid invoices received within 30 days.

Description	2022/2023	2022/2023	2021/2022	2021/2022
	Number	R'000	Number	R'000
Valid invoices received	4 556	R330 655	3 964	R265 747
Invoices paid within 30 days or agreed period	4 556	R330 655	3 964	R265 747
Invoices paid after 30 days or agreed period	-	-	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-	-	-
Total	4556	R330 655	3964	R265 747

3 Information on Supply Chain Management

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Renewal of Six (6) Dell VXRail Server Hardware Warranties for Two (2) Years and VMware Vsphere License.	Ubuntu Technologies	Deviation (Insufficient responses received after engaging eight service providers on SITA Transversal Contract RFB 2003/2014)	AI-458418	R1 396
TOTAL				R1 396

CONTRACT VARIATIONS AND EXPANSIONS

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Value of contract R'000
Provision of Water and Water Dispensers to the DPSA for a Period of 12 Months.	Pureau Fresh Water (Pty) Ltd	Expansion (37.06%) for the provision of additional 75 bottles of water over the remaining 7-month period of the contract.	OR-018512	Original Contract Value: R88 Expanded Contract Value: R121
TOTAL				R121



PART



Report of the auditor-general to Parliament on vote no. 11: Department of Public Service and Administration

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Public Service and Administration set out on pages xx to xx, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Public Service and Administration as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

6. I draw attention to the matters below. My opinion is not modified in respect of this matters.

Unaudited supplementary schedules

7. The supplementary information set out in pages ... to ... does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion on them.

National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

8. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1) (b), (e) and (f), 2(e) and 4(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 23 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the department. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

14. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Human Resource Management and Development	36	Manage, oversee and facilitate human resource planning, management and development in the workplace. Facilitate compliance with minimum norms and standards set by the Minister for Public Service and Administration, in line with the Public Administration Management Act (1994), through the office of standards and compliance.
Programme 3: Negotiations, Labour Relations Remuneration Management	39	Manage, oversee and facilitate organisational development, job grading, macro organisation, remuneration, human resource information systems, conditions of service, labour relations and dispute management in the public service. Administrate the implementation of the Government Employees Housing Scheme and the macro organisation of the state, and ensure coordinated collective bargaining.
Programme 5: Government Services Access and Improvement	43	Manage, oversee and facilitate service access, operations management and service delivery improvement in the Public Service and Administration public service.

15. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

16. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

18. The material findings on the performance information of the selected programmes are as follows:

Programme 2: Human Resource Management and Development

Approved Job Competency Framework for public sector

There was no link between the indicator of approved job competency framework for public sector and the planned target which relates to submitting of the framework for approval.

Programme 3: Negotiations, Labour Relations Remuneration Management

Approval of Collective Bargaining Policy

There was no link between the indicator which relates to approval of collective bargaining policy and the planned target which relates to developing the collective bargaining policy and reviewing of the related procedures.

Approved reviewed generic functional structure for Programme 1: Administration Functions

There was no link between the indicator which relates to approved generic functional structure for Programme 1: administration functions and the planned target which relates to reviewed generic functional structure functions submitted for approval.

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under-achievements. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 2: Human Resource Management and Development, Programme 3: Negotiations, Labour Relations Remuneration Management and Programme 5: Government Services Access and Improvement. Management subsequently corrected some of the material misstatements identified in the selected programmes however management did not correct all of the other material misstatements and I reported material findings in this regard.

Report on compliance with legislation

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
25. I did not identify material non-compliance with the selected legislative requirements.

Other information in the annual report

26. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
31. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on the annual performance report included in this report.
32. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Auditor-General

Pretoria

31 July 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 1 (Definition of irregular expenditure); Sections 38(1)(a)(iv); 38(1)(b); 38(1)(c)(i)-(ii); Sections 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); Sections 40(1)(a) and (b); 40(1)(c)(i); Sections 43(4); 44; 45(b); 51(1)(a)(iv); 57(b)
Treasury regulations	TR 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); TR 5.3.1; 6.3.1(a) - (d); 6.4.1(b); 7.2.1; TR 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; TR 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1. TR 12.5.1; TR 15.10.1.2(c); TR 16A3.2 (fairness); 16A3.2(a); 16A6.1; TR 16A6.2(a) and (b); 16A6.3(a) - (c); 16A6.3(e); TR 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A.7.3; TR 16A7.6; 16A.7.7; 16A8.3; 16A8.4; TR 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2(a)(ii); TR 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections 1(i); 2.1(a),(b) and (f)
Preferential Procurement regulations (PPR), 2011	Regulations 4.1; 4.3; 5.5; 6.1; 6.5; 7.1; Regulations 9.1; 9.5; 11.2; 11.5
Preferential Procurement regulations (PPR), 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; Regulations 6.1; 6.2; 6.3; 6.5; 6.6; 6.8; Regulations 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulations 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2

Legislation	Sections or regulations
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
Public Service regulations (PSR), 2016	Regulations 18(1); 18(2); 25(1)(e)(i) and (iii)
State Information Technology Agency Act 88 of 1998 (SITA)	Section 7(3)
NT SCM Instruction Note 05 of 2009/10	Par 3.3
NT SCM Instruction Note 04 of 2015/16	Par 3.4
NT SCM Instruction Note 03 of 2016/17	Par 8.1; 8.2; 8.3; 8.5
NT SCM Instruction Note 4A of 2016/17	Par 6
NT SCM Instruction Note 07 of 2017/18	Par 4.3
NT SCM Instruction note 03 of 2019/20 [Annexure A - FIPDM]	Par 5.5.1(vi); 5.5.1(x)
NT SCM Instruction Note 08 of 2019/20	Par 3.1.1; 3.6; 3.7.2; 3.7.6(i) - (iii)
NT SCM Instruction Note 03 of 2020/21	Par 3.6; 3.7; 5.1(i); 6.1; 6.3
NT SCM Instruction Note 05 of 2020/21	Par 3.2; 3.7; 4.3; 4.6; 4.8; 4.9; 5.3
Erratum NT SCM Instruction Note 05 of 2020/21	Par 1; 2
Second Amendment to NT SCM Instruction Note 05 of 2020/21	Par 1
NT Instruction Note 11 of 2020/21	Par 3.1; 3.4(b); 3.9
NT SCM Instruction Note 02 of 2021/22	Par 3.2.1; 3.2.4(a); 3.3.1; 4.1
SCM Practice Note 8 of 2007/08	Par 3.3.1; 3.3.3; 3.4.1; 3.5
SCM Practice Note 7 of 2009/10	Par 4.1.2



Annual Financial Statements

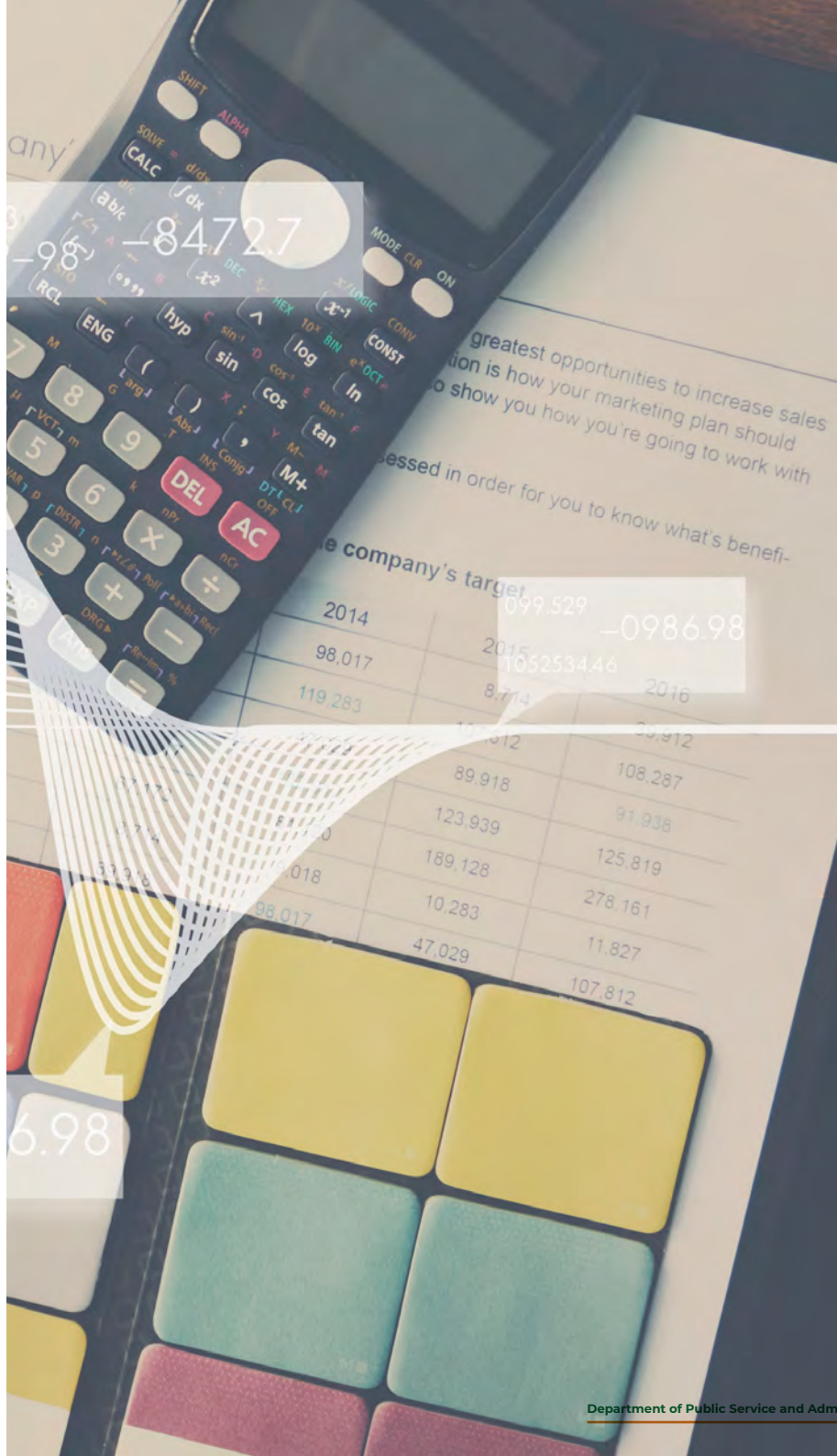


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APPROPRIATION STATEMENT

for the year ended 31 March 2023

Appropriation per programme									
Programme	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION	251 982	-	1 445	253 427	238 173	15 254	94,0%	242 330	220 468
2. HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	53 322	-	(2 870)	50 452	45 385	5 067	90,0%	47 187	43 611
3. NEGOTIATIONS, LABOUR RELATIONS AND REMUNERATION MANAGEMENT	105 795	-	(1 445)	104 350	97 713	6 637	93,6%	99 874	68 129
4. E-GOVERNMENT SERVICES AND INFORMATION MANAGEMENT	30 607	-	-	30 607	25 060	5 547	81,9%	34 292	21 233
5. GOVERNMENT SERVICE ACCESS AND IMPROVEMENT	108 417	-	2 870	111 287	109 391	1 896	98,3%	108 001	104 164
TOTAL	550 123	-	-	550 123	515 722	34 401	93,7%	531 684	457 605

	2022/23		2021/22	
	Final Budget	Actual Expenditure	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	295		713	
Aid assistance	-		239	
Actual amounts per statement of financial performance (total revenue)	550 418		532 636	
ADD				
Aid assistance		-		-
Actual amounts per statement of financial performance (total expenditure)		515 722		457 605

APPROPRIATION STATEMENT

for the year ended 31 March 2023

Appropriation per economic classification									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	490 879	(9 259)	-	481 620	450 667	30 953	93,6%	475 315	405 694
Compensation of employees	299 744	-	-	299 744	277 244	22 500	92,5%	289 439	268 177
Goods and services	191 135	(9 259)	-	181 876	173 423	8 453	95,4%	185 876	137 517
Transfers and subsidies	51 289	2 269	-	53 558	52 798	760	98,6%	48 468	46 760
Provinces and municipalities	11	-	-	11	1	10	9,1%	10	5
Departmental agencies and accounts	45 145	-	-	45 145	45 045	100	99,8%	42 990	41 453
Foreign governments and international organisations	2 530	-	-	2 530	2 429	101	96,0%	2 240	2 087
Households	3 603	2 269	-	5 872	5 323	549	90,7%	3 228	3 215
Payments for capital assets	7 955	6 589	-	14 544	11 869	2 675	81,6%	7 449	4 712
Machinery and equipment	7 208	2 757	-	9 965	8 037	1 928	80,7%	7 381	4 712
Intangible assets	747	3 832	-	4 579	3 832	747	83,7%	68	-
Payments for financial assets	-	401	-	401	388	13	96,8%	452	439
Total	550 123	-	-	550 123	515 722	34 401	93,7%	531 684	457 605

APPROPRIATION STATEMENT

for the year ended 31 March 2023

Programme 1: ADMINISTRATION									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MINISTRY	28 715	1 111	1 000	30 826	23 838	6 988	77,3%	30 003	24 797
2. DEPARTMENTAL MANAGEMENT	10 686	709	445	11 840	11 399	441	96,3%	10 298	9 376
3. CORPORATE SERVICES	97 274	3 595	-	100 869	95 695	5 174	94,9%	95 501	83 500
4. FINANCE ADMINISTRATION	28 673	1 276	-	29 949	28 899	1 050	96,5%	28 707	26 887
5. INTERNAL AUDIT	7 714	(1 480)	-	6 234	5 543	691	88,9%	5 766	5 752
6. LEGAL SERVICES	10 850	(255)	-	10 595	9 990	605	94,3%	12 365	11 596
7. INTERNATIONAL RELATIONS AND DONOR FUNDING	1 833	(1 824)	-	9	7	2	77,8%	2 296	1 170
8. OFFICE ACCOMMODATION	66 237	(3 132)	-	63 105	62 802	303	99,5%	57 394	57 390
Total for sub programmes	251 982	-	1 445	253 427	238 173	15 254	94,0%	242 330	220 468
Economic classification									
Current payments	243 738	(2 145)	1 445	243 038	229 074	13 964	94,3%	232 377	213 195
Compensation of employees	119 994	-	-	119 994	111 697	8 297	93,1%	115 123	107 156
Goods and services	123 744	(2 145)	1 445	123 044	117 377	5 667	95,4%	117 254	106 039
Transfers and subsidies	1 475	543	-	2 018	1 567	451	77,7%	2 794	2 743
Provinces and municipalities	11	-	-	11	1	10	9,1%	10	5
Departmental agencies and accounts	100	-	-	100	-	100	-	37	-
Households	1 364	543	-	1 907	1 566	341	82,1%	2 747	2 738
Payments for capital assets	6 769	1 300	-	8 069	7 235	834	89,7%	6 821	4 197
Machinery and equipment	6 769	1 300	-	8 069	7 235	834	89,7%	6 821	4 197
Payments for financial assets	-	302	-	302	297	5	98,3%	338	333
Total	251 982	-	1 445	253 427	238 173	15 254	94,0%	242 330	220 468

APPROPRIATION STATEMENT

for the year ended 31 March 2023

Programme 2: HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT: HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	3 514	140	-	3 654	3 517	137	96,3%	3 626	3 484
2. OFFICE OF STANDARDS AND COMPLIANCE	15 217	(1 571)	(2 870)	10 776	8 793	1 983	81,6%	8 794	8 236
3. HUMAN RESOURCE PLANNING, EMPLOYMENT AND PERFORMANCE MANAGEMENT	15 315	112	-	15 427	14 120	1 307	91,5%	15 323	14 324
4. HUMAN RESOURCE DEVELOPMENT	9 179	1 124	-	10 303	9 939	364	96,5%	9 004	8 476
5. TRANSFORMATION AND WORKPLACE ENVIRONMENT MANAGEMENT	10 097	195	-	10 292	9 016	1 276	87,6%	10 440	9 091
Total for sub programmes	53 322	-	(2 870)	50 452	45 385	5 067	90,0%	47 187	43 611
Economic classification									
Current payments	52 119	(37)	(2 870)	49 212	44 281	4 931	90,0%	46 808	43 237
Compensation of employees	45 324	-	-	45 324	40 748	4 576	89,9%	44 601	41 453
Goods and services	6 795	(37)	(2 870)	3 888	3 533	355	90,9%	2 207	1 784
Transfers and subsidies	1 105	-	-	1 105	972	133	88,0%	192	191
Households	1 105	-	-	1 105	972	133	88,0%	192	191
Payments for capital assets	98	31	-	129	128	1	99,2%	158	156
Machinery and equipment	98	31	-	129	128	1	99,2%	158	156
Payments for financial assets	-	6	-	6	4	2	66,7%	29	27
Total	53 322	-	(2 870)	50 452	45 385	5 067	90,0%	47 187	43 611

APPROPRIATION STATEMENT

for the year ended 31 March 2023

Programme 3: NEGOTIATIONS, LABOUR RELATIONS AND REMUNERATION MANAGEMENT									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT: NEGOTIATIONS, LABOUR RELATIONS AND REMUNERATION MANAGEMENT	3 552	(246)	-	3 306	3 087	219	93,4%	2 649	817
2. NEGOTIATIONS, LABOUR RELATIONS AND DISPUTE MANAGEMENT	7 394	157	-	7 551	7 067	484	93,6%	7 138	6 892
3. REMUNERATION, EMPLOYMENT CONDITIONS AND HUMAN RESOURCE SYSTEMS	39 871	183	(1 445)	38 609	35 665	2 944	92,4%	38 708	20 147
4. GOVERNMENT EMPLOYEES HOUSING SCHEME, PROJECT MANAGEMENT OFFICE	15 942	(1 469)	-	14 473	12 745	1 728	88,1%	14 149	10 062
5. ORGANISATIONAL DEVELOPMENT, JOB GRADING AND MACRO ORGANISATION OF THE STATE	14 014	239	-	14 253	13 277	976	93,2%	19 064	13 163
6. PUBLIC ADMINISTRATION ETHICS, INTEGRITY AND DISCIPLINARY TECHNICAL ASSISTANCE UNIT	25 022	1 136	-	26 158	25 872	286	98,9%	18 166	17 048
Total for sub programmes	105 795	-	(1 445)	104 350	97 713	6 637	93,6%	99 874	68 129
Economic classification									
Current payments	104 480	(6 311)	(1 445)	96 724	91 196	5 528	94,3%	99 351	67 646
Compensation of employees	61 370	-	-	61 370	57 494	3 876	93,7%	57 670	55 774
Goods and services	43 110	(6 311)	(1 445)	35 354	33 702	1 652	95,3%	41 681	11 872
Transfers and subsidies	1 177	1 342	-	2 519	2 471	48	98,1%	343	311
Foreign governments and international organisations	350	-	-	350	319	31	91,1%	320	290

APPROPRIATION STATEMENT

for the year ended 31 March 2023

	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	827	1 342	-	2 169	2 152	17	99,2%	23	21
Payments for capital assets	138	4 955	-	5 093	4 034	1 059	79,2%	154	150
Machinery and equipment	138	1 123	-	1 261	202	1 059	16,0%	154	150
Intangible assets	-	3 832	-	3 832	3 832	-	100,0%	-	-
Payments for financial assets	-	14	-	14	12	2	85,7%	26	22
Total	105 795	-	(1 445)	104 350	97 713	6 637	93,6%	99 874	68 129

APPROPRIATION STATEMENT

for the year ended 31 March 2023

Programme 4: E-GOVERNMENT SERVICES AND INFORMATION MANAGEMENT									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT: E-GOVERNMENT SERVICES AND INFORMATION MANAGEMENT	3 453	595	-	4 048	3 933	115	97,2%	3 645	3 142
2. E-ENABLEMENT AND ICT SERVICE INFRASTRUCTURE MANAGEMENT	8 596	(51)	-	8 545	7 107	1 438	83,2%	7 329	6 742
3. INFORMATION AND STAKEHOLDER MANAGEMENT	6 365	(1 127)	-	5 238	2 596	2 642	49,6%	6 553	2 751
4. ICT GOVERNANCE AND MANAGEMENT	7 604	583	-	8 187	7 609	578	92,9%	12 069	5 602
5. KNOWLEDGE MANAGEMENT AND INNOVATION	4 589	-	-	4 589	3 815	774	83,1%	4 696	2 996
Total for sub programmes	30 607	-	-	30 607	25 060	5 547	81,9%	34 292	21 233
Economic classification									
Current payments	29 589	(14)	-	29 575	24 859	4 716	84,1%	34 033	21 077
Compensation of employees	23 577	-	-	23 577	19 501	4 076	82,7%	23 792	17 111
Goods and services	6 012	(14)	-	5 998	5 358	640	89,3%	10 241	3 966
Transfers and subsidies	204	-	-	204	149	55	73,0%	90	90
Households	204	-	-	204	149	55	73,0%	90	90
Payments for capital assets	814	-	-	814	40	774	4,9%	147	45
Machinery and equipment	67	-	-	67	40	27	59,7%	79	45
Intangible assets	747	-	-	747	-	747	-	68	-
Payments for financial assets	-	14	-	14	12	2	85,7%	22	21
Total	30 607	-	-	30 607	25 060	5 547	81,9%	34 292	21 233

APPROPRIATION STATEMENT

for the year ended 31 March 2023

Programme 5: GOVERNMENT SERVICE ACCESS AND IMPROVEMENT									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT: GOVERNMENT SERVICE ACCESS AND IMPROVEMENT	3 348	97	-	3 445	3 418	27	99,2%	3 025	2 621
2. OPERATIONS MANAGEMENT	13 686	(382)	178	13 482	13 453	29	99,8%	13 137	12 189
3. SERVICE DELIVERY IMPROVEMENT, CITIZEN RELATIONS AND PUBLIC PARTICIPATION	14 672	(1 106)	-	13 566	13 469	97	99,3%	13 715	13 701
4. SERVICE ACCESS	19 886	1 155	490	21 531	21 429	102	99,5%	21 174	21 051
5. INTERNATIONAL COOPERATION AND STAKEHOLDER RELATIONS	11 780	236	2 202	14 218	12 577	1 641	88,5%	13 997	13 149
6. CENTRE FOR PUBLIC SERVICE INNOVATION	45 045	-	-	45 045	45 045	-	100,0%	42 953	41 453
Total for sub programmes	108 417	-	2 870	111 287	109 391	1 896	98,3%	108 001	104 164
Economic classification									
Current payments	60 953	(752)	2 870	63 071	61 257	1 814	97,1%	62 746	60 539
Compensation of employees	49 479	-	-	49 479	47 804	1 675	96,6%	48 253	46 683
Goods and services	11 474	(752)	2 870	13 592	13 453	139	99,0%	14 493	13 856
Transfers and subsidies	47 328	384	-	47 712	47 639	73	99,8%	45 049	43 425
Departmental agencies and accounts	45 045	-	-	45 045	45 045	-	100,0%	42 953	41 453
Foreign governments and international organisations	2 180	-	-	2 180	2 110	70	96,8%	1 920	1 797
Households	103	384	-	487	484	3	99,4%	176	175
Payments for capital assets	136	303	-	439	432	7	98,4%	169	164
Machinery and equipment	136	303	-	439	432	7	98,4%	169	164
Payments for financial assets	-	65	-	65	63	2	96,9%	37	36
Total	108 417	-	2 870	111 287	109 391	1 896	98,3%	108 001	104 164

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

1. Detail of transfers and subsidies as per Appropriation Act (after Virement)

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-H of the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement)

Detail of these transactions can be viewed in the note on Annual Appropriation to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Programme	R'000	R'000	R'000	%
ADMINISTRATION	253 427	(238 173)	15 254	6,0%

There is underspending of R8, 297 million under compensation of employees that is due to 24 funded vacant posts of which 5 are SMS posts (5xD) and Minister and ministry staff. The underspending of R6, 957 million under operational expenditure is mainly due to R1, 096 million under D: Risk and Ethics Management, which relates to delays in concluding the appointment of a service provider to develop and implement a Business Continuity Management System (BCMS) for the department. Secondly, R988 thousand under D: Workplace Environment Management is due to a delay to kick start the project for refurbishment of a boardroom into a Media/Conference room. Furthermore, the R1, 184 million under D: Information Communication Technology is mainly due to the quotations received for SharePoint, Microsoft Power Apps, and Power Automate that were more than R1 million, which necessitated a tender process. Moreover, the R744 thousand underspending under D: Supply Chain Management is due to awaiting delivery of a Ministerial Vehicle. There is also R645 thousand under D: Internal Audit which is due to delays to appoint a service provider to conduct an external Quality Assurance Review. Lastly, the R677 thousand under D: Internal Transformation Programme is due to delays in the appointment of a service provider for employee wellness programme and primary health care services.

HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	50 452	(45 385)	5 067	10,0%
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The underspending of R4, 576 million under compensation of employees is due to 10 funded vacant posts of which 5 are SMS posts (2xCD, 3xD). The underspending of R491 thousand under operational expenditure is mainly under Human Resource Development for the development of a job competency framework for salary levels 1-12.

NEGOTIATIONS, LABOUR RELATIONS AND REMUNERATION MANAGEMENT	104 350	(97 713)	6 637	6,4%
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The underspending of R3, 876 million under compensation of employees is due to 10 funded vacant posts of which 5 are SMS posts (1xDDG, 2xCD, 2xD). The underspending of R2, 761 million under operational expenditure is mainly due to R1, 114 million under Remuneration, Employment Conditions and HR Systems which relates to the delayed procurement of additional space for the server for the SAS system. Under the Project Management Office (PMO), the underspending of R973 thousand relates to delays in initiating the process for the appointment of a service provider to provide Research and Development Support Services for the department.

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

E-GOVERNMENT SERVICES AND INFORMATION MANAGEMENT	30 607	(25 060)	5 547	18,1%
<i>The underspending of R4, 076 million under compensation of employees is due to 8 funded vacant posts of which 3 are SMS posts (1xCD, 2xD). The underspending of R1, 471 million under operational expenditure is mainly due to R289 thousand under CD: E-Enablement and ICT Service Infrastructure that relates to SAS software that was not procured since the SAS usage was transferred to the IT unit. Furthermore, under CD: ICT Governance and Management the R573 thousand relates to software for the compliance monitoring project which was transferred to the Office of Standards and Compliance where the scope was amended not to include software in the first phase. The R346 thousand under Information and Stakeholder Management is due to cost containment measures applied on promotional items that relates to the GITOC (Government Information Technology Officers Council) AGM (Annual General Meeting).</i>				
GOVERNMENT SERVICE ACCESS AND IMPROVEMENT	111 287	(109 391)	1 896	1,7%
<i>The underspending of R1, 675 million under compensation of employees is due to 5 funded vacant posts of which 1 is SMS post (1xD).</i>				
Total	550 123	(515 722)	34 401	6.3%

4.2 Per economic classification

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Economic classification	R'000	R'000	R'000	%
Current payments	481 620	(450 667)	30 953	6,4%
Compensation of employees	299 744	(277 244)	22 500	7,5%
Goods and services	181 876	(173 423)	8 453	4,6%
Transfers and subsidies	53 558	(52 798)	760	1,4%
Provinces and municipalities	11	(1)	10	90,9%
Departmental agencies and accounts	45 145	(45 045)	100	0,2%
Foreign governments and international organisations	2 530	(2 429)	101	4,0%
Households	5 872	(5 323)	549	9,3%
Payments for capital assets	14 544	(11 869)	2 675	18,4%
Machinery and equipment	9 965	(8 037)	1 928	19,3%
Intangible assets	4 579	(3 832)	747	16,3%
Payments for financial assets	401	(388)	13	3,2%
Total	550 123	(515 722)	34 401	6,3%

Compensation of Employees:

The total expenditure on compensation of employees amounted to R277,244 million or 92.5% of the final budget of R299,744 million. The underspending of R22, 500 million or 7.5% is mainly due to 57 unfilled vacant posts throughout the department, of which 19 are SMS posts and Minister and ministry staff.

Goods and Services:

Under the economic classification Goods and Services, the final expenditure was R173,423 million or 95.4% of R181,876 million final budget allocation. The reasons for underspending of R8, 453 million or 4.6% are mainly as follows:

The main underspending under D: Information Communication Technology of R1, 184 million is due to the quotations received for SharePoint, Microsoft Power Apps, and Power Automate that were more than R1 million, which necessitated a tender process.

The underspending under D: Risk and Ethics Management of R1, 096 million is due to delays in concluding the appointment of a service provider to develop and implement a Business Continuity Management System (BCMS) for the department.

The underspending amounting to R988 thousand under D: Workplace Environment Management is due to a delay to kick start the project for refurbishment of a boardroom into a Media/Conference room.

Under the Project Management Office (PMO), the underspending of R973 thousand relates to delays in initiating the process for the appointment of a service provider to provide Research and Development Support Services for the department.

The underspending under D: Internal Transformation Programme amounting to R677 thousand is due to delays in concluding the appointment of a service provider for the Employee wellness programme and primary health care services.

The underspending under D: Internal Audit amounting to R645 thousand relates to a Quality Assurance Review.

Transfers and Subsidies:

The expenditure for Transfers and Subsidies, is R52,798 million or 98.6% of the total final budget of R53,558 million. The underspending of R760 thousand or 1.4% is mainly on Households (R549 thousand) for Leave Gratuities (Leave days utilized/Delay in exit).

Payments for Capital Assets:

The payments for Capital Assets expenditure is R11,869 million or 81.6% of the final budget of R14,544 million. The underspending of R2, 675 million or 18.4% million is mainly due to R1, 114 million under Remuneration, Employment Conditions and HR Systems, which relates to procurement of additional space for the server for the SAS system. The R744 thousand is due to awaiting delivery of a Ministerial Vehicle.

Payments for Financial Assets:

The payments for Financial Assets expenditure is R388 thousand, which relates to the writing off, of impaired receivables.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	550 123	531 684
Departmental revenue	2	295	713
Aid assistance		-	239
TOTAL REVENUE		550 418	532 636
EXPENDITURE			
Current expenditure		450 667	405 694
Compensation of employees	4	277 244	268 177
Goods and services	5	173 423	137 517
Transfers and subsidies		52 798	46 760
Transfers and subsidies	7	52 798	46 760
Expenditure for capital assets		11 869	4 712
Tangible assets	8	8 037	4 712
Intangible assets	8	3 832	-
Payments for financial assets	6	388	439
TOTAL EXPENDITURE		515 722	457 605
SURPLUS FOR THE YEAR		34 696	75 031
Reconciliation of Net Surplus for the year			
Voted funds		34 401	74 079
Annual appropriation		34 401	74 079
Departmental revenue	2	295	713
Aid assistance	3	-	239
SURPLUS FOR THE YEAR		34 696	75 031

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		25 531	64 829
Cash and cash equivalents	9	18 649	55 987
Prepayments and advances	10	767	2 620
Receivables	11	6 115	6 222
Non-current assets		189	42
Receivables	11	189	42
TOTAL ASSETS		25 720	64 871
LIABILITIES			
Current liabilities		34 466	73 624
Voted funds to be surrendered to the Revenue Fund	12	34 402	72 580
Departmental revenue to be surrendered to the Revenue Fund	13	15	7
Payables	14	49	798
Aid assistance repayable	3	-	239
TOTAL LIABILITIES		34 466	73 624
NET ASSETS		(8 746)	(8 753)
Represented by:			
Recoverable revenue		66	59
Unauthorised expenditure		(8 812)	(8 812)
TOTAL		(8 746)	(8 753)

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2023

	2022/23	2021/22
	R'000	R'000
Recoverable revenue		
Opening balance	59	61
Transfers:	7	(2)
Debts recovered	(8)	(2)
(included in departmental revenue)		
Debts raised	15	-
Closing balance	66	59
Unauthorised expenditure		
Opening balance	(8 812)	(8 812)
Closing Balance	(8 812)	(8 812)
TOTAL	(8 746)	(8 753)

CASH FLOW STATEMENT

for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		550 418	530 818
Annual appropriation funds received	1	550 123	530 184
Departmental revenue received	2	283	390
Interest received	2.2	12	5
Aid assistance received	3	-	239
Net decrease in net working capital		1 211	2 721
Surrendered to Revenue Fund		(72 866)	(39 384)
Surrendered to RDP Fund/Donor		(239)	-
Current payments		(450 667)	(405 694)
Payments for financial assets		(388)	(439)
Transfers and subsidies paid		(52 798)	(46 760)
Net cash flow available from operating activities	15	(25 329)	41 262
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(11 869)	(4 712)
Proceeds from sale of capital assets	2.3	-	318
(Increase) in non-current receivables	11	(147)	(42)
Net cash flow available from investing activities		(12 016)	(4 436)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		7	(2)
Net cash flows from financing activities		7	(2)
Net increase/(decrease) in cash and cash equivalents		(37 338)	36 824
Cash and cash equivalents at beginning of period		55 987	19 163
Cash and cash equivalents at end of period	16	18 649	55 987

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2. Going concern

The financial statements have been on a going concern basis.

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

6. Comparative information

6.1 Prior period comparative information

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.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7. Revenue

7.1 Appropriated funds

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

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

Appropriated funds are measured at the amounts receivable.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.

The operating lease commitments are recorded in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. Aid assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10. Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

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.

11. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

12. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

13. Investments

Investments are recognised in the statement of financial position at cost.

14. Financial assets

14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

14.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15. Payables

Payables recognised in the statement of financial position are recognised at cost.

16. Capital assets

16.1 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

16.2 Intangible capital assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

17. Provisions and contingents

17.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there 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 within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

18. Unauthorised expenditure

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

approved by Parliament with funding and the related funds are received;
or

approved by Parliament without funding and is written off against the appropriation in the statement of financial performance; or

transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the financial statements comprise of:

unauthorised expenditure relating to previous financial year and identified in the current year; and

Unauthorised incurred in the current year.

19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:

fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and

fruitless and wasteful expenditure incurred in the current year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

20. Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

21. Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23. Principal-Agent arrangements

The department is not part to a principal-agent arrangement.

24. Recoverable revenue

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

25. Related party transactions

Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.

26. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

PART B: EXPLANATORY NOTES

1. Annual Appropriation

Annual Appropriation

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

	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	253 427	253 427	-	242 330	242 330	-
HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	50 452	50 452	-	47 187	47 187	-
NEGOTIATIONS, LABOUR RELATIONS AND REMUNERATION MANAGEMENT	104 350	104 350	-	99 874	99 874	-
E-GOVERNMENT SERVICES AND INFORMATION MANAGEMENT	30 607	30 607	-	34 292	34 292	-
GOVERNMENT SERVICE ACCESS AND IMPROVEMENT	111 287	111 287	-	108 001	106 501	1 500
Total	550 123	550 123	-	531 684	530 184	1 500

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

2. Departmental revenue

		2022/23	2021/22
	Note	R'000	R'000
Sales of goods and services other than capital assets	2.1	179	178
Interest, dividends and rent on land	2.2	12	5
Sales of capital assets	2.3	-	318
Transactions in financial assets and liabilities	2.4	104	212
Total		295	713

The department is not mandated to charge fees or generate operating funds.

2.1. Sales of goods and services other than capital assets

		2022/23	2021/22
	Note	R'000	R'000
Sales of goods and services produced by the department		179	178
Sales by market establishment		89	87
Other sales		90	91
Total	2	179	178

Revenue received is mainly commission on insurance deductions and parking fees paid by employees.

2.2. Interest, dividends and rent on land

		2022/23	2021/22
	Note	R'000	R'000
Interest		12	5
Total	2	12	5

Interest generated relates to interest raised on bursary debts of employees or former employees and interest earned on the ABSA depositor account.

2.3. Sales of capital assets

		2022/23	2021/22
	Note	R'000	R'000
Tangible capital assets		-	318
Machinery and equipment		-	318
Total	2	-	318

The amount of R318 000 in the 2021/22 financial year relates to disposal of a departmental vehicle.

2.4. Transactions in financial assets and liabilities

		2022/23	2021/22
	Note	R'000	R'000
Receivables		8	61
Other receipts including Recoverable Revenue		96	151
Total	2	104	212

Included in Other receipts including recoverable revenue for 2021/22 is a recovery of a claim from CPSI in respect of Microsoft licenses expensed in the previous year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

2.4.1. Donations received in-kind (not included in the main note or sub note)

		Annex 1E	2022/23	2021/22
			R'000	R'000
Lenovo	GITOC Survey		-	2
Sanlam	Ministerial Outreach Programme		-	120
Capitec	Ministerial Outreach Programme		-	90
Metropolitan Health	Ministerial Outreach Programme		-	600
Metropolitan Health	Batho Pele Excellence Awards		-	600
GEMS	Batho Pele Excellence Awards		-	220
Sizwe IT Group	Ministerial Outreach Programme		-	98
Huawei South Africa	Ministerial Outreach Programme		-	400
SA-EU Strategic Partnership	DPSA-WITS Strengthening Digital Government in South Africa		127	-
Mr Bongani Luvalo	DPSA Youth Event		20	-
GEMS	The 2022 BHF Conference		20	-
The Dialogue Facility	SA-EU Digital Transformation Dialogue		15	-
Alexander Forbes	School shoes received on behalf of Abel Motsoane Secondary School		24	-
IIAS and SEAPP	Registration fees		9	-
The Innovation Hub	Future of Work Ambassadors Programme (Venue)		12	-
Total			227	2 130

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

3. Aid assistance

		2022/23	2021/22
	Note	R'000	R'000
Opening balance		239	-
As restated		239	-
Transferred from statement of financial performance		-	239
Paid during the year		(239)	-
Closing balance		-	239

The department did not receive any donor funding during the 2022/23 financial year. The amount of R239 thousand was received during 2021/22 from a beneficiary of the Tirelo Bosha Service Improvement project to be refunded back to the National Treasury (RDP Fund). The amount was subsequently paid back to the National Treasury (RDP Fund).

3.1. Analysis of balance by source

		2022/23	2021/22
	Note	R'000	R'000
Aid assistance from other sources		-	239
Closing balance	3	-	239

3.2. Analysis of balance

		2022/23	2021/22
	Note	R'000	R'000
Aid assistance repayable		-	239
Closing balance	3	-	239

4. Compensation of employees

4.1. Analysis of balance

	2022/23	2021/22
	R'000	R'000
Basic salary	185 587	178 093
Performance award	33	1 111
Service based	558	633
Compensative/circumstantial	3 737	4 670
Periodic payments	427	-
Other non-pensionable allowances	55 203	53 098
Total	245 545	237 605

Expenditure on performance awards is lower than the previous year as they were stopped at the end of 2021/22. The small amount reflected relates to payment of performance awards which were not finalised by 31 March 2022. Expenditure under periodic payments is for remuneration paid to a part-time Special Adviser to the Acting Minister for Public Service & Administration.

4.2. Social contributions

	2022/23	2021/22
	R'000	R'000
Employer contributions		
Pension	22 713	22 088
Medical	8 943	8 443
Bargaining council	43	41
Total	31 699	30 572
Total compensation of employees	277 244	268 177
Average number of employees	363	349

The Minister, Deputy Minister, Interns and contract employees additional to the establishment are not included in the average number of employees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

5. Goods and services

		2022/23	2021/22
	Note	R'000	R'000
Administrative fees		1 867	2 831
Advertising		3 295	4 176
Minor assets	5.1	558	340
Bursaries (employees)		1 208	993
Catering		4 670	1 846
Communication		4 899	3 892
Computer services	5.2	29 238	20 443
Consultants: Business and advisory services	5.8	20 364	5 688
Infrastructure and planning services		325	-
Legal services		2 196	5 431
Contractors		656	1 634
Audit cost - external	5.3	5 124	5 522
Fleet services		335	348
Consumables	5.4	3 382	2 662
Operating leases		48 887	46 313
Property payments	5.5	16 792	13 822
Rental and hiring		316	-
Travel and subsistence	5.6	20 741	14 700
Venues and facilities		2 948	3 271
Training and development		2 534	1 507
Other operating expenditure	5.7	3 088	2 098
Total		173 423	137 517

5.1. Minor assets

		2022/23	2021/22
	Note	R'000	R'000
Tangible capital assets		558	340
Machinery and equipment		558	340
Total	5	558	340

The expenditure in 2022/23 is higher due to procurement of computer peripherals such as keyboard, mouse, docking station, and cables as more Laptops were procured.

5.2. Computer services

		2022/23	2021/22
	Note	R'000	R'000
SITA computer services		13 004	10 775
External computer service providers		16 234	9 668
Total	5	29 238	20 443

The higher expenditure in 2022/23 is due to the procurement of Disaster Recovery Software Solution, Mimecast Security Software, Microsoft Unified Support, Privileged Access Management (PAM) Software and the Migration of exchange to exchange online.

5.3. Audit cost - external

		2022/23	2021/22
	Note	R'000	R'000
Regularity audits		5 124	5 522
Total	5	5 124	5 522

The 2022/23 expenditure is slightly lower than the previous year. This is considered as a saving for the department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

5.4. Consumables

		2022/23	2021/22
	Note	R'000	R'000
Consumable supplies		1 695	1 267
Uniform and clothing		7	51
Household supplies		1 215	858
Communication accessories		5	8
IT consumables		312	182
Other consumables		156	168
Stationery, printing and office supplies		1 687	1 395
Total	5	3 382	2 662

Expenditure has increased after the COVID-19 pandemic as officials returned to work on a fulltime basis compared to 2021/22 rotational arrangements.

5.5. Property payments

		2022/23	2021/22
	Note	R'000	R'000
Municipal services		14 558	11 431
Property management fees		197	686
Property maintenance and repairs		118	52
Other		1 919	1 653
Total	5	16 792	13 822

The higher expenditure in 2022/23 relates to electricity costs that were higher than 2021/22. The reduction in Property management fees is due to saving in the management fees that were stopped as the department is managing the electricity account compared to DPWI managing the account on behalf of DPSA.

5.6. Travel and subsistence

		2022/23	2021/22
	Note	R'000	R'000
Local		19 537	13 896
Foreign		1 204	804
Total	5	20 741	14 700

Travel expenditure has increased after the COVID-19 pandemic due to physical meetings taking place as compared to virtual meetings during the Pandemic.

5.7. Other operating expenditure

		2022/23	2021/22
	Note	R'000	R'000
Professional bodies, membership and subscription fees		43	433
Resettlement costs		138	71
Other		2 907	1 594
Total	5	3 088	2 098

The higher expenditure in 2022/23 relates mainly to printing and publication of Housing Allowance Educational and Information materials and the State Capacity Conference.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

5.8. Remuneration of members of a commission or committee of inquiry (Included in Consultants: Business and advisory services)

	Note	2022/23	2021/22
Name of Commission / Committee of Inquiry	5	R'000	R'000
Audit committee		532	362
APRM National governing Council (NGC)		938	1 729
Total		1 470	2 091

This sub-note does not cover the total amount disclosed under Consultants: Business and advisory services of R 20 364.

6. Payments for financial assets

	Note	2022/23	2021/22
		R'000	R'000
Losses through criminal conduct		1	-
Theft	6.2	1	-
Debts written off	6.1	387	439
Total		388	439

6.1. Debts written off

	Note	2022/23	2021/22
Nature of debts written off		R'000	R'000
Other debt written off			
Private Entity		-	111
Sal: Pension fund		27	-
Sal: Income Tax		29	-
Damaged hired vehicles		189	135
Damages and Losses		131	193
Bad Debts		11	-
Total		387	439
Total debt written off	6	387	439

6.2. Details of theft

	Note	2022/23	2021/22
Nature of theft		R'000	R'000
Damaged hired vehicle		1	-
Total	6	1	-

The front badge of the hired vehicle was stolen, the matter was reported to the SAPS.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

7. Transfers and subsidies

		2022/23	2021/22
	Note	R'000	R'000
Provinces and municipalities	Annex 1A	1	5
Departmental agencies and accounts	Annex 1B	45 045	41 453
Foreign governments and international organisations	Annex 1C	2 429	2 087
Households	Annex 1D	5 323	3 215
Total		52 798	46 760

8. Expenditure for capital assets

		2022/23	2021/22
	Note	R'000	R'000
Tangible capital assets		8 037	4 712
Machinery and equipment	26	8 037	4 712
Intangible capital assets		3 832	-
Software	27	3 832	-
Total		11 869	4 712

8.1. Analysis of funds utilised to acquire capital assets - Current year

	Voted funds	Total
Name of entity	R'000	R'000
Tangible capital assets	8 037	8 037
Machinery and equipment	8 037	8 037
Intangible capital assets	3 832	3 832
Software	3 832	3 832
Total	11 869	11 869

8.2. Analysis of funds utilised to acquire capital assets - Prior year

	2021/22	
	Voted funds	Total
Name of entity	R'000	R'000
Tangible capital assets	4 712	4 712
Machinery and equipment	4 712	4 712
Total	4 712	4 712

8.3. Finance lease expenditure included in Expenditure for capital assets

	2022/23	2021/22
	R'000	R'000
Tangible capital assets		
Machinery and equipment	2 556	2 564
Total	2 556	2 564

9. Cash and cash equivalents

	2022/23	2021/22
	R'000	R'000
Consolidated Paymaster General Account	18 414	54 460
Cash on hand	49	49
Investments (Domestic)	186	1 478
Total	18 649	55 987

The amount of Investment domestic (R186 thousand) relates to cash that is held in the department's commercial bank that has not interfaced with the Paymaster General (PMG) account.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

10. Prepayments and advances

		2022/23	2021/22
	Note	R'000	R'000
Travel and subsistence		35	-
Advances paid (Not expensed)	10.1	732	2 620
Total		767	2 620
Analysis of Total Prepayments and advances			
Current Prepayments and advances		767	2 620
Total		767	2 620

10.1. Advances paid (Not expensed)

		Amount as at 1 April 2022	Less: Amounts expensed in current year	Add Current year advances	Amount as at 31 March 2023
	Note	R'000	R'000	R'000	R'000
National departments		2 620	(2 618)	730	732
Total	10	2 620	(2 618)	730	732

		Amount as at 1 April 2021	Less: Amounts expensed in current year	Add Current year advances	Amount as at 31 March 2022
	Note	R'000	R'000	R'000	R'000
National departments		1 839	(1 841)	2 622	2 620
Total	10	1 839	(1 841)	2 622	2 620

10.2. Prepayments (Expensed)

	2022/23				
	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year prepayments	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Goods and services	5 839	(5 757)	-	10 641	10 723
Total	5 839	(5 757)	-	10 641	10 723

	2021/22				
	Amount as at 1 April 2021	Less: Received in the current year	Add / Less: Other	Add Current year prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Goods and services	3 640	(3 582)	-	5 781	5 839
Total	3 640	(3 582)	-	5 781	5 839

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

11. Receivables

	Note	2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	5 762	-	5 762	5 562	-	5 562
Recoverable expenditure	11.2	66	137	203	326	-	326
Staff debt	11.3	261	30	291	258	18	276
Other receivables	11.4	26	22	48	76	24	100
Total		6 115	189	6 304	6 222	42	6 264

11.1. Claims recoverable

	Note	2022/23	2021/22
		R'000	R'000
National departments		3 521	2 164
Provincial departments		620	2 107
Public entities		1 621	1 291
Total	11	5 762	5 562

The decrease in claims recoverable from Provincial Departments is due to payments received from Gauteng Department of Roads and Transport in respect of space rented and services provided for their participation in the Urban Thusong Service Centre and the Eastern Cape Provincial Government Health for a salary claim.

11.2. Recoverable expenditure

	Note	2022/23	2021/22
		R'000	R'000
Disallowance Damage and losses		6	116
Damage Vehicles		42	210
Debt Account		155	-
Total	11	203	326

Included in Debt Account is R155 thousand in respect of damages on a vehicle that was hired for a VIP protector.

11.3. Staff debt

	Note	2022/23	2021/22
		R'000	R'000
Debt Account:CA		264	266
Sal: Tax debt:CA		27	10
Total	11	291	276

11.4. Other receivables

	Note	2022/23	2021/22
		R'000	R'000
Fruitless and wasteful expenditure		26	45
Sal: Pension Fund: CL		22	27
Sal: Income tax: CL		-	28
Total	11	48	100

Included in fruitless and wasteful expenditure is a Salary overpayment of R26 thousand recoverable from an ex-employee as a debt.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

11.5. Impairment of receivables

		2022/23	2021/22
	Note	R'000	R'000
Estimate of impairment of receivables		1 823	3 818
Total		1 823	3 818

The department impairs all recorded receivable balances that are older than three years. It further test balances that are less than three years for objective impairment indicators in order to further impair those affected balances.

12. Voted funds to be surrendered to the Revenue Fund

		2022/23	2021/22
	Note	R'000	R'000
Opening balance		72 580	38 310
As restated		72 580	38 310
Transferred from statement of financial performance (as restated)		34 401	74 079
Voted funds not requested/not received	1	-	(1 500)
Paid during the year		(72 579)	(38 309)
Closing balance		34 402	72 580

13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

		2022/23	2021/22
		R'000	R'000
Opening balance		7	369
As restated		7	369
Transferred from statement of financial performance (as restated)		295	713
Paid during the year		(287)	(1 075)
Closing balance		15	7

14. Payables - current

		2022/23	2021/22
	Note	R'000	R'000
Amounts owing to other entities			
Advances received	14.1	-	644
Clearing accounts	14.2	49	127
Other payables	14.3	-	27
Total		49	798

14.1. Advances received

		2022/23	2021/22
	Note	R'000	R'000
Public entities		-	644
Total	14	-	644

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

14.2. Clearing accounts

Description	Note	2022/23	2021/22
		R'000	R'000
SAL:INCOME TAX		49	119
SAL:ACB RECALL:CA		-	2
SAL:PENSION FUND:CL		-	6
Total	14	49	127

14.3. Other payables

Description	Note	2022/23	2021/22
		R'000	R'000
SAL:REVERSAL		-	11
DAMAGE VEHICLE		-	16
Total	14	-	27

15. Net cash flow available from operating activities

	2022/23	2021/22
	R'000	R'000
Net surplus as per Statement of Financial Performance	34 696	75 031
Add back non-cash/cash movements not deemed operating activities	(60 025)	(33 769)
Decrease in receivables	107	4 667
(Increase)/decrease in prepayments and advances	1 853	(774)
(Decrease) in payables - current	(749)	(1 172)
Proceeds from sale of capital assets	-	(318)
Expenditure on capital assets	11 869	4 712
Surrenders to Revenue Fund	(72 866)	(39 384)
Surrenders to RDP Fund/Donor	(239)	-
Voted funds not requested/not received	-	(1 500)
Net cash flow generating	(25 329)	41 262

16. Reconciliation of cash and cash equivalents for cash flow purposes

	2022/23	2021/22
	R'000	R'000
Consolidated Paymaster General account	18 414	54 460
Cash on hand	49	49
Cash with commercial banks (Local)	186	1 478
Total	18 649	55 987

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

17. Contingent liabilities and contingent assets

17.1. Contingent liabilities

Liable to	Nature	Note	2022/23	2021/22
			R'000	R'000
Claims against the department		Annex 2A	283	32 907
Intergovernmental payables		Annex 4	7 356	14 224
Total			7 639	47 131

A high-level breakdown of the claims against the state is provided in Annexure 2A. Due to the sensitivity of these cases and the fact that the department apply the principle of sub judice to court matters the nature of the cases are not publicised. In relation to Uncertainties relating to the amount and timing of the outflow of funding the parties are subject to the decision of the court. The department is the Respondent/Defendant in these matters and it is beyond the control of the department. Amounts are therefore recorded as per the claim against the state. The claims recorded as contingent liabilities are claims against the department with no possibility of being reimbursed by a third party.

The department has assessed all the cases to check the possibility of any outflow in settlement (MCS chapter 14 para .52) and three (3) cases had a remote possibility of any outflow against the department in settlement therefore R32, 624 million was excluded and reduced the balance to R 283 thousand.

18. Capital commitments

	2022/23	2021/22
	R'000	R'000
Machinery and equipment	869	1 519
Total	869	1 519

Ministerial Vehicle as ordered amounting to R744 thousand recorded under Machinery and Equipment as there is no category for Transport Assets and R125 thousand for Audio Visual Equipment, Office Equipment and Sports and Recreational Equipment.

19. Accruals and payables not recognised

19.1. Accruals

Listed by economic classification	2022/23		2021/22	
	30 Days	30+ Days	Total	Total
	R'000	R'000	R'000	R'000
Goods and services	3 351	-	3 351	5 851
Transfers and subsidies	-	-	-	311
Capital assets	8	-	8	-
Other	861	-	861	291
Total	4 220	-	4 220	6 453

Listed by programme level	2022/23	2021/22
	R'000	R'000
ADMINISTRATION	2 975	4 253
HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	138	110
NEGOTIATIONS, LABOUR RELATIONS AND REMUNERATION MANAGEMENT	918	834
E-GOVERNMENT SERVICES AND INFORMATION MANAGEMENT	68	75
GOVERNMENT SERVICE ACCESS AND IMPROVEMENT	120	1 181
Total	4 220	6 453

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

19.2. Payables not recognised

	2022/23		2021/22	
	30 Days	30+ Days	Total	Total
Listed by economic classification	R'000	R'000	R'000	R'000
Goods and services	-	-	-	421
Total	-	-	-	-

	2022/23	2021/22
Listed by programme level	R'000	R'000
ADMINISTRATION	-	416
HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	-	-
NEGOTIATIONS, LABOUR RELATIONS AND REMUNERATION MANAGEMENT	-	5
E-GOVERNMENT SERVICES AND INFORMATION MANAGEMENT	-	-
GOVERNMENT SERVICE ACCESS AND IMPROVEMENT	-	-
Total	-	421

		2022/23	2021/22
Included in the above totals are the following:	Note	R'000	R'000
Confirmed balances with other departments	Annex 4	1 334	569
Confirmed balances with other government entities	Annex 4	15	130
Total		1 349	699

20. Employee benefits

	2022/23	2021/22
	R'000	R'000
Leave entitlement	10 915	13 145
Service bonus	6 282	6 222
Capped leave	4 122	5 628
Total	21 319	24 995

At this stage the department is not able to reliably measure the long-term portion of the long service awards.

Included in the total are 35 cases of negative leave credits valued at R216 thousand. The identified negative leave credits do not constitute the use of leave in excess of the allowed leave days. The leave cycle runs from 01 January to 31 December for each year and the full leave entitlement is available for use at any time during the year. In terms of the financial liabilities, leave is broken down into quarters and accumulates at 2.50 days per month for people employed for 10 years or more and 1.83 days per month for other employees. The negative leave days identified, represent cases where leave was taken in excess of the quarterly accumulation of 7.50 days for people employed for 10 years (and more) and 5.49 days for other employees, during the months of January 2023 to March 2023.

21. Lease commitments

21.1. Operating leases

	Buildings and other fixed structures	Total
2022/23	R'000	R'000
Not later than 1 year	51 562	51 562
Later than 1 year and not later than 5 years	53 588	53 588
Total lease commitments	105 150	105 150

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Buildings and other fixed structures	Total
	R'000	R'000
2021/22		
Not later than 1 year	48 320	48 320
Later than 1 year and not later than 5 years	104 383	104 383
Total lease commitments	152 703	152 703

21.2. Finance leases

	Machinery and equipment	Total
	R'000	R'000
2022/23		
Not later than 1 year	1 219	1 219
Later than 1 year and not later than 5 years	441	441
Total lease commitments	1 660	1 660

	Machinery and equipment	Total
	R'000	R'000
2021/22		
Not later than 1 year	1 900	1 900
Later than 1 year and not later than 5 years	641	641
Total lease commitments	2 541	2 541

The finance lease commitment relates to the official cellular telephone and data contracts.

22. Accrued departmental revenue

	2022/23	2021/22
	R'000	R'000
Sales of capital assets	135	-
Total	135	-

A departmental vehicle was handed over to the auctioneers and sold on the 23 March 2023, amount was not received as at 31 March 2023.

22.1. Analysis of accrued departmental revenue

	2022/23	2021/22
	R'000	R'000
Opening balance	-	-
Add: amounts recorded	135	-
Closing balance	135	-

A departmental vehicle was handed over to the auctioneers and sold on the 23 March 2023, the amount disclosed above was not received as at 31 March 2023.

23. Unauthorised, Irregular and Fruitless and wasteful expenditure

	2022/23	2021/22
	R'000	R'000
Unauthorised expenditure - current year	-	-
Irregular expenditure - current year	-	23
Fruitless and wasteful expenditure - current year	-	-
Total	-	23

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

Included in the above comparative amount of R23 thousand is R11 thousand for irregular expenditure incurred and confirmed in the previous year (2021/22) and R12 thousand added in respect of irregular expenditure incurred during the previous financial year, which was identified and confirmed in the current financial year.

24. Related party transactions

In kind goods and services provided/received

DPSA advises the CPSI on technical and procedural issues related to personnel security checks, vetting and security awareness.

DPSA provides to the CPSI messenger services twice a week.

DPSA provides to the CPSI technical and procedural advice in relation to information communication technology management.

CPSI makes use of the virtual private network of the DPSA.

DPSA provides to CPSI employee wellness services and assist the CPSI's labour relation practitioner with technical and procedural advice on matters relating to labour relations, if and when requested.

DPSA assist the CPSI with technical and procedural advice in relation to human resource management and development, financial management and administration and supply chain management.

DPSA provides to the CPSI internal audit and risk management services and legal services.

The DPSA provides CPSI with office accommodation and storerooms in the Batho Pele House building. The DPSA recovers a pro-rata amount for building lease from CPSI as indicated in the building lease with the Department of Public Works and Infrastructure.

The DPSA provides the CPSI with frontline receptions services, access security and after-hours security services in the Batho Pele House building.

CPSI utilises the DPSA's networks infrastructure installed in the Agrivaal/Batho Pele Building and server room on 5th Floor.

The Department has a related party relationship with each of the public sector entities that fall within the portfolio of the Minister for Public Service and Administration. This includes the National School of Government (NSG), the Public Service Commission (PSC), the Centre for Public Service Innovation (CPSI). The DPSA also has a seat on the Board of the Government Employees Medical Scheme (GEMS). The DPSA and CPSI have a Memorandum of Understanding in relation to services that the DPSA will provide to the CPSI at no cost, these are set out above. The DPSA recovers a pro-rata amount for building lease from the CPSI as indicated in the building lease signed with the Department of Public Works and Infrastructure.

25. Key management personnel

	2022/23 R'000	2021/22 R'000
Political office bearers (provide detail below)		
Officials:	3 424	4 718
Level 15-16	11 386	15 131
Level 14	29 161	29 430
Level 13	4 329	-
Total	48 300	49 279

The department classified all the officials who are members of the EXCO (excluding the Chief Audit Executive) and Chief Directors (including officials who are acting on position.), these are officials who exercise influence and control in policy making of the department, in terms of the Related Party definition they are classified as Key Management Personnel. It should be also noted that Advisors are also included in the above calculation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

26. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	46 508	5 489	(1 714)	50 283
Transport assets	3 028	749	(715)	3 062
Computer equipment	28 176	3 757	(945)	30 988
Furniture and office equipment	8 438	336	(32)	8 742
Other machinery and equipment	6 866	647	(22)	7 491
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	46 508	5 489	(1 714)	50 283

Included in the above total of Additions are Assets Received but not yet paid amounting to R8 thousand for Computer equipment.

Movable Tangible Capital Assets under investigation

	Number	Value
		R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:		
Machinery and equipment	18	321
Total	18	321

Assets under investigation are due to theft and losses which are being investigated by the Department's Security Directorate. These are to be tabled at the Loss Control Committee for Finalisation.

26.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	50 009	-	2 148	(5 649)	46 508
Transport assets	3 890	-	-	(862)	3 028
Computer equipment	30 210	-	2 097	(4 131)	28 176
Furniture and office equipment	8 499	-	51	(112)	8 438
Other machinery and equipment	7 410	-	-	(544)	6 866
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	50 009	-	2 148	(5 649)	46 508

26.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Intangible assets ³	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	24	9 505	9 529
Additions	3	497	500
Disposals	-	(52)	(52)
Total Minor assets	27	9 950	9 977

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Intangible assets	Machinery and equipment	Total
Number of minor assets at cost	15	6 687	6 702
Total number of minor assets	15	6 687	6 702

Minor capital assets under investigation	Number	Value
		R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:		
Machinery and equipment	15	28

Assets under investigation are due to theft and losses which are being investigated by the Department's Security Directorate. These are to be tabled at the Loss Control Committee for Finalisation.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	24	9 410	9 434
Additions	-	362	362
Disposals	-	267	267
Total Minor assets	24	9 505	9 529

	Intangible assets	Machinery and equipment	Total
Number of minor assets at cost	14	6 559	6 573
Total number of minor assets	14	6 559	6 573

26.3. Movable tangible capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	Machinery and equipment	Total
	R'000	R'000
Assets written off	789	789
Total movable assets written off	789	789

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	Machinery and equipment	Total
	R'000	R'000
Assets written off	151	151
Total movable assets written off	151	151

27. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Additions	Closing balance
	R'000	R'000	R'000
SOFTWARE	2 741	3 832	6 573
TOTAL INTANGIBLE CAPITAL ASSETS	2 741	3 832	6 573

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

27.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Disposals	Closing balance
	R'000	R'000	R'000
SOFTWARE	2 830	(89)	2 741
TOTAL INTANGIBLE CAPITAL ASSETS	2 830	(89)	2 741

28. Prior period errors

28.1. Correction of prior period errors

		2021/22		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Expenditure:				
Consultants: Business and Advisory services	5	5 633	55	5 688
Agency & Support / Outsourced services	5	55	(55)	
Net effect		5 688	-	5 688

Consultants amounting to R55 thousand were erroneously classified as Agency & support / outsourced service instead of CNS: Business and Advisory: Human Resources.

29. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

30. COVID 19 Response expenditure

		2022/23	2021/22
	Note	R'000	R'000
Goods and services		169	723
Total	Annex 6	169	723

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT					
	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
	Tshwane Municipality	-	-	11	11	1	-	-	-	-	-	-	-
TOTAL	-	-	11	11	1	-	-	-	-	-	-	-	5

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23						2021/22	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Centre for Public Service Innovation	45 045	-	-	45 045	45 045	100%	42 953	41 453
Com: Licences	100	-	-	100	-	0%	37	-
TOTAL	45 145	-	-	45 145	45 045	-	42 990	41 453

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 1C

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

	2022/23						2021/22	
	TRANSFER ALLOCATION			EXPENDITURE			Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Foreign government / International organisation								
Transfers								
International Institute of Administrative Sciences (IIAS)	65	-	-	65	43	66%	60	43
Organisational Economic Cooperation and Development (OECD)	350	-	-	350	319	91%	320	290
New Partnership African Development	1 750	-	-	1 750	1 750	100%	1 500	1 461
African Ass-Pub Admin&Man	365	-	-	365	317	87%	360	293
TOTAL	2 530	-	-	2 530	2 429	-	2 240	2 087

ANNEXURE 1D

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2022/23						2021/22	
	TRANSFER ALLOCATION			EXPENDITURE			Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Household								
Transfers								
H/H Employee S/Ben:Leave Gratuity	4 723	-	-	4 723	4 174	88%	1 654	1 643
H/H Employee S/Ben:Severence Package	1 149	-	-	1 149	1 149	100%	794	793
H/H:Claims Against State(cash)	-	-	-	-	-	-	780	779
TOTAL	5 872	-	-	5 872	5 323	-	3 228	3 215

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Received in kind			
Metropolitan Health	Batho Pele Excellence Awards	-	600
GEMS	Batho Pele Excellence Awards	-	220
Lenovo	GITOC Survey	-	2
Sanlam	Ministerial Outreach Programme	-	120
Capitec	Ministerial Outreach Programme	-	90
Metropolitan Health	Ministerial Outreach Programme	-	600
Sizwe IT Group	Ministerial Outreach Programme	-	30
Sizwe IT Group	Ministerial Outreach Programme	-	68
Huawei South Africa	Ministerial Outreach Programme	-	400
SA-EU Strategic Partnership	DPSA-WITS Strengthening Digital Government in South Africa	127	-
Mr Bongani Luvalo	DPSA Youth Event	20	-
GEMS	The 2022 BHF Conference	20	-
The Dialogue Facility	SA-EU Digital Transformation Dialogue	15	-
Alexander Forbes	School shoes received on behalf of Abel Motsoane Secondary School	24	-
IIAS and SEAPP	Registration fees	9	-
The Innovation Hub	Future of Work Ambassadors Programme (Venue)	12	-
TOTAL		227	2 130

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

	2022/23	2021/22
Nature of gift, donation or sponsorship	R'000	R'000
Made in kind		
Groceries & toiletries (Mandela Day)	-	2
Notebook , Camera, Cellphone	-	54
Certificates	-	20
Groceries (Mandela Day)	2	-
Gift to Dr Phumzile Mlambo-Ngcuka	2	-
Secondment of Mr VM Ngcobo to the South African Development Community (SADC) Secretariat	1 831	-
TOTAL	1 835	76

ANNEXURE 2A

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Afroview Communications	149	-	(149)	-	-
Henry Hugo Smith vs Pooe JL & 4 Others	5 102	-	(5 102)	-	-
BL Nxumalo and 64 others vs DPSA	27 373	-	(27 373)	-	-
DPSA vs Magagula and two others	254	-	-	-	254
Tshwane Rapid Transit (Pty) Ltd // Ignatius Mbuti Katjedi and Another Case No 20539/2020	29	-	-	-	29
TOTAL	32 907	-	(32 624)	-	283

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 3

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Centre for Public Service Innovation	326	-	-	-	326	-	-	-
Employment and Labour	-	-	6	-	6	-	-	-
Higher Education	-	-	45	-	45	-	-	-
Home Affairs			2 444	1 122	2 444	1 122	-	-
Labour	557	-	-	911	557	911	-	-
National Prosecuting Authority	44	-	-	-	44	-	-	-
Office of Public Service Commission	98	-	-	-	98	-	-	-
Transport	-	-	1	1	1	1	-	-
Water and Sanitation	-	130	-	-	-	130	-	-
Subtotal	1 025	130	2 496	2 034	3 521	2 164	-	-
Other Government Entities								
Gauteng Provincial Government								
Gauteng Department of Finance	-	-	111	255	111	255	-	-
Gauteng Department of Roads and Transport	-	-	500	1 204	500	1 204	-	-
Eastern Cape Provincial Government								
Health	-	-	-	648	-	648	-	-
North West Provincial Government Health								
Health	-	-	9	-	9	-	-	-
Public Entities								
Gauteng Enterprises	-	-	1 621	1 291	1 621	1 291	-	-
Subtotal	-	-	2 241	3 398	2 241	3 398	-	-
TOTAL	1 025	130	4 737	5 432	5 762	5 562	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 4

INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23	
							Payment date up to six (6) working days after year end	Amount
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Public Works and Infrastructure	472	-	7 261	12 176	7 733	12 176	-	-
Department of Justice & Constitutional Development	-	249	-	1 641	-	1 890	-	-
GCIS	-	-	-	403	-	403	-	-
CPSI	-	29	-	-	-	29	-	-
Department of State Security South Africa	-	284	-	-	-	284	-	-
Department of Water and Sanitation	-	7	-	-	-	7	-	-
Western Cape Government Department of the Premier	-	-	39	-	39	-	-	-
Department of International Relations and Cooperation	47	-	-	-	47	-	-	-
Department of Basic Education	693	-	-	-	693	-	-	-
South African Police Services	4	-	56	-	60	-	-	-
KZN Province Cooperative Governance and Traditional Affairs	118	-	-	-	118	-	-	-
Total Departments	1 334	569	7 356	14 220	8 690	14 789	-	-
OTHER GOVERNMENT ENTITIES								
Current								
SITA	-	130	-	4	-	134	-	-
National Library of South Africa	15	-	-	-	15	-	-	-
Total Other Government Entities	15	130	-	4	15	134	-	-
TOTAL INTERGOVERNMENT PAYABLES	1 349	699	7 356	14 224	8 705	14 923	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 5A

INTERENTITY ADVANCES PAID (Note 10)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
International Relations and Cooperation	732	1 953	-	-	732	1 953
GCIS	-	667	-	-	-	667
TOTAL	732	2 620	-	-	732	2 620

ANNEXURE 5B

INTERENTITY ADVANCES RECEIVED (Note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
PUBLIC ENTITIES						
Current						
National Skills Fund (NSF)	-	644	-	-	-	644
Current	-	644	-	-	-	644

ANNEXURE 6

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	26	106	37	-	169	723
Consumable supplies	26	106	37	-	169	723
TOTAL COVID 19 RESPONSE EXPENDITURE	26	106	37	-	169	723



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