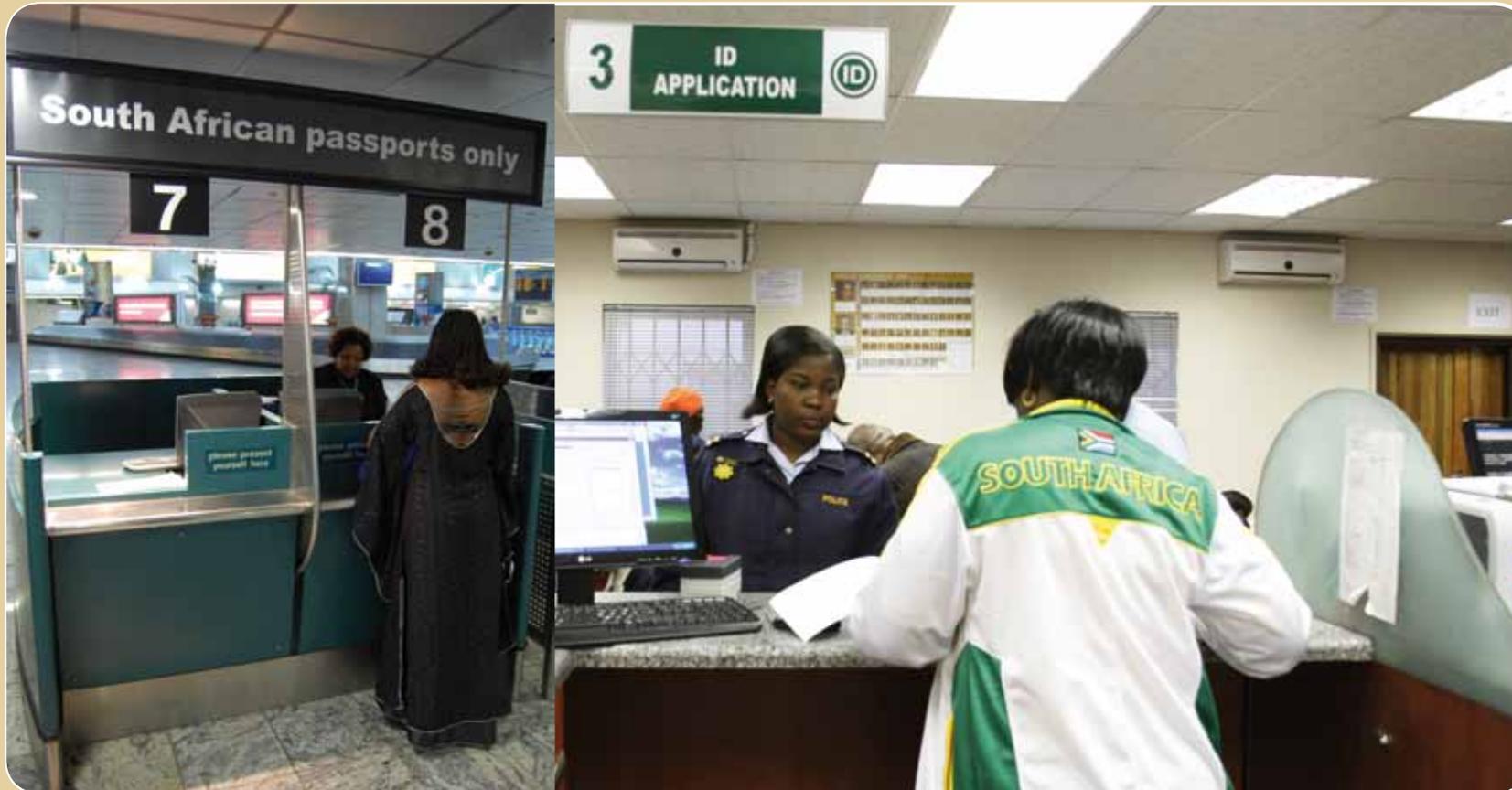


Department of Home Affairs Annual Report 2009/10



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

The Department has prioritised providing improved services to the benefit of all South Africans and Foreign nationals arriving in the country

Prepared by the Chief Directorate: Policy and Strategy
Department of Home Affairs
270 Maggs Street, Waltloo Pretoria

Department of Home Affairs, South Africa Annual Report 2009/10
ISBN: 978-0-621-39588-4
RP: 190/2010

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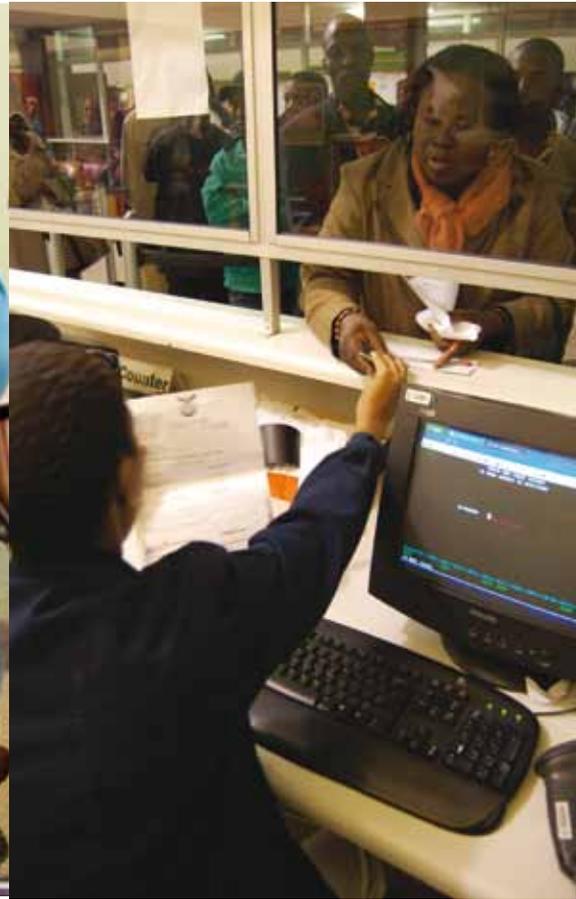
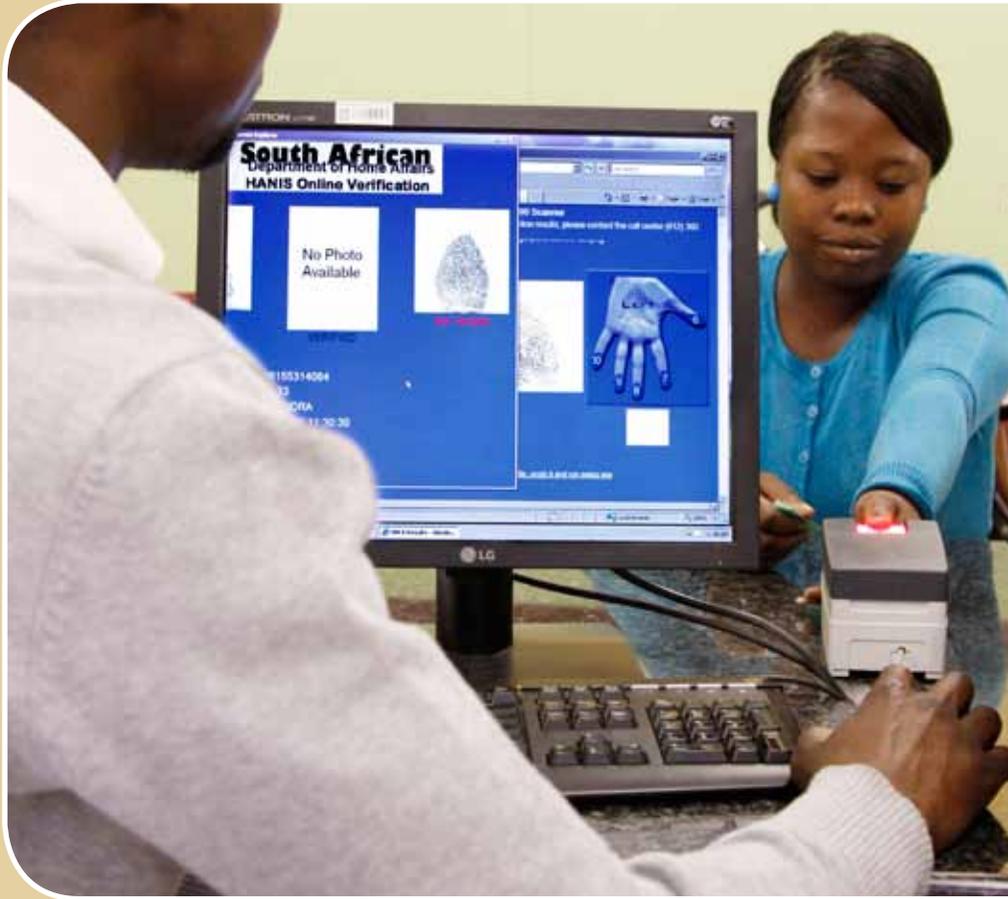
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- Overview of the Report
- Foreword by the Director-General
- Information on the Ministry
- Vision, Mission and Values Statements
- Legislative Mandates



General Information



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

The Hon Dr N C Dlamini Zuma
Minister of Home Affairs
Private Bag XI 14
PRETORIA
0001

Honourable Minister

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010

It is my honour to submit herewith the Annual Report of the Department of Home Affairs for the financial year 1 April 2009 to 31 March 2010.

The Annual Report has been prepared as required by section 40 (1)(d) and section 55 (1) (d) of the Public Finance Management Act, 1999 (Act 1 of 1999) as amended.

A handwritten signature in dark ink, appearing to read 'Mkuseli Apleni', written over a horizontal line.

MKUSELI APLENI
DIRECTOR-GENERAL OF HOME AFFAIRS

Overview of the Report

The Annual Report 2009/10 aims to convey to the reader what the Department of Home Affairs has achieved during the financial year of 2009/10.

Drawing on the departmental Strategic Plan of 2009/10, it highlights both the achievements as well as the challenges facing the Department during the reporting period.

In order to meet the requirements set by the National Treasury, the Annual Report is structured in three main parts:

Part One gives a general overview of the Department, containing information on the Ministry, the departmental vision, mission, values and its legislative mandates.

Part Two gives more insight into the various programmes of the Department, concentrating on achievements and challenges within this specific context. Detailed information on outputs, performance indicators and actual achievements is contained in tabulated format.

Part Three contains statutory information including Audit Reports, Annual Financial Statements and information concerning Human Resource Management.

PART I	PART II	PART III
General Information	Programme Performance	Statutory Requirements
Introduction by Director-General	Introduction	Report of the Audit Committee
Information on the Ministry	Programme Summary	Annual Financial Statements
Vision, Mission and Values Statements	Programme 1	Human Resource Management
Legislative Mandates	Programme 2	
	Programme 3	
	Programme 4	

Mr Mkuseli Apleni
Home Affairs Director-General



FOREWORD BY THE DIRECTOR-GENERAL

The primary purpose of the Annual Report 2009/10 is to provide an audited account of the performance of the Department of Home Affairs and the management of its budget. Parliament voted for the adoption of the budget and strategic plan of the Department and as accounting officer, I must account both to Parliament and to the citizens of the country.

The Annual Report also provides a valuable opportunity to inform readers about the priorities and activities of the Department, the progress it is making and the challenges it has to confront.

I am sure I speak on behalf of all staff in expressing appreciation for the guidance and support provided by our Minister and Deputy Minister. In this regard, six strategic goals were set out in the Strategic Plan for the period 2009-2012. These strategic goals were informed by the objectives set out by the Minister in her budget speech for the 2009/10 financial year. To attain these goals the Department focused attention and resources on implementing the following key priorities:

- The first priority was to ensure the integrity and security of the National Population Register (NPR), which contains the identity records of all citizens and foreign residents. A critical strategy is to ensure that all citizens have birth certificates and that those over 16 years have been issued with identity documents (IDs). On the 23rd of March 2010, a National Population Registration campaign to achieve these goals was launched by the President and Minister of Home Affairs. The intention is to enable the early registration of birth to be the only point of entry to the NPR for citizens.
- A second strategic priority for 2009/10 was to ensure that the Department fulfils its guarantees for the 2010 FIFA World Cup. These guarantees include the issuance of work permits and to put in place adequate immigration, customs and check-in procedures, supported by

telecommunications and information technology. We have been able to deliver on these guarantees.

- The Department of Home Affairs plays a key role in ensuring that South Africa has the policy, legislation and machinery needed to manage immigration effectively for development and security. An urgent priority in this regard is to ensure the effective and separate management of economic migration and refugee affairs.
- The third strategic priority is to build on the gains of the Turnaround programme to ensure that excellent and consistent standards of service delivery are achieved and maintained for all clients, including those that are poor, remote and marginalised.

At the level of the individual citizen, foreign resident or refugee, the priority is for the Department to have processes, people and places that are efficient, responsive to their needs and are secure.

The main focus of the Turnaround programme over the past three years has been to make the client central and to achieve acceptable and consistent standards of service delivery. The Annual Report provides a frank account of how far we have achieved this goal and the challenges that remain.

At a national and strategic level, the mandate of the Department of Home Affairs involves far more than the verification of status and identity and the issuing of documents. South Africans claim their birthright as citizens through the birth registration process and the Department is the custodian of historical records that help define who we are as a nation. The Department also plays a key role in the management of immigration, which is a critical factor in how we engage with the rest of the world.

Both the civic and immigration functions of the Department contribute towards meeting the priority

goals of Government with regard to the development and security of individuals, society and the State. The Annual Report indicates how the Department is responding to these serious challenges at the level of policy, strategy and implementation.

The Annual Report also focuses on the transformation of the Department as an organisation, its systems and structure and above all, its officials. In the light of a qualified audit result in 2008/09 financial year, and a disclaimer prior to that, the Department has prioritised the improvement of financial management and controls.

Substantial progress has been made in this and other areas, as indicated in the Annual Report. The senior management team is now largely in place and has proven that it is capable of driving operational efficiency and responding strategically to challenges. Even more important is the positive response from all levels of officials, who have shown that they can take charge and effectively manage the processes assigned to them.

In conclusion, I would like to thank the previous Director-General, Mavuso Msimang, for his contribution prior to his retirement on 31 March 2010.



MKUSELI APLENI
DIRECTOR-GENERAL

Dr Nkosazana Dlamini Zuma
Minister of Home Affairs



INFORMATION ON THE MINISTRY

The Ministry of Home Affairs was established in terms of Chapter Three of the founding document of our country, the National Constitution. The Constitution mandates the Ministry to exercise oversight over matters related to the protection and safeguarding of our national identity as well as the regulation of all aspects of immigration.

The Ministry is supported in the implementation of its mandate by the Immigration Advisory Board as well as the Refugee Appeal Board. The Ministry also exercises oversight over three other statutory bodies: the Electoral Commission, the Film and Publications Board and the Government Printing Works.

With the appointment of Dr Nkosazana Dlamini Zuma by President Jacob Zuma as Minister of Home Affairs, the Department has been involved in a major effort to build on the Turnaround programme initiated by the former Minister Mapisa-Nqakula and entrenched the fundamental transformation of the Department. This will ensure the delivery of quality services to the people of our country, including the poor and marginalised and those who seek safe haven in our country.

Accordingly, the Ministry paid a number of impromptu and surprise visits to various Home Affairs offices in Kwazulu-Natal, Gauteng, Western Cape, Free State and the North West with the objective of interrogating the quality of service delivery levels and customer care and to engage with members of the public on their suggestions of how we can improve service levels in our offices. In this context, the Ministry has among others, visited the Nyanga Refugee Centre, Lindela Repatriation Centre, Beaufort West, Bloemfontein, Rustenburg, Pretoria Regional, Pinetown and Pietermaritzburg offices.

The Ministry has initiated an ongoing campaign for branding of all Home Affairs offices across the length and breadth of our country, to ensure that they are user-friendly with proper signage to help direct our customers to correct counters within our offices.

Furthermore, the Ministry has directed that all Home Affairs officials wear name tags to enable the public to identify those Home Affairs officials who deliver excellent service or poor service. In addition, the Ministry has also initiated one of the first of its kind - a public Ministerial Hotline number: 0800 20 44 76 - which provides the public with an opportunity to report poor service delivery and compliment excellent service delivery. The unit also deals with matters referred to it by the President's Hotline.

Within the overall Government theme of *Together We Can Do More*, the Ministry has successfully launched the first ever Home Affairs stakeholder forums in the Eastern Cape and Kwazulu-Natal involving representatives of local government, traditional authorities (where applicable), health, education and Home Affairs officials with the mandate of encouraging the involvement of the public in ensuring quality service delivery and combating fraud in our offices.

One of the major successes during the reporting year was the recent launch of the National Population Registration Campaign in Libode, Eastern Cape, by President Jacob Zuma supported by the Ministry. Witnessed by thousands of people, the campaign was launched to ensure that all people of 16 years of age and above apply for their IDs; that children are registered within 30 days of their delivery and that the late registration of birth process is closed down.



Home Affairs Minister, Dr Nkosazana Dlamini Zuma engaging with a member of the public during one of her tours of the Department's facilities in Ethekwini

BELOW: *President Jacob Zuma and Minister Dr Nkosazana Dlamini Zuma inspecting a birth certificate during the launch of the NPR campaign in Libode, Eastern Cape*



General Information

The campaign was launched specifically to protect the integrity of the National Population Register.

The Ministry has also placed an emphasis on tackling head on, acts of crime and corruption that have bedevilled the Department. Critical to note is that the scourge of crime and corruption is a reflection of the broader malaise in our society. Accordingly, the Ministry has placed more emphasis on the need to mobilise the broader citizenry in the struggle against crime and corruption. Furthermore, a number of joint Home Affairs operations with the various security agencies were launched leading to the arrest, suspension and prosecution of a number of Home Affairs officials implicated in acts of corruption.

The Ministry is of the view that unless crime and corruption are tackled with vigour, these incidents will continue to pose a serious threat to the stability of our country and the hard-won freedoms of our people. The Ministry has thus elevated the unit dealing with corruption to the level of Deputy Director-General.

In pursuance of its overall mandate, the Ministry has also undertaken a number of visits abroad within the reporting period, including providing support to the President during his state visit to Angola on 18-21 August 2009, was part of the official delegation during the opening session of the UN General Assembly in September 2009 as well as paying an official visit to Switzerland from 28 September - 2 October 2009 to represent South Africa and to address the Executive Committee meeting of the United Nations High Commission for Refugees (UNHCR).

As part of national efforts to ensure a successful first and historic African hosted 2010 FIFA World Cup, the Department of Home Affairs added its shoulder to the national government's efforts of initiating a series of campaigns to contribute to the success of the 2010 FIFA World Cup.

These included the creation of dedicated express lanes at ports of entry for members of the FIFA family, football fans, dignitaries; preparation for the deployment of airline liaison officers (ALOs) at major international hubs; piloting the advanced passenger processing (APP) system during the FIFA Confederations South Africa Cup 2009 as well as the introduction of the historic event visa. As a Department, we indeed were ready to welcome the multitudes of football fans from the Americas to Europe, from Europe to Middle East and Asia, from Asia to the Gulf region and Oceania, as well as the sister peoples from our mother continent, Africa. We did so not only on behalf of the people of our country but on behalf of the entire peoples of Africa.



Minister Dr Nkosazana Dlamini Zuma during one of the public outreach programmes she undertook during the reporting period

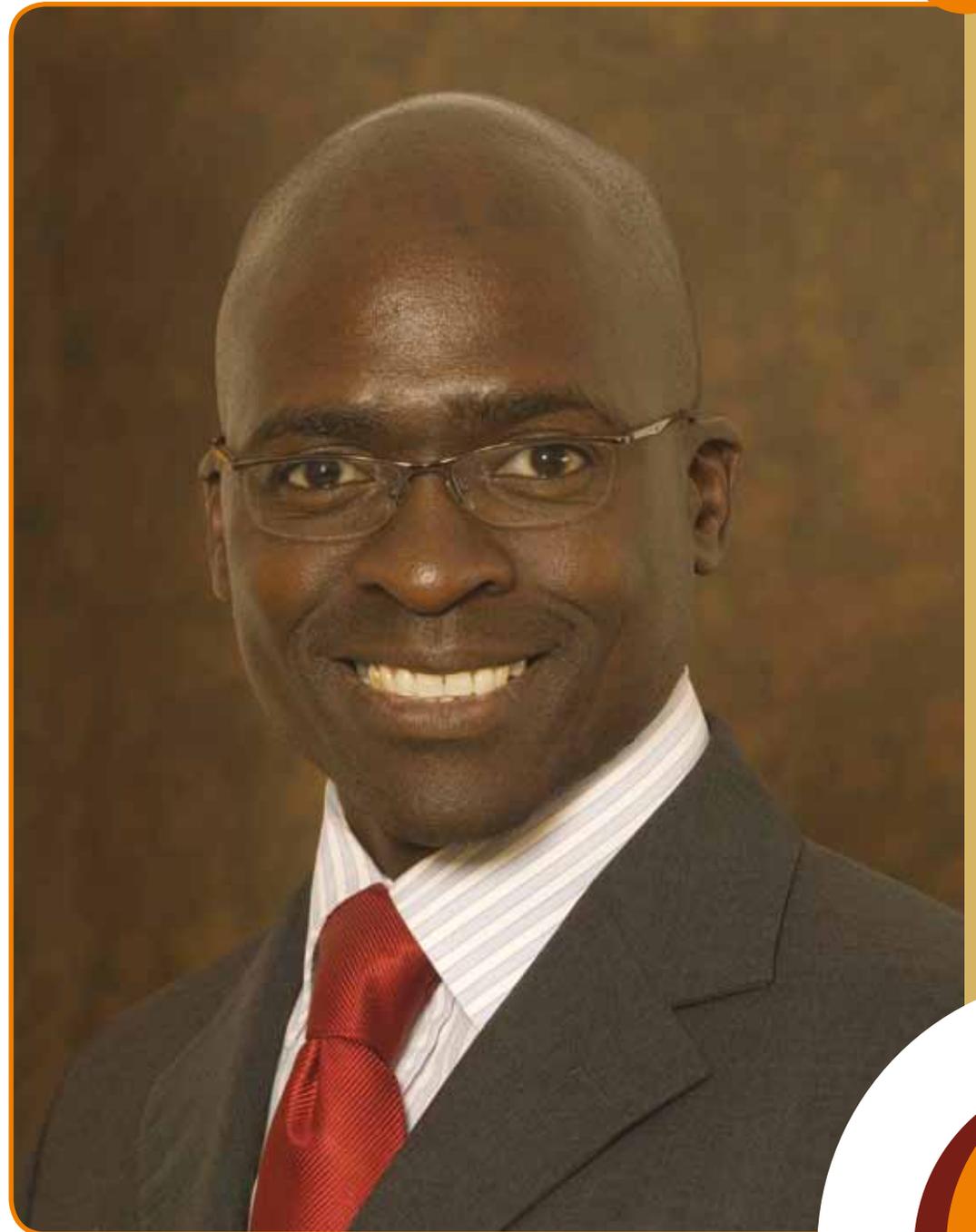


Minister Dr Nkosazana Dlamini Zuma handing over an ID to a learner in KwaZulu-Natal, within the context of the campaign to mobilise citizens of 16 years of age and above to obtain IDs



President Jacob Zuma presenting a mother with her new baby's birth certificate at St Barnabas Hospital in Libode, Eastern Cape as part of the National Population Registration campaign to register children within 30 days after delivery

Mr Malusi Gigaba
Deputy Minister of Home Affairs



Activities of the Deputy Minister

The Deputy Minister was tasked with the responsibilities for the following areas: Refugee Affairs, Counter Xenophobia, the Learning Centre, National Youth Service and Internship, Government Printing Works and the Film and Publication Board (FPB).

The Deputy Minister of Home Affairs undertook three international trips, namely to Uganda to attend a Special Summit on Refugees, Returnees and Displaced Persons (19 October 2009), Belgium for the 10th Anniversary Conference of the International Association of Internet Hotlines (2 November 2009) and Switzerland for the 98th Session of the Council of the International Organisation for Migration (23 November 2009).

The Deputy Minister met with the Deputy Ministers of the South African Police Service and Basic Education on intensifying the campaign against the scourge of child pornography. Other areas that received priority attention by the Deputy Minister were the combating of xenophobia and human trafficking. In July 2009 a round table was held with stakeholders to develop a common approach to dealing with xenophobia. In February 2010 the Deputy Minister participated in the launch of the Stop Human Trafficking campaign.



ABOVE: Deputy Minister Gigaba attending an anti-child pornography event in Soweto, organised by the Film and Publication Board

RIGHT: Deputy Home Affairs Minister, Mr Malusi Gigaba during one of the community outreach programmes to deliver IDs and birth certificates



General Information

Legislation

The Department introduced the Films and Publications Amendment Bill to Parliament in 2006 and the same has been passed by Parliament during 2008. The Amendment Bill was forwarded to the President for assent during 2008. However the President had referred the Amendment Bill back to Parliament for re-consideration as the President had reservations on certain clauses of the Amendment Bill. The Amendment Bill was reconsidered by the Portfolio Committee on Home Affairs and forwarded to the President. The Amendment Bill has been assented to and signed into an Act of Parliament (Act No. 3 of 2009) by the President on 26 August 2009. The Amendment Bill amends the Films and Publications Act, 1996 (Act No. 65 of 1996) in order to regulate films, games and certain publications, and furthermore to protect children from exposure to harmful or age-inappropriate material. Other amendments include making provisions for the appointment and functions of compliance officers, as well as the composition, functions and management of the Film and Publication Board.

Due to changes in legislative processes impacting on the Department, no Bills on the Legislative Programme for 2009/10 were submitted to Parliament. These Bills will be rolled over to the 2010/11 reporting year.



VISION STATEMENT

The Vision of the Department of Home Affairs is

To contribute effectively to the development of a safe, secure South Africa where all its people are proud of, and value, their identity and citizenship.

MISSION STATEMENT

The Mission of the Department of Home Affairs is

The efficient determination and safeguarding of the identity and status of citizens and regulation of migration to ensure security, promote development and fulfil our international obligations.

VALUE STATEMENT

The Staff of the Department of Home Affairs is Committed to Being:

- *People-centred and Caring*
- *Patriotic and Fighting Corruption*
- *Professional and Having Integrity*
- *Accountable and Transparent*
- *Efficient and Innovative*

LEGISLATIVE MANDATES

The mandates of the Department of Home Affairs are embedded in legislation, as well as other policy documents. In order to fulfil its mission the Department executes or participates in the execution of the following mandates:

- **Civic Services**

- **Births, Marriages and Deaths:**

Births and Deaths Registration Act, 1992 (Act No. 51 of 1992);

Regulations made under the Births and Deaths Registration Act;

Marriage Act, 1961 (Act No. 25 of 1961);

Regulations made under the Marriage Act, 1961;

Recognition of Customary Marriages Act, 1998 (Act No. 120 of 1998);

Civil Union Act, 2006 (Act No. 17 of 2006); and

Regulations made under the Civil Union Act, 2006

- **Identity Documents and Identification:**

Identification Act, 1997 (Act No. 68 of 1997);

Regulations made under the Identification Act, 1997; and

Alteration of Sex Description and Sex Status Act, 2003 (Act No. 49 of 2003)

- **Citizenship:**

South African Citizenship Act, 1995 (Act No. 88 of 1995); and

Regulations made under the South African Citizenship Act, 1995

- **Travel Documents and Passports:**

South African Passports and Travel Documents Act, 1994 (Act No. 4 of 1994); and

Regulations made under the South African Passports and Travel Documents Act, 1994

- **Immigration**

Immigration Act, 2002 (Act No. 13 of 2002);

Regulations made under the Immigration Act, 2002;

Refugees Act, 1998 (Act No. 130 of 1998);

Regulations made under the Refugees Act, 1998;

Criminal Procedures Act, 1977 (Act No. 51 of 1977);

The Universal Declaration of Human Rights as adopted by the General Assembly of the United Nations on 15 December 1948;

The basic agreement between the Government of the Republic of South Africa and United Nations High Commissioners for Refugees (UNHCR), 6 September 1993;

The 1991 United Nations Convention Relating to the Status of Refugees;

The 1967 Protocol on Specific Aspects of Refugees Protection;

The Organisation for African Unity Convention Governing Specific Aspects of Refugee Problems in Africa, 1996; and
The UNHCR Handbook on criteria and procedures for the determination of Refugee Status, 1997.

- **Other Mandates**

Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);

Regulations made under the Promotion of Access to Information Act, 2000;

Public Holidays Act, 1994 (Act No. 36 of 1994);

Imprint Act, 1993 (Act No. 43 of 1993);

Films and Publications Act, 1996 (Act No. 65 of 1996);

Regulations made under the Films and Publications Act, 1996;

Constitution of the Republic of South Africa, 1996;

Public Service Act, 1994 (Proclamation No. 103 of 1994);

Regulations made under the Public Service Act, 1994;

Labour Relations Act, 1995 (Act No. 6 of 1995);

Regulations made under the Labour Relations Act, 1995;

Public Finance Management Act, 1999 (Act No. 1 of 1999);

Treasury Regulations made under the PFMA;

Intergovernmental Relations Framework Act, 2005 (Act No. 15 of 2005);

Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000);

Regulations made under the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000

Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); and

Regulations made under the Preferential Procurement Policy Framework Act, 2000.

The following institutions are attached to the Department:

- Film and Publication Board (FPB)
- The Electoral Commission (IEC); and
- Government Printing Works (GPW).

- **Film and Publication Board**

The Board was established in terms of section 3 of the Films and Publications Act, 1996 (Act No. 65 of 1996).

The functions of the Board include the following:

- To regulate the creation, production, possession and distribution of certain publications and certain films by means of classification, the imposition of age restriction and the giving of consumer advice.
- Performing the functions assigned to it by the Act

The Chief Executive Officer is the Accounting Officer of the Board in terms of section 13 of the Act.

- **The Electoral Commission**

The Commission was established in terms of section 3 of the Electoral Commission Act, 1996 (Act No. 51 of 1996).

The functions of the Commission include the following:

- To manage any election
- To ensure that an election is free and fair
- Performing the functions assigned to it by the Act

The Chief Electoral Officer is the Accounting Officer of the Commission in terms of section 12 of the Act.

• **Government Printing Works**

Founded in 1888, the Government Printing Works (GPW) was established to render security printing and related services to the Government of South Africa. During 1976, the GPW was established as a Trade Account by the Department of Finance. The Government Printing Works operates as a Government Component after Proclamation in the Government Gazette No. 32616, dated 9 October 2009.

The functions of the GPW include the following:

- Compiling, editing, printing and distribution of Government Gazettes and Provincial Gazettes;
- The procurement and stocking of departmental forms and face value forms;
- The provision of a printing service pertaining to high security documents and also printed matter of a general nature; and
- The administration of the Publications Section to provide for the stocking of government publications and the selling thereof to government institutions and the general public, as well as institutions abroad.

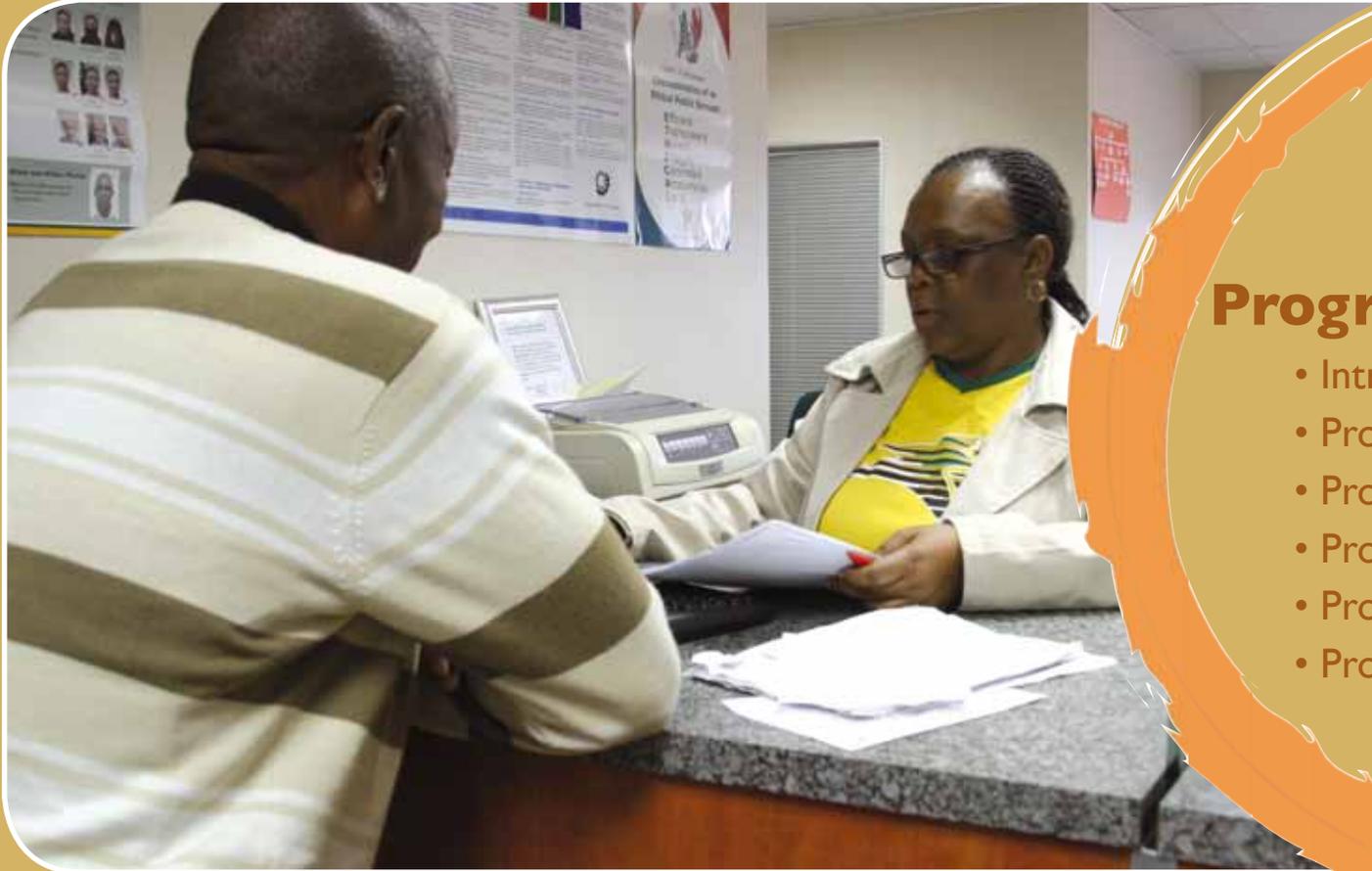
The Chief Executive Officer of GPW was the Accounting Officer in terms of section 36(3) of the PFMA of 1999 for the 2009/10 financial year.



Film and Publication Board officials rendering an information service during an outreach programme



Home Affairs Minister, Dr Nkosazana Dlamini Zuma and Deputy Minister Malusi Gigaba being shown security features of the new passport at the GPW premises



Part Two: Programme Performance

- Introduction
- Programme Summary
- Programme 1: Administration
- Programme 2: Civic Services
- Programme 3: Immigration Services
- Programme 4: Transfer to Agencies

DEPARTMENT OF HOME AFFAIRS TOP MANAGEMENT TEAM



Director-General:
Mr. Mkuseli Apleni



Acting Deputy Director General:
Counter Corruption & Security
Mr. Castro Khwela



Deputy Director General:
Immigration Services
Mr. Jackie McKay



Deputy Director General:
Learning Academy
Ms. Thembi Cele



Acting Head of Communications
& Ministerial Spokesperson
Mr. Ronnie Mamoepa



Deputy Director General:
Human Resources
Ms. Avril Williamson



Deputy Director General:
Civic Services
Mr. Vusumuzi Mkhize



Acting Deputy Director General:
Information Services
Mr. Sello Mmakau

PROGRAMME PERFORMANCE

INTRODUCTION

Voted Funds

Appropriation	Main Appropriation (R '000)	Adjusted Appropriation (R '000)	Actual Amount Spent (R '000)	Over/Under Expenditure (R '000)
	5 050 587	5 263 784	5 207 080	56 704
Responsible Minister	Minister of Home Affairs			
Administering Department	Department of Home Affairs			
Accounting Officer	Director-General			

Aim

The aim of the Department of Home Affairs is to determine, protect and regulate the identity and status of citizens and other residents and to regulate immigration in the interests of national security and development.

Key Measurable Objectives, Programmes and Achievements

Programmes

The departmental budget is structured into four programmes:

- Programme 1: Administration
- Programme 2: Services to Citizens
- Programme 3: Immigration Services
- Programme 4: Transfers to Agencies

PROGRAMME 1: ADMINISTRATION

Purpose: Provide for the overall management of the Department and centralised support services.

The programme consists of nine sub-programmes, namely:

- **Ministry** (Minister and Deputy Minister);

- **Management** (Policy and Strategy, Enterprise Programme Management Office, Internal Audit, Communication Services, Legal Services, Counter Corruption and Intergovernmental Relations);
- **Corporate Services** (Human Resources, Employee Wellness, Labour Relations and Learning Centre);
- **Financial Services** (responsible for the management of integrated financial services and ensuring that the Department has a sound supply chain management system);
- **Information Services** (enables the Department, through optimal utilisation of information technology, to address the service delivery requirements within the different business areas);
- **Transversal IT Projects** (provides for major cross-cutting IT projects and systems);
- **Government Motor Transport** (funds the purchase of vehicles for Departmental use, as well as allocations under the subsidised motor transport scheme); and
- **Property Management** (manages the properties occupied by the Department).

PROGRAMME 2: SERVICES TO CITIZENS

Purpose: Carry out the Department's core functions: grant rights and citizenship to eligible persons.

There are six sub-programmes:

- **Management** refers to the overall management of the branch and includes all Chief Directors and support services reporting to the Deputy Director-General. The branch is responsible for both head office and frontline operations. Head office provides policy direction and set standards as well as managing back office processes.
- **Status Services** regulates all matters relating to the National Population Register (NPR). Such matters include maintaining an accurate register of all citizens and immigrants who have acquired the right to permanent residence; registration of births, deaths and marriages; providing travel and citizenship documents; providing financial assistance to citizens abroad by paying for their visas and air travel costs if they wish to return to South Africa and have no means of doing so; and determining and granting citizenship.
- **Identification** oversees issues relating to identity, such as fingerprints, photographs and identity documents. Once personal details are recorded in the NPR, identity documents are issued. The sub-programme is responsible for storing fingerprints in the central database of the automated fingerprint identification system and its overall administration.
- **HANIS** includes projects designed to develop, establish and maintain national identity systems. The sub-programme is responsible for the overall maintenance of the existing systems and ensuring that they are rehabilitated when technology becomes obsolete.
- **Civic Channel Management** (previously known as Customer Service Centre) provides for the development and facilitation of a strategic channel management that ensures optimal placement and utilisation of Home Affairs services by developing, managing

and co-ordination of the departmental footprint strategy, hospital services, mobile units and the customer service centre.

• **Provincial Civic Services** provides for civic services in provinces and the necessary support functions. Customers submit their applications for identity documents and other enabling documents at provincial offices, which are then routed to head office for final processing.

Measurable Objectives for the MTEF Period Ending 2011/12

Improve the provision of specified services and products to eligible citizens and residents by reducing the time taken to issue valid documents as indicated below:

- Unabridged birth, marriage and death certificates: from 180 to 240 days in 2007/08 to 16 days in 2011/12
- Passports and travel documents: from 10 days in 2008/09 to five days in 2011/12
- First issue of an identity document: from 60 days in 2008/09 to 40 days in 2011/12
- Second issue of an identity document: from 56 days in 2008/09 to 30 days in 2011/12
- Temporary identity documents: from seven days in 2008/09 to one day at 90 percent of DHA service points by the end of 2009/10
- Expand the capacity of the customer service centre to deal with the number of calls received with over 90 percent of calls answered in 20 seconds
- Increase the number of service points as resources become available
- Expand the capacity of the customer service centre to deal with the number of calls received with over 90 percent of calls answered in 20 seconds
- Increase the number of service points as resources become available.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Performance Indicator	Target
Number of days to issue an unabridged birth, marriage and death certificate	20
Number of new birth, death and marriage registrations	2 251 803
Number of days taken to issue all passports and travel documents	10
Number of new passports and travel documents issued	1 308 942
Number of days to issue an identity document (first issue)	45
Number of days to issue an identity document (second issue)	30
Number of new identity documents issued	1 986 000
Total number of citizenship certificates (naturalisation) issued	37 522
Number of calls handled by the customer service centre each year	1 500 000
Total number of civic service points (by type):	691

PROGRAMME 3: IMMIGRATION SERVICES

Purpose: To control immigration in line with South Africa’s skills and investment needs. Manage refugees and asylum seekers in South Africa.

There are six sub-programmes:

- **Management** refers to the management of the overall branch and includes all Chief Directors and support services reporting to the Deputy Director-General. The branch is responsible for both head office and frontline operations. Head office provides policy direction and set standards as well as managing back office processes.
- **Admissions** controls visas, the admission of travellers at ports of entry, the processing of applications for permanent and temporary residence permits, as well as work, study and other temporary permits.

• **Immigration Control** deals with immigration matters in foreign countries, detects, detains and departs illegal immigrants in terms of the Immigration Act (2002) and provides policy directives on immigration matters. The sub-programme is responsible for developing the strategy for deporting illegal immigrants; the operational management of services at the Lindela holding facility which includes accommodation, catering, security and medical services for offenders and liaising with Embassies regarding the deportation of illegal immigrants.

• **Provincial Immigration Control** provides for the delivery of immigration services in the provinces and the necessary support functions.

• **Foreign Missions** delivers core immigration functions in foreign countries. The sub-programme acts as a portal for communication and information, communicates policies and procedures determined by civic services and manages enquiries from foreign offices.

• **Refugee Affairs** considers and processes refugee asylum cases in line with the Refugees Act (1998). The sub-programme is responsible for processing and issuing Section 22 asylum permits, referring appeals to the Standing Committee on Refugee Affairs for adjudication, and handing over unsuccessful applicants to immigration control for deportation.



The Department continues to facilitate immigration services in line with South Africa’s skills and investment needs

Programme Performance

Measurable Objectives for the MTEF Period Ending 2011/12

Control and facilitate the immigration of various categories of foreigners into and out of the country, and specifically reduce the time taken on the following:

- Issuing of visas: from 10 days in 2007/08 to three days by the end of 2010/11
 - Issuing of section 22 asylum permits: from five days in 2007/08 to same day issue by the end of 2010/11 according to the maximum processing capacity of the centres
 - Issuing of refugee status determinations: from 12 months in 2007/08 to three months by the end of 2010/11
 - Issuing of temporary residence permits: from 24 weeks in 2007/08 to four weeks by the end of 2010/11 (selected permits)
 - Issuing of permanent residence permits: from 18 months in 2007/08 to six months in 2010/11.
- Control and facilitate the immigration of various categories of foreigners into and out of the country by reducing the number of days taken to:
 - Finalise 100 percent of cases by the Refugee Appeals Authority within 30 days by 2011/12
 - Issue a refugee identity document: from six months in 2007/08 to three months by end of 2009/10.
 - Control and facilitate the immigration of various categories of foreigners into and out of the country by maintaining clearance times of one-and-a-half to two minutes per traveller for the movement of South African and foreign travellers through land and air border posts by increasing the number of immigration officers at ports of entry.

PROGRAMME 4: TRANSFERS TO AGENCIES

The Department transferred all the appropriated allocations to the following agencies, namely Government Printing Works (GPW), Film and Publication Board (FPB) and the Electoral Commission (IEC).

- Film and Publication Board regulates the classification of films, interactive computer games and publications;
- Government Printing Works provides printing and publishing services to government; and
- The Electoral Commission facilitates the delivery of national, provincial and local elections and referendums.

OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2009/10

In 2007 the Minister of Home Affairs launched a Turnaround programme which has been the main vehicle for the transformation of the Department. Phases One and Two ended in December 2009 with significant advances made in service delivery and the way in which the Department carried out its mandate. Although many challenges remain, there has been a profound shift towards a Department in which the citizens and other clients are central. This is demonstrated by far more efficient processes based on meeting the needs of clients, including the need for accurate information and faster turnaround times. Many aspects of services at frontline offices have also improved, including the attitudes of many officials.

Phase Three of the Turnaround ended within the reporting period, with the focus being on consolidating and extending the gains made and ensuring that officials take full charge of redesigned systems and processes. An example is the extension of the Track and Trace system to services besides passports and IDs, so that applicants for birth, marriage and death certificates and some permits can be informed about the progress of their applications. This system also allows far better use of information to manage the processes across the country and achieve common standards.



The Electoral Commission is one of the agencies that benefit from the Transfer to Agencies programme of the Department of Home Affairs

Progress has been made with regard to several important aspects of the organisational environment over the reporting period.

- In 2007 a decision was made to organise provinces into four zones as part of the design of a new operating model. This decision was revisited in 2009 and the model amended to accommodate provinces; with Provincial Managers that are empowered to drive the delivery of both civic and immigration services. This also allows for a strong alignment with other tiers and structures of government in achieving Government priorities. The official rollout of the new model began in April 2010 after input from the Department of Public Service and Administration. However, preparations for the implementation of this model only commenced in the 2009/10 period
- As reported in Part One, the Minister made a number of unannounced visits to frontline offices where she engaged with the public and staff. One outcome of these visits was to reinforce the call of the President to change the way we work and for head office senior managers to become involved in frontline service delivery. Champions for each province were appointed in March 2010 to conduct surprise visits to offices and work with Provincial Managers to improve service delivery.
- The Department began to systematically address staff development with the establishment of a Learning Centre that organised over 11 000 training interventions over the reporting period. Preparation has begun for a robust programme aimed at developing leadership and all levels of management. Other priority areas include training on customer care and building the capacity of office heads and supervisors. Once capacitated, the Learning Centre will become a Department of Home Affairs Academy with a resource centre and research capability.
- The migration process for both Senior Management Service (SMS) members and below SMS employees was finalised during the reporting period 2009/10. Governance structures were established to manage the physical migration of employees. The migration of SMS and Middle

Management Service (MMS) members was informed by the outcome of a competency assessment. The gaps identified informed the members' personal development plans. The employees on levels below MMS were migrated according to their profiles. This contributed towards proper utilisation of staff and achievement of deliverables.

There are a number of capacity-related challenges at an organisational level, which are outlined below:

- The Department had to rely on a significant number of contract workers to maintain an acceptable level of service delivery. A total of 1 438 contract staff members were appointed over the reporting period. A major reason was the freeze on the filling of posts (below senior level) due to the ongoing process of migration to the new structure designed as part of the Turnaround programme. A key strategy going forward is to absorb those contract workers who have been in the employ of the Department for longer than 12 months at an appropriate level.
- A major effort is needed to address the inadequate level of key managers at provincial level in areas such as finance and heads of offices. The structure has been designed and approved and the posts will be filled when sufficient funds are available.
- A number of gaps remain in terms of filling senior specialist posts in important areas, such as legal services, contract management and monitoring and evaluation. These posts will be prioritised for filling, with due regard for finding appropriate persons.

STRATEGIC OVERVIEW OF ACHIEVEMENTS AND CHALLENGES

Dr Dlamini Zuma, Minister of Home Affairs, declared in the speech that introduced the 2009/10 budget, that "We are indeed a Department that is needed by every single one of us at every critical moment of our lives. Therefore this has to be our guiding principle at all times". Thus there is a strong commitment by the Minister and the Department towards ensuring that all citizens and other clients, including



The Department is committed to ensuring easy and speedy access to Home Affairs Services by all citizens as witnessed through this mobile unit

Programme Performance

refugees, have access to Home Affairs services that are humane and efficient. This is dependent on the Department being able to secure and protect the identity and status of citizens and other clients. Similarly, the stated aim of regulating immigration to promote development is closely related to the aim of protecting the integrity and security of the state and society. This broad vision finds expression in the six goals that underpin the strategic plan:

Strategic Goal 1: To provide secure, efficient and accessible services and documents to citizens and lawful residents in accordance with national priorities, legislation and international standards.

Strategic Goal 2: To establish and maintain secure, effective, efficient, accurate and integrated data systems.

Strategic Goal 3: To facilitate and regulate the secure movement of people into and out of the Republic of South Africa through ports of entry in the interest of national security and in support of development goals.

Strategic Goal 4: To determine the status of asylum seekers and to regulate refugee affairs in accordance with the Constitution of the Republic of South Africa, national legislation and international protocols.

Strategic Goal 5: To advance cooperation with other government departments and relevant civil society organisations on matters with a focus on improving service delivery and countering corruption.

Strategic Goal 6: To transform the Department of Home Affairs into a centre of excellence for securing and affirming the identity and status of persons and delivering a professional, caring and responsive service.

In achieving the above goals, the Department prioritised three key strategies during 2009/10. The first strategic priority is to ensure the integrity and security of the identity records of citizens and foreign residents on the National Population Register (NPR). The second strategic priority

is to ensure that the Department fulfils its guarantees for the 2010 FIFA World Cup. The third strategic priority is to build on the achievements of the Turnaround with regard to transforming the way in which the Department delivers services. A number of specific achievements are highlighted below under each of these priorities.

Ensuring the Integrity and Security of the NPR

In respect of securing the identity and status of citizens, the National Population Registration (NPR) campaign was launched by the President of the Republic and the Minister of Home Affairs in March 2010 to actively promote awareness of the importance of citizenship and identity, linking this to the need to register the births of all citizens. Committees that can securely adjudicate cases of late registration of births were established in every province and substantially reduced the backlog of such cases. The underlying strategy is to ensure that registration shortly after birth becomes the single point of entry into the National Population Register. Connections to hospitals were upgraded and additional hospitals added to the network. These measures will ensure that the late registration of birth process becomes an exception after the current process is terminated in December 2010.

Schools were visited across the country to ensure that as many 16 year olds as possible were assisted in obtaining identity documents. A Memorandum of Understanding (MOU) was also signed with the Department of Basic Education which will facilitate our partnership. There was a robust campaign to reach remote and marginalised communities that utilised mobile units and mobilised at the level of communities and local government. An MOU was also signed with the Department of Health on birth registration.

A major problem impacting on the NPR is duplicate identity cases. Forty one thousand eight hundred and eighty six (41 886) duplicate cases were also finalised during the review period.

SOUTH AFRICAN CITIZENSHIP IS ABOUT ... BIRTH REGISTRATION!



ALL YOU NEED IS:

- Proof of Birth or Clinic Card from the Hospital or Clinic
- Parents' Identity documents (IDs)
- Copy of marriage certificate of parents if married in civil, customary or civil union
- If parents are not married, both parents must present themselves personally to Home Affairs, with their ID documents, to sign and acknowledge parenthood

In ensuring the integrity and security of the National Population Register, SA citizens are encouraged to register children's births immediately after they are born or within 30 days

Fulfilling the Guarantees of the 2010 FIFA World Cup

The Department had to comply with four guarantees relating to the 2010 FIFA Soccer World Cup, namely entry and exit permits by the Ministry of Home Affairs, work permits by the Ministry of Home Affairs, immigration, customs and check-in procedures by the Ministry of Home Affairs and telecommunications and information technology residing within the ambit of the Ministry of Home Affairs. With regard to the 2010 FIFA Soccer World Cup, the following have been achieved:

- Introduction of the first ever Event Visa to facilitate the movement of spectators and visitors from around the world was implemented;
- Introduction of the Advance Passenger Processing (APP) system for airlines flying into South Africa for the screening of passengers before they leave their point of departure;
- Establishment of dedicated Express Lanes at selected international airports;
- Co-location of a number of land border posts in collaboration with neighbouring countries to speed up the flow of travellers (Lebombo, Ficksburg, Maseru Bridge, Oshoek, Beit Bridge and Kopfontein);
- Establishment in Gauteng of a 24-hour operational centre to provide statistical information for operational planning and incident reporting while working with other law enforcement agencies;
- Piloting, in partnership with South African Revenue Service (SARS) and other relevant departments, of an enhanced Movement Control System (MCS) at OR Tambo International Airport that enabled us to monitor movement of visitors in and out of the country and measures were taken to relieve congestion and improve security at key ports of entry; and
- Management and operational systems were improved and additional immigration officials were deployed to provinces to strengthen border posts and the Inspectorate

Transforming the Way in which the Department Delivers Services

The President has repeatedly called on departments to do things differently, especially with regard to responsiveness to citizens and other clients. The Complaints and Compliments unit was established to afford clients an opportunity to provide feedback on the quality of services to the extent of either raising concerns or complimenting services rendered. Where complaints are raised, measures to expedite their resolution were put in place. Other units which ensured that problems are addressed have been established in the office of the Director-General and in the Civic Services branch. These units deal with the more complex cases referred to them by the Client Services Centre and by the Presidential Hotline.

- The establishment of district stakeholder forums was successfully piloted in two districts and will be rolled out nationally over the MTEF period. The forums monitor and assist local offices in dealing with service delivery challenges and in fighting corruption.
- A new passport issuing system was implemented with state of the art security features and a unique South African “look and feel”. The system has enabled faster and more reliable service delivery.
- Progress was also made in strengthening the speed and security of several processes, notably by extending the use of online verification of identity using fingerprint readers, rolling out live electronic capturing of fingerprints and photographs for passport applications at high volume offices as well as the Biometric Access Control Management System (BACM) and improved security features (inclusion of parent’s details) on the birth certificate. The extension of the Track and Trace system to services such as the registration of births, marriages and deaths enables clients to be notified at every stage of the process via their cell phones.

Additional immigration officers were trained and deployed to ports of entry and provinces in preparation for the 2010 FIFA World Cup, as part of the Government guarantees to host the successful tournament

With regard to MOUs, the Chief Directorate rendered legal support in finalising the MOUs between the Department and the Departments of Basic Education and Health on Birth Registrations. Both these MOUs have been signed.

In relation to International Agreements, the Chief Directorate assisted in the finalisation and obtaining of a Presidential Minute pertaining to the International Agreement between South Africa and the Government of Switzerland on the Waiver of Visa Requirements for Holders of valid Diplomatic or Official Passports, as well as the Tripartite Agreement with Rwanda and the United Nations High Commission on Refugees (UNHCR) on Voluntary Repatriation of Rwandan nationals from South Africa to Rwanda. Both the aforementioned agreements are ready for signature. An Agreement with the Kingdom of the Netherlands on Technical Cooperation on Migration Matters was also finalised and is ready for signature.

Turning to commercial contracts, the Chief Directorate was able to provide legal support on 57 of the 80 contracts received for scrutiny. Work on the balance of contracts is in progress.

Looking at the percentage success rate on finalised litigation cases, the Chief Directorate was able to manage an overall success rate of 82% for the reporting period (i.e. successful in 74 of the 90 cases that were finalised during the reporting period).

Counter Corruption and Security (CCS)

After a thorough environmental scan, which included the evaluation of the risk table of the Counter Corruption Unit, a strategic plan (with considerable capacity in view of the structure) was designed and adopted by the Department. A number of steps were taken over the reporting period to combat corruption and enhance security. Three national awareness campaigns were conducted in an effort to boost awareness of the consequences of corruption. Processes for Marriages, Deaths, Births, Security, Finance and Temporary Residence Permits were identified as high risk areas.

They were researched and evaluated with an aim to reduce corruption-related risks. All pre-screening requests for appointments of permanent and contract workers as well as service providers which were submitted were attended to.

There was also progress in strengthening the counter corruption and security function. Counter Corruption and Security (previously the Integrity Management Unit) was elevated from a Chief Directorate to a Branch headed by a Deputy Director-General (DDG) with an expanded staff complement. A new case management system was introduced which will allow the Department to be more effective in analysing investigations. Training was provided to analysts to transform the function into a proactive corruption identification unit.

A total number of 840 cases were received for the reporting period of which 587 were finalised. The balance of cases are work-in-progress. During the reporting year 112 officials were suspended out of which 52 were arrested and charged by the South African Police Service (SAPS).

Intergovernmental Relations

A draft internal policy on processes to be followed with regard to concluding International Agreements – visa waiver agreements and immigration cooperation agreements – was developed and approved, in principle, internally. The final policy will be informed by the outcome of a departmental immigration policy review in as far as mitigating risks to the country while also supporting economic development. This meant that all requests for visa waiver agreements and / or adjustments were put on hold.

In consideration of the prevailing global financial environment for the period under review, some outgoing international engagements were either deferred, cancelled or meetings were held with foreign representatives based in South Africa that are also immigration experts. However, the DHA international agenda was not compromised.

Adjustments were made prudently and there are no discernable adverse effects on the nature of relations with immigration counterparts with South Africa. Furthermore, the 2010 FIFA World Cup event meant that those engagements that were in support of this objective were prioritised.

The unit also facilitated all departmental engagements with the Portfolio Committee on Home Affairs including parliamentary oversight visit to the Cape Town International Airport to check on the state of readiness for the 2010 FIFA World Cup event.

The unit successfully facilitated cluster related issues, e.g. hosted a cluster planning workshop attended by Executive Committee (EXCO) members and senior managers from provinces.

In respect of parliamentary questions, 108 questions were received for the period 1 February 2009 to December 2009 and all were finalised.

Corporate Services

Human Resources

The DHA organisational structure was reviewed to align it to other spheres of government and the top three tiers of the structure were approved. Job profiling and job evaluation of newly created and newly defined jobs were conducted.

A Service Excellence Awards Framework was approved and implemented. This will go a long way towards motivating employees to address customer needs and to reposition the Department. The absenteeism management programme was implemented, and monitoring of employee work attendance became the focus point.

The relationship between Human Resources (HR) and core functions was improved through the establishment of the Inter-Branch Relationship Forum which aims to reposition HR as a strategic partner. The HR function was also

Programme Performance

enhanced through the appointment of a Deputy Director-General to provide strategic leadership and focus.

The Disability policy has been adopted, and approved policies were implemented to empower managers on the management of people.

Employee Wellness

An E-Wellness Hybrid Model has been adopted. This will improve employee access to Wellness services.

Labour Relations

Labour relations processes improved and four Chairpersons were appointed on contract to preside over disciplinary hearings in order to fast track the finalisation of disciplinary cases. This has resulted in improved turnaround times in the finalisation of cases. During the reporting period, 265 cases were finalised within an average period of 82 days per case.

Learning Centre

The Business Case for the Learning Centre was finalised during the reporting period.

The 2009/10 Annual Performance Plan of the Learning Centre had targeted to have 3 000 officials trained. To this end 11 574 training interventions were achieved for the year, with an average of three interventions per official trained. Core business interventions were in areas such as: Late Registration of Birth, Fingerprinting, Marriages, Visa and Permitting and Basic Immigration Training. In addition, generic training interventions were facilitated, such as various levels of management development and computer training.

An impact assessment was conducted on selected training interventions. This assessment impacted on the following categories: management development, Public Service and DHA induction and Immigrations and Civic Services

functional training. The results of the assessment will be used to improve the standard and the nature of the training provided by the Learning Centre.

In September 2009, the Learning Centre registered an NQF level 5 National Certificate of Home Affairs Services with the South African Qualification Authority (SAQA). The components of the qualification are: Refugee Affairs, Immigration or Civic Services and a Customer Care, Communications and Change Management course is compulsory.

The Department has been fully accredited by the Public Sector Education and Training Authority (PSETA) as a site for learning and has received an accreditation certificate that is valid until March 2016. This will allow the Learning Centre to enrol learners in the DHA qualification. Trainers have undergone training to become accredited facilitators, moderators and / or assessors, so that the Learning Centre can roll out the DHA qualification and register learners before the end of the 2010/11 financial year.

Financial Services

The Branch strengthened its governance structures in terms of financial management in the Department which includes adequate representation at the Bid Adjudication Committee (BAC); and the establishment of a new Departmental Budget Committee, a Transport Committee and a Loss Control Committee.

The Branch established a Back to Basics Project comprising of members of the finance and supply chain management, human resources, information technology, internal audit, monitoring and evaluation as well as legal services in order to ensure that all issues raised by the Auditor-General in the audit report are addressed and corrective measures are put in place. In addition, a monitoring tool was developed and progress reports submitted monthly to the National Treasury, weekly to the Auditor-General and bi-monthly

to the Minister. The project has resulted in the majority of issues being cleared within the reporting period.

An assets verification process was established to ensure that all departmental assets were barcoded with the lease barcode number and room numbers were affixed to all offices.

The Head Office of the Department is currently situated at a site that is not conducive to its proper functioning. More suitable accommodation for the Ministry and the Department was secured in the Pretoria CBD, and the buildings are being prepared for occupation in phases, starting in June 2010 and ending in March 2011.

A new receipting solution was rolled out to 100 offices with the highest volumes to promote effective revenue management. A project was also initiated to align financial systems with the processing of IDs, passports, birth certificates, death certificates, visas and fines.

A new tariff model was implemented to update tariffs charged in line with National Treasury prescriptions.

The reconciliation of the Department of International Relations and Cooperation (DIRCO) account on revenue collected for the past five years was completed. This helped to resolve the clearing of a long-standing suspense account.

Information Services (IS) including Transversal IT projects

The priority in the reporting period was to enhance the systems that core business depends on, as well as improving operational efficiency and enhancing IT security. In this regard, progress was made in the following areas:

A Passport Live Capture system has been rolled out to 40 offices in the 2009/10 financial year. The system has improved the turnaround time for passport applications and enhanced security. A Track and Trace system, which existed for other products like passports and IDs has

been extended to Permits and Late Registration of Birth (LRB). Access to services has been improved through the implementation of the birth registration system in 127 hospitals. In addition, 65 mobile trucks have been installed with IT infrastructure and satellite connectivity to be able to render services in deep rural areas.

System enhancements were made to all the systems mentioned below in response to business requirements:

- National Population Register (NPR);
- Home Affairs National Identification System (HANIS);
- National Immigration Information System (NIIS);
- Movement Control System (MCS);
- Passport system; and
- Systems supporting the FIFA Confederations South Africa Cup 2009 tournament

The Department's IT Security Policy was aligned to the Minimum Information Security Standards (MISS) and IS security governance framework with the emphasis on managing and controlling of information and documents. A Biometric Access Control Management System (BACM) was implemented for 4 535 NPR users to manage access control and enhance system security. A Queue Management system is being rolled out in Khayelitsha office. This has improved the management of queues in the office and has decreased the waiting times substantially.

A Virtual Private Network (VPN) project was successfully implemented with SITA to enhance IT security and improve system performance. Continuous monitoring of the VPN happens on a frequent basis.

Over 2 000 end-user devices, such as computers, were upgraded through a technology refresh project. Decentralisation of e-mail to all provinces was also accomplished, providing DHA provincial offices with faster and more reliable access to e-mails. These improvements have enabled staff to work more efficiently.

The FIFA Confederations South Africa Cup 2009 was used to conduct pilots of Travel Document Readers (TDR), Portable Immigration units and Extended Control Lists.

The Advance Passenger Processing (APP) system went live on 23 November 2009, which when rolled out, will enable much more secure processing of travellers, including for the 2010 FIFA World Cup.

A new Movement Control System (MCS) was piloted at OR Tambo International Airport in preparation for the 2010 FIFA World Cup. The National Immigration Information System (NIIS) has been fully implemented in the Musina office which was previously a satellite office.

The purpose of the Who Am I Online (WAIO) programme was to replace legacy systems and integrate core business unit systems (Immigration and Civics) with a priority of delivering the FIFA 2010 World Cup initiatives. The portion for the equipment and licenses to begin with the design and development of these systems were paid for. However, these systems were ultimately not designed and implemented as envisaged.

Government Motor Transport

A service level agreement (SLA) between the Department and gFleet was signed which enabled the payment of outstanding amounts to gFleet (capital payments held back to the amount of approximately R50 million), the replacement of vehicles under the old operating model and outlining the way forward in respect of the new operating model.



Some of the 4 X 4 vehicles received through gFleet's programme to provide government motor transport to enhance the Department's service delivery outreach programme, particularly in remote rural areas

Programme Performance

Property Management

The following information forms part of the Capital Investment plan:

The Repair and Maintenance Programme Project (RAMP) was initiated and administered by the Department of Public Works (DPW) for the purpose of upgrading state-owned facilities such as buildings. The project is aimed at upgrading deteriorated state-owned facilities due to poor maintenance programmes.

This project is divided into three phases:

- Phase One involves a status quo report of each facility and the total cost of phase 1 contributes 25 percent of the whole programme cost
- Phase Two entails the design and compilation of documentation of repair and maintenance of the contract which covers 35 percent of the programme cost
- Phase Three covers the construction of some installations and repair / renovations of the infrastructure including day-to-day maintenance.

Repair and Maintenance Programme

NAME OF PROVINCE	OFFICE NAME	PROJECT STATUS	COMPLETION DATE
Gauteng	Heidelberg District Office	Repair project completed and handed over	May 2009
	Krugersdorp District Office	Repair project completed and handed over	May 2009
	Johannesburg Regional Office	Completed and handed over	September 2009
	Ga-Rankuwa District Office	Repair work completed and awaiting handover	January 2010
North West	Lichtenburg District Office	Repairs completed and handed over	May 2009
Mpumalanga	Witbank District Office	Repairs have been completed and building handed over	August 2009
KwaZulu-Natal	Tongaat District Office	Repairs have been completed and final handing over done	October 2009
	Zwelitsha District Office	The project is completed and handed over	March 2010

Developments Relating to the Above that are Expected to Impact on the Department's Current Expenditure

The Department is solely dependent on the Department of Public Works to appoint professional teams and award tenders to preferred service providers (i.e. project managers, design teams and consultants) for construction and renovation of state-owned facilities.

The process had a significant impact on under expenditure due to lengthy processes pertaining to:

- Site clearance
- Appointment of consultants
- Appointment of main contractors

Other Capital Works Projects in Progress

The Department of Public Works (DPW) has been initiating a new project on the Repair and Maintenance Programme (RAMP) for the Department. The project has been registered and received Work Control Systems (WCS) numbers for each office to be repaired and maintained. The following offices below were earmarked for repair and maintenance in 2009/10 and are at the planning stage:

- Randfontein Regional Office
- Thohoyandou Regional Office
- Lusikisiki Regional Office
- Stellenbosch District Office
- Brakpan District Office
- Makhado District Office

The expenditure on the project will only be realised in the 2010/11 financial year.

National Rollout of the Office Refurbishment Project –“Look and Feel”

The Department embarked on a project called “Look and Feel” which was aimed at improving the look of Home Affairs offices in line with its corporate identity. Since the inception of the project, the Department has refurbished a total of 63 offices of which 30 offices were done in the 2009/10 financial year.

New Service Points Established

The Department also embarked on a project to open new service points. The project is aimed at bringing services closer to people. The Department planned to open 13 new service points in 2009/10. Twenty-one new service points were opened.

New Asylum Seekers Reception Office Established

The Department opened a new Asylum Seeker Reception Office in Musina, Limpopo. This is one of the model offices that was designed and constructed according to the needs of Immigration Services. The design was tailored to effect the processing of asylum seekers in an effective and efficient manner.



The new Ministerial offices of the Department in Acardia, Tshwane are part of the Repair and Maintenance Programme (RAMP) project of the Department of Public Works

ABOVE RIGHT: As part of establishing new service points and making our offices easily identifiable the refurbished, Home Affairs offices contain the new “Look and Feel” and features such as information boards and sophisticated chairs for customers’ comfort

Programme Performance

Progress Against Targets in the Strategic Plan 2009/10

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
Strategic Goal 2: To establish and maintain secure, effective, efficient, accurate and integrated data systems							
Measurable Objective 2.1: Ensure a secure and effective data management capability							
2.1.1	DHA key applications / systems stabilised	Percentage (%) of National Population Register (NPR) system stabilised	2.1.1.1	30% NPR data integrity and accuracy implemented (duplicate records removed)	Partially achieved NPR data analysis completed. Key findings documented – e.g. duplicate ID numbers, multiple IDs to one person. Root cause analysis was documented. IS together with Business identified “Quick Wins” to be addressed urgently (critical inconsistencies)	Initial project scope did not include Data Quality Management (DQM) Marker and Business Rules which is a critical component of the data cleanup. Agreement on project charter took longer than anticipated as well as decision-making and approval of key deliverables and milestones. Historical misalignment between Fevertree and DHA affected commitment and buy-in	Information Services
			2.1.1.2	EDMS upgrade completed (capturing and retrieving of information up to 40% of system capability)	Not achieved Decision to resuscitate EDMS was made. Business case and timelines were documented – to be approved by EXCO	Pending litigation Resuscitation project will start in the new financial year	Information Services

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Percentage (%) reduction in audit issues	2.1.1.3	30% of issues in the audit resolved (main systems)	<p>Achieved</p> <p>NPR User Login Security implemented through new Biometric Access Control Management System (BACM) Users enrolled on BACM (4595 users).</p> <p>Implemented Web-Filtering (users can no longer access sites like Face Book, Yahoo etc, which consume a lot of bandwidth).</p> <p>Network rules of access updated and implemented.</p> <p>IT security policy was approved and implementation is underway.</p> <p>IT Security awareness programme is active.</p> <p>Mechanisms used include: Ikhaya, Security Workshops and training of users when they are enrolled onto BACM</p>	NA	Information Services

Programme Performance

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
2.1.2	DHA key applications / systems integrated	Percentage (%) of systems integration (National Population Register - NPR, Home Affairs National Identification System -HANIS, Electronic Document Management System - EDMS, National Immigration Information System -NIIS, Movement Control System - MCS and Passport system) completed as per set implementation plan	2.1.2.1	Systems integrated and 20% of data migrated	<p>Partially achieved</p> <p>NPR enhancements were made to include details of both parents on children birth certificates</p> <p>Movement Control System (MCS) was enhanced for FIFA Confed Cup</p> <p>Implemented BACM system</p> <p>HANIS enhancements; web-based Online Verification was implemented in 273 offices</p> <p>Photo Digitisation Pilot was completed for ID applications</p> <p>Track and Trace was implemented for Permits, Late Registration of Births, Unabridged certificates</p> <p>Implemented Death Status Queries system</p> <p>Completed Child Fingerprint Pilot</p> <p>Completed pilot for 3rd Party verification</p> <p>Live capture rolled out to 40 offices</p> <p>New passport system implemented</p> <p>NIIS verification turnaround time approved</p> <p>No enhancements for EDMS</p>	EDMS due to pending litigation	Information Services
2.1.3	DHA key applications / systems rationalised / enhanced	Status of NPR, HANIS, EDMS, NIIS, MCS and Passport system enhancements	2.1.3.1	NPR, HANIS, EDMS, NIIS, MCS and Passport system enhancements rolled out - according to business requirements	<p>Not achieved</p> <p>NPR enhancements were made to include details of both parents on children birth certificates</p> <p>Movement Control System (MCS) was enhanced for FIFA Confed Cup</p> <p>No enhancements for EDMS and NIIS</p>	EDMS due to pending litigation No enhancement requests from business for NIIS	Information Services

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
2.1.4	2010 and Who Am I Online (WAIO) projects implemented (IT component)	Status of 2010 and WAIO projects implemented (IT component)	2.1.4.1	100% of 2010 IT projects piloted	Achieved Advance Passenger Processing (APP) went live on 23 November 2009 CONFED Pilot conducted by IT and 2010 Team 100% of 2010 projects have been piloted (Travel Document Readers, extended control list, event visa, FIFA list)	NA	Information Services
		Status of WAIO Technology Refresh	2.1.4.2	WAIO Technology Refresh - Iteration I (MCS and Visa systems) implemented	Not achieved Deviation to SARS solution to achieve the technology refresh for ports of entry prioritised for 2010	There were delays with the WAIO solution in relation to 2010 deliverables. DHA and SARS entered into an agreement to provide a solution at ports of entry	Information Services

Strategic Goal 5: To advance cooperation with other government departments and relevant civil society organisations on matters with a focus on improving service delivery and countering corruption

Measurable Objective 5.1: To improve the image of the DHA through proactive measures and interventions

5.1.1	Positive perception and reputation of DHA with all stakeholders established through effective communication including change management	Percentage (%) improvement in perceptions of DHA by internal and external audiences as measured through research surveys	5.1.1.1	8% improvement achieved against 2008/2009 baseline by internal and external audiences	Partially achieved Tracker research, conducted on a quarterly basis, highlights service delivery areas that require attention. These have been communicated to the relevant business units. During the financial year the perception that DHA is rendering a good service increased by only 1% from 24% to 25%. The initiatives implemented to improve the perception of DHA by internal and external stakeholders included: Community-based events including 2 workshops and youth summits, 2 media campaigns, over 15 media briefings, marketing material for Confed Cup, FIFA draw and the NPR campaign	The perception of service delivery is not determined by Communications only. To a large extent, the perception is determined by service delivery standards. Particular focus is being placed on service delivery by both the Civics and Immigration Services branches	Management
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PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Percentage (%) increase in staff and public awareness of DHA services	5.1.1.2	8% increase in staff and public awareness of DHA services	Partially achieved During the financial year the awareness that DHA had improved services rose from 17% to 24%. The initiatives implemented to improve the perception of DHA by internal and external stakeholders included: 3 exhibitions, 3 community events, 2 live broadcasts to staff, 4 editions of the internal newsletter Ikhaya and visits to provincial offices	The perception of service delivery is not determined by Communications only. To a large extent, the perception is determined by service delivery standards. Particular focus is being placed on service delivery by both the Civics and Immigration Services branches	Management
Measurable Objective 5.2: To foster domestic, regional and international cooperation towards improved economic growth and development, including events with strategic importance to the country							
5.2.1	Framework for revising or initiating MoUs and other formal agreements with departments and stakeholders developed and process facilitated	Status of framework and standards of MoUs and agreements	5.2.1.1	Framework in place and conformation of MoUs to set standards ensured	Not achieved	Engagements with main stakeholders not held	Management
5.2.2	All DHA international agreements developed according to approved standards and procedures	Status of process and standards approval and implementation	5.2.2.1	Process and standards approved and implemented	Partially achieved Draft policy for international agreements and priority list of international agreements developed	Draft policy presented to EXCO and in-principle approval granted. To be approved by EMC	Management
5.2.3	Engagement with FOSAD clusters and other fora to support the Programme of Action and advance DHA priorities	Level of quality assurance of inputs to clusters and analytical reports	5.2.3.1	Coordinated and strategic engagement with government departments and other fora according to framework and standards	Partially achieved DHA programme for cluster engagement approved and facilitated, cluster representatives appointed, implementation of programme facilitated at national and provincial level and monthly reporting was effected	The decisions on the changes to the government planning system from the Medium Term Strategic Framework (MTSF) to outcomes and new outcome implementation structure	Management

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
Strategic Goal 6: To transform the Department of Home Affairs into a centre of excellence for securing and affirming the identity and status of persons and delivering a professional, caring and responsive service							
Measurable Objective 6.1: Effective financial governance and accountability through compliant practices and effective systems of risk management and internal control							
6.1.1	DHA framework of risk management, internal control and governance processes established (including business continuity)	Level of compliance with policies, guidelines, performance and governance standards	6.1.1.1	Implementation of risk management, governance and internal control mechanisms within specific business units	<p>Achieved for Risk Management Risk Management strategy, policy and terms of reference for Risk Management Committee developed Risk Management structure established (Director and Risk Representatives appointed, Risk Management Committee in place) Risk register developed</p> <p>Partially achieved for Internal Audit 58% of audits conducted</p>	Over-ambitious target setting Normal audits were converted to control self assessments which affected 18 offices	Management
6.1.2	Compliance to prescribed laws, regulations and supply chain rules (including management standards, accounting and budgeting prescripts)	Status of compliance with GRAP, PFMA and National Treasury Regulations	6.1.2.1	100% compliance to relevant acts	Achieved Committees appointed and standard operating procedures reviewed	NA	Financial Services
Measurable Objective 6.2: Effective strategic sourcing of service providers to ensure value for money and accountability for delivery							
6.2.1	Effective supplier and contract management established	Status of strategic vendor relationship model and performance scorecards	6.2.1.1	Strategic vendor relationship model and performance scorecards for contracts developed and implemented	Achieved	NA	Financial Services

Programme Performance

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
Measurable Objective 6.3: Effective costing of product and service lines							
6.3.1	Major product/ service lines costed and tariff structures aligned	Status of product / service lines and tariff structure	6.3.1.1	All existing departmental product/ service lines costed and tariffs reviewed	Achieved Reviewed tariffs gazetted and implemented. All revenue administering offices are using the revised tariffs	NA	Financial Services
			6.3.1.2	Existing tariff model and structure reviewed to identify weaknesses/ potential areas for revision/ principles	Achieved Reviewed tariffs gazetted and implemented. All revenue administering offices are using the revised tariffs	NA	Financial Services
Measurable Objective 6.4: Effective revenue and cash management for the maximisation of revenue potential							
6.4.1	Comprehensive revenue maximisation strategy developed and implemented	Status of revenue collection implementation and actual collections	6.4.1.1	Adequate revenue collection and reconciliation procedures and tools for offices in line with the rollout of the receipting solution developed and implemented	Achieved Receipting solution rolled out to 100 sites	NA	Financial Services
Measurable Objective 6.5: To provide efficient support to DHA core service units							
6.5.1	Leadership and governance capability enhanced and strengthened to ensure organisational operational efficiency	Status of governance model approval and implementation	6.5.1.1	Governance model for DHA designed, approved and implemented	Partially achieved Committee structures were designed and some approved but not all committees implemented	Overall governance principles, structure and process should have been approved first Proposal to be made to EXCO on how this issue should be taken forward	Management

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Status of establishment of Enterprise Programme Management Office (EPMO) to coordinate and govern strategic projects in the DHA	6.5.1.2	EPMO established and operational	Achieved The EPMO was established, using an EPMO project build method. EPMO processes, guidelines and procedures were developed and communicated for use to the various programmes. A change management framework, approved by EXCO, was communicated to the various programmes. Implementation guidelines were developed and used by the running programmes and projects within the organisation	NA	Management
		Status of structure and processes required to establish strategic monitoring and evaluation in DHA	6.5.1.3	Structure and processes required to establish strategic monitoring and evaluation in DHA defined	Partially achieved Progress was recorded on establishing a M&E strategy, framework and high level processes as well as a suitable structure. Performance information verification was introduced	Capacity constraints in M&E unit and business were experienced. Approval of M&E strategy and consensus on concept of M&E in the DHA required Establishment of dedicated capacity in business units and branches for planning and reporting in DHA approved. Posts in M&E directorate classified as a critical area for which funding is required	Management
6.5.2	Comprehensive framework for DHA policy and legislation in place	Status of policy and legislation framework development	6.5.2.1	Policy framework approved	Partially achieved Framework as originally conceived no longer applicable	Focus has shifted to dealing with policy gaps in Civics and Immigration respectively drawing on the work on the overall framework	Management

Programme Performance

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Status of legislative review and development	6.5.2.2	Review and development of legislation according to priorities within an overall programme	Partially achieved Policy and legislative programmes still under development Bills on legislative programme developed	Legislative programme 2009/10 not implemented based on decision by EMC during the latter part of the second quarter regarding new procedure to be followed in deciding which legislation should appear on legislative programme. Legislative processes adjusted in order to ensure compliance and Bills on the legislative programme will be rolled over to 2010/11	Management
6.5.4	Corruption minimised through competent analysis, identification, prevention, investigation and prosecuting processes	Status of Integrity Management model established	6.5.4.1	Establishment and capacitation of model for Integrity Management Unit (IMU) commenced	Achieved Model was approved by Executive Management Committee (EMC)	NA	Management
		Status of the establishment and effectiveness of processes to prevent corruption	6.5.4.2	Effective processes to prevent corruption in place and corruption related trends identified, remedial actions taken and monitored	Achieved Business processes / occupational groups were evaluated with regard to corruption related risks and a National Awareness Campaign conducted	NA	Management

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Status of Counter Corruption Plan revision, implementation and monitoring	6.5.4.3	Counter Corruption Plan revised, implemented and monitored to ensure a comprehensive consolidated and multi-sectoral approach	Partially achieved Approximately 60% of work has been finalised	Late finalisation of plan due to capacity constraints Revised Counter Corruption plan to be presented to EXCO for approval	Management
6.5.5	Full compliance with Minimum Information Security Standards (MISS) established and sustained	Percentage (%) of high priority security threats and risks addressed	6.5.5.1	100% of high priority security threats and risks addressed	Partially achieved 174 out of 200 offices evaluated with regard to high priority security threats and risks	No Control Security Officers in 2 provinces New Counter Corruption and Security structure to provide for sufficient number of officials to conduct evaluations	Management
		Number of additional offices with electronic security systems installed	6.5.5.2	Electronic security systems installed at a further 27 offices	Not Achieved Suspected tender irregularities resulted in the suspension of this target pending the outcome of the audit findings	Suspected tender irregularities resulted in the suspension of this target pending the outcome of the audit findings	Management

Programme Performance

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
Measurable Objective 6.6: Achieve organisational effectiveness by building capability and capacity that will transform DHA into a high performing organisation							
6.6.1	Integrated HR strategy fully implemented	Status of below SMS migration completion Number of permanent and contract posts filled Percentage (%) of priority posts filled	6.6.1.1	Migration of below SMS employees finalised 690 permanent posts filled and 780 contract workers appointed	<p>Achieved Letters issued to Branch Heads for distribution to employees in the relevant branches Posts created on the organisational structure to ensure placement of employees in business units where posts were previously abolished whereas there is still the need for performance of the specific function</p> <p>Partially achieved 285 permanent posts filled: 143 appointments, 43 transfers and 99 promotions</p> <p>Achieved 1438 contract workers appointed (Contract positions filled exceeded the number initially planned for (780))</p>	Organisational structure was reviewed to revert back to the provincial structure. As a result some positions that were on the 2008 structure and as such identified as critical were abolished, e.g. Zone managers posts were replaced by provincial manager posts. For instance where there were three Director posts to perform Immigration duties in the provinces, the review resulted in one post of Immigration Head at Director level, where posts on salary level 7 were abolished, they had to be created, etc. This had an impact on the rate of filling of permanent positions which were identified as critical	Corporate Services
		Percentage (%) of targeted employees trained and developed	6.6.1.2	100% of targeted employees trained and developed	<p>Achieved 3000 employees had to be trained Total of 1 1574 training interventions were attended by DHA employees (average of 3 interventions per official trained)</p>	NA	Corporate Services

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Percentage (%) implementation of Labour Relations Improvement Plan	6.6.1.3	35% implementation of Labour Relations Improvement plan to fast track the finalisation of cases	Achieved 4 Chairpersons for disciplinary hearings appointed on contract to fast track the finalisation of disciplinary cases This resulted in an improved turnaround time in resolution of cases whereby it now takes 82 days to finalise cases	NA	Corporate Services
		Status of implementation and review of Performance Management and Development Framework	6.6.1.4	Performance Management and Development Framework fully implemented	Partially achieved The Performance Management and Development Policy was reviewed, approved, and rollout conducted	Partial achievement is attributed to the culture of lack of people management and stakeholder cooperation. Despite the technical support provided, the target to achieve 100% compliance was not achieved. However, the trend in the Department is that at the end of the performance cycle, compliance improved greatly to almost 90%. To address the non-compliance challenge, a Performance Management Plan has been developed and will be rolled out in the new financial year. In future, line managers will be held accountable on the management of people through their performance agreements	Corporate Services

Programme Performance

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Status of review and implementation of Service Excellence Awards framework	6.6.1.5	Framework for Service Excellence Awards reviewed and implemented	Achieved Service Excellence Awards Framework approved and rolled out. Service Excellence Awards nomination process finalised. Award giving ceremony scheduled to take place in the new financial year (2010/11)	NA	Corporate Services
		Percentage (%) implementation of Performance Enhancement Programmes	6.6.1.6	100% implementation of targeted Performance Enhancement Programmes	Achieved Financial and stress management and Executive Wellness Programmes rolled out. HIV/AIDS awareness programme rolled out. Absenteeism management programme rolled out	NA	Corporate Services
6.6.2	Establishment of a Learning Centre	Status of development initiatives Operational status of Learning Centre	6.6.2.1	Business case, implementation plan and governance structures developed	Achieved Business case, implementation plan and governance structures were developed and approved by EXCO	NA	Corporate Services
Measurable Objective 6.7: To develop and implement an efficient and effective HR Branch that will support DHA strategic objectives							
6.7.1	HR functional effectiveness as a strategic business partner achieved	Percentage of prioritised HR positions filled	6.7.1.1	100% of prioritised HR positions filled	Partially achieved 80% of priority posts filled (1 DDG and 3 Chief Director posts filled)	Review of the organisational structure contributed to the delayed recruitment process. The outstanding 2 Director positions have been prioritised for filling during the 2010/11 financial year	Corporate Services

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Percentage implementation of planned deliverables achieved (people, systems, processes and policies)	6.7.1.2	100% implementation of targeted planned deliverables on people, systems, processes and policies	<p>Partially achieved Policies on Succession Planning, Employee Wellness Strategy and Special Leave developed and consulted on with Organised Labour. Submission forwarded to the delegated authority for approval of the draft policies. Legal proceedings underway to seek implementation of the policy on Arrangement on Working Time. HR Delegations approved and workshop conducted with stakeholders to facilitate implementation. HR Practitioners trained on HR Strategic Business partnering to improve HR operations</p>	<p>Protracted consultation process and mandating process; worsened by the state of employer-employee relations.</p> <p>Mandating process has been revised.</p> <p>Consultation process with Organised Labour needs to be reviewed</p>	Corporate Services
		Status of establishment of inter-branch relationship forum	6.7.1.3	Inter-branch relationship forum (e.g. Integrated HR Forum) established and implemented	<p>Achieved Inter-branch relationship framework developed and approved. Members nominated. Inter-branch Relationship forum launched and first meeting held. HR strategic positioning assessment conducted in line with DPSA directive</p>	NA	Corporate Services

Programme Performance

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
Measurable Objective 6.8: Support the business year on year with the required technology infrastructure based on agreed service level agreements							
6.8.1	Operational efficiency of IS enhanced to deliver critical support to business	Status of IT security	6.8.1.1	Alignment to IT MISS and IS security governance framework achieved	Achieved DHA IT Security Policy is aligned to MISS and IS security governance framework (emphasis on managing and controlling of information and documents) BACM system implemented Network rules of access defined and implemented in the new VPN Implemented security awareness programmes Awarded the Intrusion Detection / Intrusion Prevention System (IDS/IPS) tender	NA	Information Services
		Level of service management and IS governance improvement	6.8.1.2	Overall IT strategic architecture redefined and aligned (Master Systems Plan or MSP)	Partially achieved A proposal (Business Case) on an alternative implementation strategy was presented to EXCO and EMC for approval	Over-ambitious target setting	Information Services
			6.8.1.3	ITIL standards for IS services adopted and implemented as per plan (best practice for IT / IS)	Partially achieved Initiated Asset Audit project Instituted a Change Control Board Defined an IS Services Catalogue	Lack of capacity Approval of IS Service Management structure took longer than anticipated therefore recruitment could not be initiated	Information Services

PROGRAMME I - ADMINISTRATION

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Status of upgrading of overall IS infrastructure	6.8.1.4	Core network capability implemented (Virtual Private Network or VPN)	Achieved VPN project was successfully implemented and SITA provided delivery notes to DHA and continuous monitoring is made on monthly basis. Quality of Service (QoS) was implemented only for BAS. 64 Foreign Missions are connected through the DHA/ DIRCO VPN	QoS could not be done for all key applications Process of prioritising between IT and Business required more time than anticipated	Information Services
			6.8.1.5	Revised technology requirements rolled out to DHA offices in accordance with plan: upgraded end user computing, email decentralisation, data centre availability	Achieved for end user computing Annual target was 2000 end user devices refreshed. 2 206 end user devices were refereshed for the financial year 2009/2010	NA	Information Services
					Not achieved for data centre availability SLA with Datacentrix to cater for backups was renewed and extended Maintenance and procurement of Backup Hardware was approved by BAC, DDG IS and DG	Insufficient resources to drive implementation of the project	Information Services
					Achieved for Email Decentralisation DHA Provincial Offices have easy access to Emails without using Head Office. Email access is faster and reliable. Downtime of a particular office does not affect other offices, e.g. Head Office does not affect provinces	NA	Information Services

Programme Performance

SERVICE DELIVERY ACHIEVEMENTS FOR PROGRAMME 2: SERVICES TO CITIZENS

Sub-programme: Management

As at the end of March 2010, there were 13 top management positions from the level of Chief Director and higher of which six were filled and seven were vacant. During the review period, two vacant posts were advertised and one was filled.

The branch holds weekly operations management update meetings, branch meetings on a monthly basis, project status update meetings on a monthly basis, quarterly review meetings and office visit meetings on a regular basis.

Strategic planning was conducted at the end of the 2008/09 financial year and the Annual Performance and Business Plans were developed during the first month of the 2009/10 financial year.

In respect of financial management, the Deputy Director-General: Civic Services is the Programme Manager for the branch, Chief Directors in head office and Provincial Managers are Sub-Programme Managers and Directors are Responsibility Managers. Managers are responsible for monitoring the budget and expenditure for their respective business units and provide reports on a regular basis.

Sub-programme: Status Services

New Passport System

The Department implemented a new passport production system at the Government Printing Works (GPW) High Security Printing Facility in Tshwane. A new South African passport was also introduced with unique South African quality features and improved security features.

Process Improvements

Operations management was rolled out for the births, marriages and deaths work streams. Track and Trace was also implemented for births, citizenship, late registrations of birth, amendments and rectifications and this contributed to the development of statistical reports based on information extracted from the National Population Register. It is now possible to view each of the mentioned work streams end-to-end and identify areas of concern. To assist front offices, Frequently Asked Questions handbooks were provided and the process implementation team provided relevant training.

National Population Registration Campaign

In an effort to gradually improve the integrity of South African enabling documents, the Department launched the National Population Registration campaign on the 23rd of March 2010. The success of the launch can be attributed to positive stakeholder participation in the campaign from the onset. Through this campaign, the Department will ultimately ensure that South Africans comply with the legal requirement to register a birth within 30 days of the birth event.

Live Capture Technology

To secure the process of applying for South African passports, the Department implemented live capture technology at the 40 highest volume offices. This technology reduces exchanging of biometric images and the turnaround time to issue passports. Manually captured passports have an average turnaround time of 29 days and passports captured through means of live capture technology have an average turnaround time of 14 days. This is an efficiency gain of 15 days. This efficiency gain is mainly achieved through the online verification of fingerprints that ultimately eliminates the need to manually forward fingerprints to the Central ID Production Facility in Tshwane for manual verification by skilled Fingerprint Experts. The Department will continue to consider options to expand on this live capture technology



President Jacob Zuma led from the front during the Department's services to citizens programme

to eliminate manual processes and reduce human intervention in the issuance of enabling documents.

Sub-programme: Identification

Commercial Verification

During the review period, a pilot project was undertaken to assess the feasibility of introducing online fingerprint verification in banks. Seven banks participated in the pilot namely, African Bank, Capitec, ABSA, Nedbank, FNB, SBCA and Teba. Feedback from these banks was positive and two confirmed cases of fraud were identified through the means of the online technology. An Agreement of Intent was signed between the South African Banking Risk Information Centre (SABRIC) and the Department on 16 March 2010. The Agreement provides SABRIC with the opportunity to access information from the database of the Home Affairs National Identification System (HANIS) for the purpose of verifying bank clients against personal information held by the Department.

Sub-programme: Home Affairs National Identification System (HANIS)

Online Fingerprint Verification

The Department continued to expand on the use of online fingerprint verification at front offices. During the review period, 46 additional offices were equipped with this technology. The total number of offices with online verification by the end of the review period was 273. This technology eliminates the need to verify fingerprints in person whose fingerprints are stored in the database of the Automated Fingerprint Identification System (AFIS). The Department continues to provide temporary enabling documents in a timely manner.

Sub-programme: Provincial Civic Services

Late Registration of Birth (LRB) and On-the-Spot Adjudication

The Late Registration of Birth (LRB) process as was originally revised during 2008 created substantial backlogs of applications both at head office and in provinces. A review of the LRB process was done and the Department implemented a seamless approach. This required front offices to conduct interviews of applicants and informants on the same day that their applications are submitted to the Department. The initial process did not require the on-the-spot adjudication. Interviews were originally conducted after fingerprint identification was conducted at head office and after all source documentation was verified. As a result of the revised process of on-the-spot interviews, the Department managed to substantially reduce the backlog of late registrations of birth from 86 689 to 21 609 by the end of March 2010. In addition to the process review, the Department employed 559 additional contract workers to assist with the processing of LRB applications at front offices.

Stakeholder Forums

Two stakeholder forums were successfully launched in the Sisonke District Municipality, Kwa-Zulu Natal as well as the OR Tambo District Municipality in the Eastern Cape. The engagement with communities through stakeholder forums was necessary for the launch of the National Population Registration Campaign in March 2010, as outlined above.

Sub-programme: Civic Channel Management

Footprint Expansion

The Department planned to open 13 new service delivery points during the review period. A total of 21 new service

points were opened. This increased the Department's ability to provide a fulltime service to rural communities.

With regard to the Customer Service Centre, 1 509 036 contacts (calls, faxes and e-mails) were attended to during the reporting period. Ninety-nine percent of calls were answered in less than 20 seconds – against an 80 percent target in the service level agreement - with an abandonment rate of 0.74 percent.



The Department values engaging with stakeholder forums. Here Deputy Minister Mr Malusi Gigaba is participating at the launch of the Anti-Child Pornography campaign, held at Maponya Mall

Programme Performance

Service Delivery Objectives and Indicators

Performance Indicator	Target	Actual	Reason(s) for Deviation
Number of days to issue an unabridged birth, marriage and death certificate	20	20	NA
Number of new birth, death and marriage registrations	2 251 803	2 044 496	Due to tightened procedures regarding the Late Registration of Birth (LRB) process, fewer LRB applications were processed during the review period. During 2008/09 the number of LRBs finalised was 510 048 and 277 542 during 2007/08 as opposed to a total of 158 484 for the 2009/10 review period. Actual volumes could not have been accurately forecasted as this is subject to demand for services
Number of days taken to issue all passports and travel documents	10	29 (manual passports) 14 (live capture)	The annual target of 10 days was based on the implementation of live capture. During the review period, only 40 live capture stations were rolled out to high volume offices. Hence, there are two different "actuals" provided. Ten days could not be achieved for applications captured through conventional capturing facilities as a large percentage of these cases must undergo manual enhancement. Manual enhancement is an additional process in the issuance of passports aimed at improving image quality to ensure that passports are ICAO-compliant. Ten days have not been achieved for passports captured through live capture due to the manual enhancement that must also take place. The live capture solution was designed with automatic image enhancement software for implementation at front offices. This software has not yet been implemented. Hence, the need to manually enhance some images at the Passport Issuing Office in Tshwane
Number of new passports and travel documents issued	1 308 942	938 135	The issuing of passports is subject to demand for this product. During the review period, there was significantly less demand for tourist passports, child passports, temporary passports as well as emergency passports as compared to previous years. It may be deducted that this slump is the result of the recession encountered during the review period. Notably, there was not a significant decrease in the issuance of official and diplomatic passports as opposed to previous years

Performance Indicator	Target	Actual	Reason(s) for Deviation
Number of days to issue an identity document (first issue)	45	51	<p>The following challenges were encountered during the review period:</p> <ul style="list-style-type: none"> - Prolonged turnaround times for the retrieval of original birth, marriage and death records required for verification purposes - Prolonged turnaround times for the verification of permanent residence and - System downtimes and the implementation of Biometric Access Control Management (BACM) system also had an impact on the turnaround time <p>Records management in DHA has long been cited as a cause of delay with the ability to negatively affect turnaround times in respect of the following services and products: Amendments, rectifications, adoptions, duplicate cases, unabridged BMD certificates as well as first identity documents</p>
Number of days to issue an identity document (second issue)	30	37	<p>There was an increase of volumes due to the outreach campaigns implemented. The normal average is approximately 10 000 applications daily. This has since increased to approximately 14 000 per day. There was also system down times and delays due to the BACM system</p>
Number of new identity documents issued	1 986 000	2 567 414	<p>The DHA intensified efforts to reach learners and ensure that they apply for their identity documents. The carry through from the 2008/09 financial year also contributed to the significantly higher performance than planned as the General Elections took place during April 2009. Voters were allowed to vote with temporary identity certificates and closer to the elections, applications for temporary identity certificates increased by an average of 5 000 per day. This had a ripple effect on the number of ID applications received as it is compulsory to apply for the reissue for an ID if an application is made for a temporary identity certificate</p>
Total number of citizenship certificates (naturalisation) issued	37 522	28 266	<p>Less permanent residents qualified for citizenship as anticipated due to various reasons. The most prominent reason being foreign travelling. A permanent resident may apply for citizenship after residing in the Republic for a period not shorter than five years, although there are few exceptions to this rule. However, travelling abroad influences the five years. If a permanent resident travels extensively, he / she will technically have to wait longer to qualify for citizenship as the travelling periods are deducted from the compulsory period of residence (5 years)</p>
Number of calls handled by the customer service centre each year	1 500 000	1 509 036	<p>Increased demand for service</p>
Total number of civic service points	691	705	<p>More projects that realised from previous years' roll overs</p>

Programme Performance

Statistical Information

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
Passports and Travel matters	Issue passports	Number of passports issued: <ul style="list-style-type: none"> • Tourist passports • Child passports • Official passports • Document for travel purposes • Diplomatic passports • Temporary passports • Emergency passports • Crew member certificates • Maxi passports 	628 570 148 966 10 074 1 157 1 613 92 895 35 755 905 18 200
Citizenship	Process citizenship applications	Number of: <ul style="list-style-type: none"> • Naturalisations • Renunciations • Deprivations • Resumptions • Citizens by descent registrations • Retentions • Restorations 	7 973 1 268 2 405 10 273 7 960 385
Population registration	Births, marriages and deaths Register births, marriages and deaths; issue relevant certificates; process applications for amendments; solemnize marriages; designate marriage officers and appoint registering officers	Number of registrations: <ul style="list-style-type: none"> • Births (under 15 yrs) • Above 15 years (new category) • Marriages • Civil • Customary • Civil Union • Deaths (554 193 with ID numbers and 103 612 without ID numbers) Number of certificates issued: <ul style="list-style-type: none"> • Births • Abridged • Unabridged • Marriages • Abridged • Unabridged • Deaths • Abridged • Unabridged 	1 147 990 174 084 180 331 13 753 1 010 647 805 1 618 825 107 941 268 876 26 142 700 002 6 296

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
		Number of personal amendments processed: <ul style="list-style-type: none"> • Surnames: Majors • Surnames: Minors • Forenames: Majors • Forenames: Minors • Insertion of surnames • Dates of birth • Re-registration • Adoptions • General Number of divorces recorded Number of marriage officers designated <ul style="list-style-type: none"> • Church • Department Number of registering officers appointed (customary marriages) Fraudulent marriages Fraudulent deaths	2 010 60 433 3 895 17 160 5 8 469 48 963 1 365 22 218 37 849 1 073 162 100 1 450 1 988
	Identity documents Issuing of identity documents to all South African citizens and persons to whom permanent residence have been granted	Number of identity documents issued in terms of the Department's Statement of Standards	2 567 414

Programme Performance

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
Home Affairs National Identification System (HANIS)	Updating database, system usability and role-out of the automated fingerprint identification system (AFIS)	Populating the AFIS database AFIS usability <ul style="list-style-type: none"> • IDC applications (first time on AFIS) 1 333 555 • IDC re-issues 2 416 • ID determination 8 • 10 print searches 228 238 • Hard copy records verified (AD-HOC) 2 871 903 <ul style="list-style-type: none"> • Remote verification (on-line) 2 576 345 AFIS rollout <ul style="list-style-type: none"> • Departmental offices with online verification 273 • Government departments with online verification 0 • Private entities with online verification 40 pilot sites through SABRIC Total number of fingerprints records on the AFIS database <ul style="list-style-type: none"> • Case files 2 117 893 • ID applications 32 475 819 	

Progress Against Targets in the Strategic Plan 2009/10

PROGRAMME 2: SERVICES TO CITIZENS							
Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
Strategic Goal 1 : To provide secure, efficient and accessible services and documents to citizens and lawful residents in accordance with national priorities, legislation and international standards							
Measurable Objective 1.1: To ensure effective, efficient and accessible service delivery to clients through the provision of enabling documentation							
1.1.1	Accessibility enhanced through establishment of targeted service delivery points	Number of permanent service delivery points established	1.1.1.1	* 13 additional permanent service delivery points established	Achieved 21 new service delivery points were opened	NA	Civic Channel Management

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Percentage of mobile units operational Status of operating model approval and implementation	1.1.1.2	80% of mobile units operational	Partially achieved Maximum operationality achieved was 78%	SENTECH was appointed to fix the satellite connectivity. The supplier of the satellite dishes is stationed abroad and the lead time for a batch of ten satellite dishes is three weeks. Due to trade limitations, only one batch of ten satellite dishes can be ordered in a single consignment	Civic Channel Management
				New operating model for mobile units approved	Partially achieved The Technical Assistance Unit at National Treasury was sourced to conduct research on the proposed operational model	Research took longer than anticipated A report with recommendations was provided to DHA. The implementation plan must still be drafted	Civic Channel Management
1.1.2	Products and services rendered within specified time frames	Degree of compliance with specified timeframes in respect of number of days to issue unabridged birth, marriage and death (BMD) certificates for new registrations	1.1.2.1	90% of all applications for unabridged BMD certificates for new registrations correctly processed and issued within 20 days at offices of origin	Achieved The population register has been adapted to ensure that the details of both parents are recorded on initial registration. Hence, unabridged certificates for new registrations can be printed and issued as soon as the initial registration has taken place	NA	Status Services

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Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Degree of compliance with specified timeframes in respect of number of days to issue IDs (first issue)	1.1.2.2	Applications for ID (first issue) correctly processed and issued within 45 days	Partially achieved The average turnaround time for the year was 51 days	The following challenges were encountered: *Prolonged turnaround times for retrieval of original birth records *Prolonged turnaround times for verification of permanent residence *System downtimes and delays due to unstable Biometrics Access Control Management (BACM) system	Identification
		Degree of compliance with specified timeframes in respect of number of days to issue IDs (re-issue)	1.1.2.3	Applications for ID (re-issue) correctly processed and issued within 30 days	Partially achieved The average turnaround time for the year was 37 days	Increase of volumes due to the outreach campaigns implemented. Normal daily average increased by approximately 4 000 applications. System down times and delays due to Biometric Access Control Management (BACM) system	Identification
		Degree of compliance with specified timeframes in respect of number of days to issue IDs (temporary IDs)	1.1.2.4	Applications for ID (temporary ID) correctly processed and issued within 1 day at 90% of DHA service points	Partially achieved Online verification was rolled out to 273 DHA offices. At these centres, temporary identity certificates can be issued on the spot if the verification results are positive	Online verification is not implemented at 90% of service points	Identification

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Degree of compliance with specified timeframes in respect of number of days to issue passports	1.1.2.5	Applications for machine readable passport correctly processed and issued within 10 days	Partly achieved The average annual turnaround time is 29 days for passports issued in terms of the manual process and 14 days for passports issued through means of the live capture system (40 offices)	The following challenges were encountered: *Technical complications with the transfer of data from the old to the new passports *Delayed live capture rollout to additional offices *A passport backlog of 63 000 was accumulated and was eliminated by the end of July 2009	Status Services
		Degree of compliance with specified timeframes in respect of number of months to issue citizenship certificates	1.1.2.6	Citizenship certificate correctly processed and issued within 6 months	Not achieved Naturalisation certificates take an average of 8 months to issue	Delays in obtaining case files for the verification of permanent residence permits	Status Services
		Degree of compliance with specified timeframes in respect of number of days to issue temporary passports and emergency travel certificates (ETC)	1.1.2.7	Temporary passport correctly processed and issued within 3 days and ETC within 1 day	Achieved The implementation of online fingerprint verification at front offices eliminates the need to conduct manual verification through the head office. Hence, it is possible to issue these enabling documents within the targeted timeframes	NA	Identification
		Degree of compliance with specified timeframes in respect of number of days to issue abridged birth, marriage and death certificates	1.1.2.8	Abridged birth, marriage and death certificate correctly processed and issued within 1 day at 90% of DHA service points	Achieved Births of persons 0 to 15 years are registered on the same day of receipt thereof and a certificate is issued on the spot	NA	Status Services

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Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Degree of compliance with specified timeframes in respect of number of months to issue late registration of birth (LRB) certificates	1.1.2.9	LRB application correctly processed and finalised within 4 months	Achieved On the spot adjudication was introduced, 559 contract workers were appointed and a backlog of 86 689 was reduced to 21 609 by the end of March 2010. 86 additional screening committees were appointed to conduct on the spot screening of applicants and informants (total screening committees now standing at 176)	N/A	Status Services
1.1.3	Secure civics and immigration related processes, systems, records and enabling documents to combat fraud and corruption	Status of ID card pilot	1.1.3.1	ID card specifications drafted, rollout plan finalised and ID card pilot initiated	Cancelled A tender was published, adjudication was finalised and recommendations for the appointment of a suitable service provider were forwarded to SITA for consideration. The former Accounting Officer wrote a letter to SITA on 19 August 2009 to cancel the tender	There were also significant delays by SITA in awarding the contract to a service provider. Hence, the Department cancelled the tender. The funding was utilised for other projects	Identification
		Percentage (%) of data clean up (multiple persons sharing same ID)	1.1.3.3	Additional 25% of affected records cleaned up	Achieved The total finalised for the year was 5 021 of a baseline of 10 000 (50,2%)	NA	Identification
		Percentage (%) of data clean up (one person with multiple IDs)	1.1.3.4	Additional 20% of affected records cleaned up	Achieved The total finalised was far beyond that was planned for the year. 36 865 were finalised out of a baseline of 8 000. The balance was new applications received	NA	Identification

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Status of photo digitisation implementation	1.1.3.5	Photo digitisation implemented (scanning of photographs into IDs)	Partially achieved Scanning stations are already in place and SITA is ready for scanning photographs in IDs. Hot lamination will also be implemented by SITA when DHA introduces the new procedure. Samples of the new format of ID (excluding all Afrikaans usage and the page for drivers license) were printed and approved by the Executive Committee (EXCO) of the DHA	There are two remaining components of the Change Request that were not implemented, namely, image enhancement and quality checking. In this regard, software must be developed and implemented at the scanning stations (image enhancement) as well as the Data section (quality check)	Identification
		Number of offices with live capture	1.1.3.6	Live capture technology implemented at 30 offices	Achieved 40 live capture stations were rolled out to high volume offices	NA	Status Services
		Status of implementation of taking fingerprints of children on a national basis	1.1.3.7	Research initiated into strengthening of the capturing of identity of minors	Achieved The fingerprints of 128 children have been tested and are currently stored in Home Affairs National Identification System (HANIS). Four portable devices (suitcases) were also developed for testing of 20 000 additional children	NA	Identification
		Status of review of birth registration Percentage of recommendations implemented	1.1.3.8	Birth registration process reviewed, including late registration of birth, and recommendations implemented	Partially achieved Regulations in terms of the Births and Deaths Registration Act was drafted	Delays to obtain approval for the draft Regulations and delays from the Department of Health in relation to proposals for confirmation of births that take place at hospitals	Status Services
		Status of pilot conducted Number of identified 3rd parties equipped with online fingerprint verification	1.1.3.9	3rd party online fingerprint verification piloted (commercial verification)	Achieved A pilot at two banks was conducted and concluded	NA	Identification

Programme Performance

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Number of offices, mobile units and ports of entry with online fingerprint verification	1.1.3.10	Online verification rolled out to 23 offices, 117 mobile units and OR Tambo International Airport and Durban International Airport	<p>Partially achieved Online verification was rolled out to 46 additional offices during the review period</p> <p>The rollout of online verification to mobile units was commenced and by the end of December 2009 (Q3) was rolled out to 50 out of 117 mobile units.</p> <p>A request to obtain approval from Immigration Services for the location of the devices was drafted and forwarded for consideration</p>	<p>The rollout of online verification to mobile units was discontinued due to security concerns raised by NIA</p> <p>The rollout of online verification to ORTIA and Durban International Airport was not commenced due to delays to obtain approval for the location of the online verification facilities</p>	Identification
1.1.4	Electronic Document Management System (EDMS) implemented	Degree of functionality Percentage of backscanning completed	1.1.4.1	EDMS upgraded to cater for retrieval of BMD records	<p>Not achieved A Business case was developed and approved during quarter 2 (period July to September 2009)</p>	Pending litigation against DHA in relation to the existing EDMS is restricting all attempts to upgrade the existing system	Status Services
		Percentage of microfilm records converted to data format for viewing	1.1.4.2	10% of 18 million cases converted	<p>Not achieved The procurement process was initiated</p>	The appointment of the service provider was delayed	Status Services
1.1.5	Birth, marriage and death (BMD) records sorted and indexed	Number of BMD records sorted and indexed	1.1.5.1	15 million BMD records sorted and indexed	<p>Achieved All BMD records received at head office were sorted and indexed. The total volume for the year 2009/10 was 6 930 065 (the 15 million records were an estimate)</p>	NA	Status Services

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
1.1.6	Improved customer interaction by focusing on customers and their needs and rendering services in a professional manner	Number of centres of excellence established	1.1.6.1	4 centres of excellence established	Not achieved Two existing offices were identified where the Centres can be established (Bloemfontein and Vereeniging)	Over-ambitious target setting	Civic Channel Management
1.1.7	Fully functional offices appropriate for staff and customers created	Number of offices refurbished to adhere to minimum standards in respect of corporate identity	1.1.7.1	30 offices refurbished according to minimum standards	Achieved 30 offices were upgraded with the new look and feel	NA	Financial Services
1.1.8	Awareness raised to emphasise the importance of registration of births, marriages, deaths and safeguarding of enabling documents	Number of national campaigns launched / sustained	1.1.8.1	National campaign launched to ensure that the births of all persons below 16 years of age are registered National campaign launched for first issue of IDs for 16 years and above	Achieved Pilot projects were launched in Zones 1 and 3. President Jacob Zuma officially launched the National Population Registration (NPR) Campaign on 23 March 2010	NA	Status Services
		Number of public education campaigns initiated / sustained	1.1.8.2	Public education campaign in respect of safekeeping of documents initiated	Not achieved Communications marketed the NPR Campaign in preparation for the Launch by President Zuma on 23 March 2010	It was decided to focus on the other key aspects of the NPR campaign	Status Services
1.1.9	Efficient and effective services provided through the Contact Centre	Percentage (%) of call resolution by contact centre	1.1.9.1	95% of calls answered within 20 seconds at the contact centre	Achieved 99% calls were answered within the 20 second threshold	NA	Civic Channel Management

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
1.1.10		Percentage (%) of queries resolved within agreed timelines as specified in SLAs call resolution by contact centre	1.1.10.1	100% queries resolved within agreed timelines as per SLAs	Partially achieved 72% of second line cases were resolved within agreed timelines	Most second line cases depend on retrieval of BMD records for finalisation. Delays in accessing records have caused delays in reaching the targeted finalisation times	Civic Channel Management



The Department's Immigration Services officials have been highly trained to be effective in the management of immigration services

SERVICE DELIVERY ACHIEVEMENTS FOR PROGRAMME 3: IMMIGRATION SERVICES

During the period under review, the management of Immigration Services was largely influenced by progressive measures within the Department to review its immigration legislation, ultimately supporting the reformulation of key policies and defining a new approach towards the management of immigration. To this end, key stakeholder engagement occurred to shape how immigration is proactively managed in response to global trends and more specifically, developments on the African Continent. The repositioning of Immigration Services was geared towards the application of a risk methodology that will maximise benefit and minimise risk to South Africa. Such repositioning will also support the building of the South African economy through the facilitation of scarce and required business skills. It is expected that the finalisation of this policy and legislative amendment will be concluded in the 2010/11 reporting cycle.

The DHA 2010 Project Team has completed the conceptualisation and testing of all 2010 FIFA World Cup related projects. All designs are complete and knowledge gained from the FIFA Confederations South Africa Cup 2009 held in June and July 2009 as well as the FIFA Draw held on 4 December 2009, has been applied. With projects such as the Advance Passenger Processing (APP), FIFA Accredited list, Volunteers and Operations Centre running, focus was placed on the delivery of all immigration guarantees by the Republic of South Africa to the International Federation of Association Football (FIFA).

Of the 17 guarantees issued by the South African Government to FIFA, four were applicable to DHA namely:

- Entry and exit permits by the Ministry of Home Affairs;
- Work permits by the Ministry of Home Affairs;
- Immigration, customs and check-in procedures by the Ministry of Home Affairs ; and
- Telecommunications and information technology residing within the ambit of the Ministry of Home Affairs.

The DHA 2010 Project Team is proud to have delivered a successful 2010 FIFA World Cup.

Sub-programme: Management

Enhancing the Department's ability to drive and deliver upon the immigration mandate is the appointment of a new Executive Management Team for Immigration Services. During the period January to March 2010, the placement of Chief Directors for Permits, Port Control and Asylum Seeker Management were finalised and the only executive management appointment still outstanding is that for Foreign Office Coordination. It is anticipated that this new management team, coupled with the new appointments at provincial level from 1 May 2010, will provide the leadership required to ensure a progressive transformation and growth of South Africa's Immigration Services.

The newly appointed Immigration Advisory Board (IAB) was officially constituted on 26 February 2010. The IAB is constituted by 14 members and six non-members.

In its current term, the IAB will promote policies supporting national interest, the development of the national economy and giving attention to key legislative requirements that advance the Republic's immigration function.

Sub-programme: Admissions

The implementation of a management plan to separate front and back office processes through the establishment of a Centralised Adjudication Hub for the processing of Temporary and Permanent Residence Permits is a significant step by the Department to eliminate opportunities for corruption and increased efficiency in the processing of such documents within the Department. This was only introduced in the pilot phase.

The management of permit applications is further supported with the implementation of a Track and Trace System, which provides for improved visibility of applications, the tracking thereof, responding to enquiries and assisting with accurate management reporting. The Track and Trace system has been implemented in 15 offices.

These initiatives are underpinned by a Filing Registry developed in partnership with an independent vendor, thereby completing a process that significantly enhances the administration of the permitting environment.

The implementation of Advance Passenger Processing (APP) is a remarkable achievement and went live with Phase One on 23 November 2009. This phase specifically provides a mechanism to pre-screen travellers at foreign airports prior to the departure for South Africa's borders, while Phase Two will later extend to the implementation of this system at our maritime ports of entry.

The rollout of improvement operations at key ports of entry has ensured that the clearance of travellers for the period April 2009 to March 2010 is managed effectively and within the required target of processing persons within a timeframe of between one-and-a-half and two minutes. Time-based studies have been implemented at all major international airports as well as primary land ports of entry, including Beitbridge, Lebombo and Maseru Bridge. While these operations significantly supported immigration during the 2010 FIFA World Cup event, it can be expected that such progressive achievements are sustainable and will significantly increase the efficiency of traveller processing through our demarcated ports of entry. The implementation of the new Movement Control System (MCS) will further assist in this regard.

Sub-programme: Immigration Control

The implementation of the approved Law Enforcement Strategy has led to the prosecution of 767 transgressors of departmental legislation, of which 588 paid admission of guilt fines.

The crackdown on foreigners who illegally possess South African travel documents, the prevention of illegal foreigners from entering the Republic without valid documents and the prevention of conveyers assisting passengers to enter the country illegally, makes a further stand against corruption and the transgression of immigration

Programme Performance

legislation. The Inspectorate has also ensured that the Case Management System (CMS) is able to assist the analysis unit with information on immigration investigations and law enforcement operations.

Sub-programme: Refugee Affairs

There are six permanently established Refugee Reception Centres that receive and process applications for refugee and asylum status across the Republic. Integral to the current composition of these six offices is the formal establishment of an office in Musina during February 2010. Previously - since July 2008 - the Musina office was managed as a temporary office. In addition to these operations, Immigration Services will retain all functionality of an additional Refugee Reception Centre situated at the Tshwane Showgrounds until 31 December 2010. It is noteworthy that all centres are able to sustain an operational requirement of providing appropriate clients with a Section 22 Permit within one day.

Sub-programme: Provincial Immigration Control

To ensure that the Immigration mandate is executed throughout the entire Republic, officials are appointed to undertake functions performed at Asylum and Refugee Reception Centres, Permitting, Inspectorate and Port Control operations in all provinces. Although these operations were previously coordinated from a Head Office environment, the Department is currently in the process of ensuring that Directors responsible for Immigration are appointed within each province. This is expected to enhance coordination and shorten the reporting lines thus enabling a more efficient service to be delivered at provincial level.

Sub-programme: Foreign Missions

Pressures within the global economy have demanded that the Department review its plans to expand its international



As part of improving service delivery countrywide the Department is in the process of enhancing provincial immigration control

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footprint. Instead, the Department undertook a re-categorisation of all current missions based on geographical location, functions performed and level of services required. To this end, all 53 missions have been re-assessed in terms of effecting operational improvements with a view towards improved levels of service efficiency.

The benefits of improved service efficiencies are soon to be experienced at missions abroad with the appointment of an outsourced visa facilitation service. This service will enhance customer experience, reduce corruption and lead to significantly improved turnaround times and service delivery. This service will first be piloted at the Department's missions based in countries that present high volumes or risks.

Statistical Information

Sub-programme	Outputs	Performance Measures / Service Delivery Indicators / Target	Actual Performance / Quantity
Permanent and Temporary Residence		Number of permits issued in terms of the Statement of Standards set by the Minister:	
		- Permanent residence permits	4 083
		- Work permits	5 926
		- Study permits	15 694
		- Visitor's permits	59 524
Visa Control	Processing of applications for visas	Number of visas issued	350 432
Immigration Control	Clearance of persons at ports of entry	Number of persons cleared:	
		- Arrivals	15 623 712
		- Departures	13 724 882
Deportations	Removal of illegal foreigners	Number of illegal foreigners deported nationally	1 060
Refugee Affairs	Consideration of asylum applications	Number of new applications received and Section 22 permits Issued:	364 638 Applications for asylum were received. The same number of Section 22 were issued
		Number of approved cases	9 000 claims were approved
		Number of rejected cases	131 961 claims were rejected
	Issuance of Refugee Identity documents	Number of Refugee Identity documents issued	9 587 Refugee ID books were issued
	Issuance of United Nations Convention Travel Documents	Number of United Nations Convention Travel Documents (UNCTD's) issued in collaboration with the UNHCR	921 Refugee Travel Documents (UNCTD) were issued
Refugee Appeal Board	Consideration of asylum appeals	Number of asylum appeals finalised	No of appeals considered - 3 498
Standing Committee on Refugees	Review and consider cases	Review of manifestly unfounded cases	
		- Approved	Approved - 25 789
		- Rejected	Set aside - 600
		- Considered	Considered - 26 389

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Sub-programme	Outputs	Performance Measures / Service Delivery Indicators / Target	Actual Performance / Quantity
		Consideration of applications for certification of status - Upheld - Set aside - Considered	Granted - 1 940 Set aside - 178 Deferred - 32 Intention to withdraw - 178 Withdrawn - 6 Considered - 2334

Progress Against Targets in the Strategic Plan 2009/10

Programme 3: Immigration Services							
Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
Strategic Goal 1 : To provide secure, efficient and accessible services and documents to citizens and lawful residents in accordance with national priorities, legislation and international standards							
Measurable Objective 1.1: To ensure effective, efficient and accessible service delivery to clients through the provision of enabling documentation							
1.1.3	Secure civics and immigration related processes, systems, records and enabling documents to combat fraud and corruption	Status of biometrics for visa regime introduced	1.1.3.11	Biometric systems development as part of Who Am I Online (WAIO)	Not achieved Requirements were submitted for WAIO	WAIO project was placed on hold	Admissions
			1.1.3.12	Measures introduced to improve security at key ports of entry	Partially achieved Draft plan in place and consultation for its finalisation is in progress	Plan will be adopted in the next financial year and implemented	Admissions
Strategic Goal 3: To facilitate and regulate the secure movement of people into and out of the Republic of South Africa through ports of entry in the interest of national security and in support of development goals							
Measurable Objective 3.1: To regulate migration effectively by enabling the movement of skilled workers into the country and efficiently and securely facilitating the entry, stay and exit of visitors							

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
3.1.1	Expand service delivery to large corporate accounts and grow the number of accounts serviced	Number of targeted accounts serviced	3.1.1.1	70 large accounts serviced	Partially achieved Current client total is 68 and additional clients will be selected in the 2010/2011 financial year	Late approval of expansion plan leading to the late publication of the Gazette	Admissions
		Customer satisfaction index	3.1.1.2	10% satisfaction improvement on baseline findings	Partially achieved 84% was obtained against the baseline of 94%	Adjudication capacity at regional and foreign offices affected the turnaround times of large account clients. The affected offices are Johannesburg, Pretoria and Germiston	Admissions
3.1.2	Products and services rendered within specified timeframes to facilitate movement of skilled persons	Degree of compliance with specified timeframes for various categories of temporary residence permit applications (TRP)	3.1.2.1	TRPs issued within the following timeframes:			
		Degree of compliance with specified timeframes for work permits to be issued	3.1.2.1 (a)	4 weeks for work permit	Partially achieved 6 - 8 weeks	Limited human resources. Queries and outstanding documentation (receiving incomplete applications) Lack of training for front office staff	Admissions
		Degree of compliance with specified timeframes for business permits to be issued to investors	3.1.2.1 (b)	4 weeks for business permit	Partially achieved 6 - 8 weeks	Limited human resources. Queries and outstanding documentation (receiving incomplete applications) Lack of training for front office staff	Admissions
		Degree of compliance with specified timeframes for corporate permits to be issued	3.1.2.1 (c)	4 weeks for corporate permit	Partially achieved 6 - 8 weeks	Limited human resources Queries and outstanding documentation (receiving incomplete applications) Lack of training for front office staff	Admissions

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Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Degree of compliance with specified timeframes for study permits to be issued	3.1.2.1 (d)	1 week for study permit	Partially achieved 6 - 8 weeks	Limited human resources Queries and outstanding documentation (receiving incomplete applications) Lack of training for front office staff	Admissions
		Degree of compliance with specified timeframes for treaty permits to be issued	3.1.2.1 (e)	1 week for treaty permit	Partially achieved 6 - 8 weeks	Cases not adjudicated (4) because of queries and outstanding documentation Limited human resources	Admissions
		Degree of compliance with specified timeframes for exchange permits to be issued	3.1.2.1 (f)	1 week for exchange permit	Partially achieved 6 - 8 weeks	Limited human resources. Queries and outstanding documentation (receiving incomplete applications) Lack of training for front office staff	Admissions
		Degree of compliance with specified timeframes for retired persons to be issued with permits	3.1.2.1 (g)	1 week for retired persons permit	Partially achieved 6 - 8 weeks	Limited human resources. Queries and outstanding documentation (receiving incomplete applications) Lack of training for front office staff	Admissions
		Degree of compliance with specified timeframes for visitors permits to be issued	3.1.2.1 (h)	1 day for visitors permit	Achieved Visitor's permits issued at port of entry on arrival	NA	Admissions
		Degree of compliance with specified timeframes for medical permits to be issued	3.1.2.1 (i)	1 day for medical permit	Partially achieved 6 - 8 weeks	Limited human resources. Queries and outstanding documentation (receiving incomplete applications). Lack of training for front office staff	Admissions
		Degree of compliance with specified timeframes for asylum transit permits to be issued	3.1.2.1 (j)	1 day for asylum transit permit	Achieved Issued on arrival	NA	Admissions

Measurable Output No	Measurable Output	Performance Indicator	Target No	Target 2009/10	Actual	Reasons for Variances	Sub Programme
		Degree of compliance with specified timeframes for corporate, general and intra company transfer permits to be issued to selected corporate clients	3.1.2.1 (k)	10 working days for corporate, general and intra company transfer permit to selected corporate clients	Partially achieved 6 - 8 weeks	Cases not adjudicated (27) because of queries and outstanding documentation. Limited human resources	Admissions
		Degree of compliance with specified timeframes for permanent residence permits (PR) to be issued	3.1.2.2	6 months for issuance of a PR permit	Partially achieved 18 months	Delays at regional offices for forwarding of applications to Head Office for adjudication. Inability to recover files from Archives. Limited staff at regional offices and head office. Inconsistent verification of applications. Delays in the capturing of applications on Track and Trace. Delays in the issuance of permits and updating of status. Receipt of incomplete applications	Admissions
		Degree of compliance with specified timeframes for visas to be issued	3.1.2.3	5 days for issuance of a visa	Achieved Visa applications are finalised within 5 working days (on average) as is evident from the Electronic Visa System	NA	Admissions
		Degree of compliance to international standard clearance time	3.1.2.4	Traveller cleared within 1.5 – 2 minutes	Achieved Time studies conducted at ORTIA, Beitbridge, Lebombo, Cape Town International Airport, Maseru bridge and Pilanesburg	NA	Admissions

Strategic Goal 4: To determine the status of asylum seekers and to regulate refugee affairs in accordance with the Constitution of the Republic of South Africa, national legislation and international protocols							
Measurable Objective 4.1: To ensure effective and efficient service delivery to asylum seekers through the provision of enabling documentation							
3.1.3	Capacity of Airline Liaison function at airports abroad strengthened	Number of Airline Liaison Officers (ALOs) deployed	3.1.3.1	8 ALOs deployed	Not achieved SANAI training was provided to ALO's that will be deployed from May 2010 to July 2010	Decision was adopted that ALO's are only to be deployed for a limited period during the FIFA 2010 World Cup	Admissions
3.1.4	Sound regime for processing of asylum seekers established	Status of approval of strategy Status of strategy implementation	3.1.4.1	Approval of strategy for more effective processing of asylum seekers	Achieved Strategy was presented and approved by the Social Cohesion Task Team. Process to finalise the comprehensive integrated interdepartmental implementation plan is being processed	NA	Refugee Affairs
3.1.5	Policy in place to manage unskilled and semi-skilled economic migration who fall outside current legislation	Status of policy development and approval Status of preferred policy option implemented	3.1.5.1	Policy response to challenge of economic migrants developed	Not achieved Consultations held with stakeholders	Immigration Policy Workshop to be held	Refugee Affairs
3.1.6	Streamlined processes for recruitment of scarce skills developed and implemented	Status of review of Immigration Act Degree of implementation of streamlined regulations for applicants with scarce skills	3.1.6.1	Immigration Act reviewed Implementation of streamlined regulations to fast track the importing of scarce skills	Not achieved Consultation with stakeholders and national workshop to be held	A decision was taken to conduct a comprehensive review of the Immigration regime	Admissions

Strategic Goal 4: To determine the status of asylum seekers and to regulate refugee affairs in accordance with the Constitution of the Republic of South Africa, national legislation and international protocols							
Measurable Objective 4.1: To ensure effective and efficient service delivery to asylum seekers through the provision of enabling documentation							
4.1.1	Products and services rendered within specified timeframes	Degree of compliance with specified timeframes for section 22 asylum permits to be issued	4.1.1.1	Section 22 permit issued in 1 day according to the maximum processing capacity of the centres	Achieved	NA	Refugee Affairs
		Degree of compliance with specified timeframes in respect of number of days to determine and issue refugee status and adjudicate asylum	4.1.1.2	Refugee status issued and asylum adjudicated within 6 months (First instance)	Partially achieved Service demand higher than available capacity making it difficult to process within the turn around time of 180 days. Systems application still limited. Backlog at Appeals Board contributes to non-achievement	The proposed amendments of the Act address challenges experienced during the adjudication process as well as issues of capacity and better management of the Appeals Authority	Refugee Affairs
		Percentage (%) of refugee IDs issued within targeted period	4.1.1.3	Refugee ID document issued within 3 months	Partially achieved Printing is done within the 3 months period but the dispatch is done within four to five months	The required timeframes have been met by Refugee Affairs in the printing of ID's however the delays occur at BVR with lamination. The Chief directorate is negotiating with the relevant stakeholders to send Refugee Affairs staff to assist with lamination	Refugee Affairs
		Percentage (%) of refugee travel documents issued within targeted period	4.1.1.4	Refugee travel document issued within 4 weeks	Not achieved There is no issuance since there are no blank travel documents	UNHCR no longer supplying the blank travel documents. An interim measure to be negotiated with UNHCR to continue with the supply until Department is ready to carry out the responsibility	Refugee Affairs

Measurable Objective 4.2: The implementation of the Refugee Appeals Authority and regulations as stipulated by the Amended Refugees Act							
4.2.1	Fully functional Refugee Appeals Authority	Status of regulations approval and implementation Degree of operability of Refugee Appeals Authority Percentage of cases finalised within specified timeframe	4.2.1.1	Regulations approved and implemented	Not achieved Recruitment process completed	Operationalisation of the structure will await the overall legislative framework review	Refugee Affairs
Strategic Goal 5: To advance cooperation with other government departments and relevant civil society organisations on matters with a focus on improving service delivery and countering corruption							
Measurable Objective 5.2: To foster domestic, regional and international cooperation towards improved economic growth and development, including events with strategic importance to the country							
5.2.4	DHA effectively equipped to manage special events such as FIFA 2010 Soccer World Cup, FIFA Confederations South Africa Cup 2009, etc	Status of implementation of projects in preparation for FIFA Confederations South Africa Cup 2009 and FIFA 2010 Soccer World Cup	5.2.4.1	Implementation of 16 projects applicable to the FIFA Confederations South Africa Cup 2009 and in preparation for the FIFA 2010 Soccer World Cup,	Partially achieved 13 projects achieved, 1 not achieved as it is WAIO dependent (Visa Machine Readable) and 2 are work in progress (Temporary Joint Border Clearance and In-Flight Clearance)	Operational and Validation Teams are currently operational, Learning Centre trained ports of entry and Event Visa distributed through assistance from DIRCO	Admissions
Strategic Goal 6: To transform the Department of Home Affairs into a centre of excellence for securing and affirming the identity and status of persons and delivering a professional, caring and responsive service							
Measurable Objective 6.5: To provide efficient support to DHA core service units							
6.5.3	Visa legislation aligned with SADC Protocol on the Facilitation of Movement of People	Status of visa review and alignment	6.5.3.1	Visa legislation reviewed to ensure alignment	Partially achieved There has been consultation with stakeholders. Legislative amendment has not been effected	DHA is currently in the process of legislative review as part of immigration transformation	Admissions

PROGRAMME 4: TRANSFERS TO AGENCIES

The Department transferred all the appropriated allocations to the following agencies, namely Government Printing Works, Film and Publication Board and the Electoral Commission.

Outputs and Service Delivery Trends

Sub-Programme	Outputs	Performance Measure / Service Delivery Indicators	Actual Performance/ Quantity
Film and Publication Board	To make timely transfer payments	Timely transfer payments done twice a year	Payments done twice a year
Government Printing Works	To make timely transfer payments	Timely transfer payments done annually	Payments done on an annual basis
Electoral Commission	To make timely transfer payments	Timely transfer payments done monthly	Payments done on a monthly basis



Part Three: Statutory Requirements

Department of Home Affairs

- Annual Financial Statements
- Appendix A
- Human Resources Management

DEPARTMENT OF HOME AFFAIRS

VOTE 4

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

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Report of the Audit Committee

DEPARTMENT OF HOME AFFAIRS REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2010

The Audit Committee is pleased to present its report in respect of the financial year ended 31 March 2010 in terms of its obligations according to the Treasury Regulations Paragraph 3.1.13 issued in terms of the Public Finance Management Act (PFMA), Act 1 of 1999, section 38(1) (a) as amended by Act 29 of 1999.

I. AUDIT COMMITTEE MEMBERS, MEETINGS AND ATTENDANCE

The Department has established an Audit Committee in accordance with the provisions of section 38(1) (a) (ii) and 77(a) of the PFMA. The Audit Committee Charter requires that the Audit Committee is comprised of five (5) members of which the majority should be from outside the public service with the Director-General of the Department as an ex-officio member.

In terms of section 77(b) of the PFMA, the Audit Committee must meet at least twice a year. The Audit Committee of the Department complied with the provisions of the PFMA by holding four meetings and five special meetings during the financial year under review and these were attended as follows:

Name of Member	Number of Meetings	
	Meetings	Special Meetings
Mr N Russouw (Acting Chairperson)	4	5
Ms LBR Mthembu (Chairperson) - Resigned 28 January 2010)	2	1
Mr LL Dhlomo-Ntuli	4	5
Mr FJ van der Westhuisen	4	5

Mr. N Russouw was appointed Acting Chairperson of the Audit Committee following the resignation of Ms LBR Mthembu on the 28th of January 2010.

The members of the Audit Committee met with the Directors-General, outgoing and incoming, and on several occasions, with senior management of the Department, individually, in order to gather additional information in respect of risks and challenges facing the various divisions within the Department and to address issues considered contentious.

In addition, the external members of the Audit Committee met with the Minister of the Department to brief her on their activities and to discuss various issues affecting the Audit Committee and the Department.

2. AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has complied with its responsibilities arising from section 38(1)(a)(ii) of the PFMA and Treasury Regulation 3.1.13 and also reports that it operated in terms of the Audit Committee Charter read in conjunction with the Internal Audit Charter, as its terms of reference in discharging all its responsibilities as regulated therein.

3. EFFECTIVENESS OF INTERNAL CONTROLS

The Audit Committee noted and was satisfied with DHA management's commitments to improve the control environment throughout the year under review. However, lack of capacity in certain key strategic positions in the Department continued to hamper efforts to improve controls. This was evidenced by the internal audit reviews conducted at frontline offices. In the main, the lack of basic controls and the inadequate segregation of duties in frontline offices were cause for concern. However, the Audit Committee's main concerns cover the following issues, i.e:

- Lack of adherence to laid down procedures regarding procurement, in particular relating to major contracts entered into by the Department, with emphasis on approval, managing and monitoring of such contracts at senior management level. In this regard specific reference is made to the WAIO contract;
- Lack of coordination within the Department, in particular, between senior management and the frontline offices in order to ensure that appropriate action has been taken to attend to weaknesses in accounting, financial systems, procedures and internal controls revealed by internal audits conducted.

The Audit Committee is satisfied that senior management have taken active steps to address the major concerns mentioned above, as well as other weaknesses and deficiencies mentioned in other parts of this report, subsequent to the end of the financial year under review and prior to the issue of this report.

The systems of internal control were evaluated by both Internal Audit and the Auditor-General (external audit). Efforts were focused on the effective and efficient implementation of all the findings resulting from both internal and external audit reports.

However, a significant amount of work still needs to be done in respect of the formalisation of policies and procedures and the development of an internal control compliance culture within the Department. The Audit Committee continued to note the slow progress made by the Department with regard to filling its vacant and funded positions and the negative impact which this process had on the ability of the Department to deliver its service in terms of its mandate.

4. SPECIFIC FOCUS AREAS GOING FORWARD

The Audit Committee was informed that senior management will focus, inter alia, on the issues listed below:

- Addressing of risk management on an ongoing basis;
- Establishment and management of a performance information management system and a reporting framework of Performance Information as required by National Treasury;
- Continuation with implementation of an effective, efficient and zero tolerance culture towards fraud and corruption embodied in, inter-alia, comprehensive fraud prevention plans;
- The improvement of safe record keeping capacity, policies and procedures in compliance with the prescripts in archiving;
- The enhancement of the Human Resources Management function of the Department focusing on people management and development to improve service delivery;
- Specific emphasis to improve supply chain management (procurement);
- Establishing a proper system of approval and management of all the contracts entered into by the Department; and
- Continue with efforts to address and limit litigations against the Department relating to contracts, disciplinary cases and service delivery issues.

5. THE QUALITY OF IN-YEAR MANAGEMENT AND MONTHLY REPORTS / QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA AND THE DIVISION OF REVENUE ACT (DORA)

The Audit Committee has noted and is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Department during the year under review, in compliance with the statutory reporting framework.

However, the Department must establish a performance management reporting system within an effective and meaningful monthly and quarterly performance management reporting framework. This should include an efficient service delivery monitoring and evaluation mechanism with an early warning system that allows for the adoption of immediate corrective measures.

6. INTERNAL AUDIT FUNCTION

The Audit Committee worked in close cooperation with the Chief Directorate: Audit Services in its oversight responsibility of the internal audit function. An annual and three year risk-based internal audit plan was developed by internal audit in consultation with executive leadership and approved by the Audit Committee. The plan was implemented during the year with assistance of a third party co-sourcing partner. A comprehensive plan was developed for the implementation of all internal audit weaknesses identified during the audit.

The Chief Directorate appointed four directors in an effort to increase capacity at management level and reduce dependence on external service providers.

Furthermore, in the ensuing 2010/2011 financial year, the Audit Committee will:

- Endeavour to ensure improved effectiveness of the internal audit function by advocating greater concentration on the major risks facing the Department;
- Try to assist this division to be more effective and efficient despite the capacity constraint facing the Department; and
- Monitor the communication between senior management and the internal audit division to ensure prompt corrective action following the results of internal audits, projects and investigations undertaken.

The Audit Committee is substantially satisfied with the results of, and the summaries of the internal audit reports processed during the year under review, given the challenges normally faced in coordinating efforts when dealing with

Report of the Audit Committee

an internal and external component responsible for the internal audit function.

7. RISK MANAGEMENT FUNCTION

The Department has established a Risk Management unit which is temporarily reporting to Internal Audit. The Audit Committee noted the efforts made to improve the functioning of risk management within the Department and will actively encourage the implementation of plans and strategies established.

The Risk Management Committee started to operate effectively during the year under review.

8. AUDITOR-GENERAL'S REPORT AND EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited financial statements;
- Reviewed the Auditor-General's management letter and management's response thereto, and
- Reviewed significant adjustments resulting from the audit.

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



Mr Nico Russouw
Acting Chairperson of the Audit Committee
For the Audit Committee

Annual Financial Statements

REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2010

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

I. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

I.1 INTRODUCTION

The Department of Home Affairs essentially is responsible for determining and recording the identity and status of all persons residing in South Africa and issuing documents that affirm this. The Civic Services branch is the custodian of the National Population Register (NPR) which contains records of all citizens and permanent residents, including changes in status such as marriage and death. Services to citizens include issuing enabling documents after their status is confirmed, such as birth and death certificates and travel documents. The verification of identity is a service that is also rendered to other government departments and to banks and other private sector institutions.

The Immigration Services branch determines the status and identity of foreigners and regulates immigration through the permitting and movement control systems. Immigration Officers are present at ports of entry, missions abroad and at regional offices in provinces. The branch also has an Inspectorate function which is responsible for enforcing the Immigration Act and Regulations. Immigration Services is also responsible for processing and determining the status of asylum seekers and refugees and operates at six centres nationally in this regard.

Civic Services collects fees for its services at nearly 400 front line offices and Immigration Services is responsible for the collection and administration of fees, guarantees, deposits and refunds. Immigration Services thus operates an immigration control account in terms of the Immigration

Act. One purpose of the account is to ensure that a citizen of a foreign state visiting South Africa will have sufficient means to support himself or herself while in the Republic. Deposits are refundable to the depositor if certain conditions are met. The Annual Financial Statements for Immigration Account are attached as **Appendix A**.

With regard to services abroad, the Department is currently represented in 53 missions and is assisted by the Department of International Relations and Cooperation (DIRCO) where it is not represented. DIRCO also collects revenue at missions on behalf of the Department and administer our operational expenses.

The Minister of Home Affairs has oversight over several statutory bodies, which receive funding via Programme 4 of the budget vote. Those directly related to its mandate are the Immigration Advisory Board, as well as the Refugee Appeal Board. Funds are also transferred to the Electoral Commission (IEC), Film and Publication Board (FPB) and Government Printing Works (GPW). With effect from 9 October 2009 the Government Printing Works became a Government Component and will therefore report separately in future. However the financial Statements of GPW for the 2009/10 financial year are enclosed as **Appendix B**.

This report seeks to provide information in measuring the extent to which the Department's resources allocated for the 2009/10 financial year were utilised in terms of the Public Finance Management Act (PFMA).

I.2. REVENUE

During the year under review, the Department received total revenue of R5,718 billion made up of voted and non-voted funds as explained below:

(i) Annual Appropriation – R5,264 billion

The Department received a budget allocation of R5,264 billion for the 2009/10 financial year after adjustment

estimates inclusive of funding for the Electoral Commission (IEC), Film and Publication Board (FPB) and Government Printing Works (GPW), split as follows:

BASELINE ALLOCATION ALLOCATED BY NATIONAL TREASURY	2009/10 R'000	2008/09 R'000
Baseline Amount	5 050 587	4 505 019
Home Affairs Functions	3 751 438	3 377 124
Film And Publication Board	39 027	33 519
Government Printing Works	331 155	135 222
Electoral Commission	928 967	959 154
Additional Funds	63 149	206 997
Home Affairs Functions	50 446	124 555
Film And Publication Board	770	–
Government Printing Works	3 667	2 203
Electoral Commission	8 266	80 239
Sub Total	5 113 736	4 712 016
Roll-Over Funds	150 048	104 592
Final Appropriation	5 263 784	4 816 608

The budget allocation has increased by 8,53 percent (R5,113 736 – R4,712 016) as compared with the previous financial year before consideration of roll-over funds. However, it is important to note that the allocation for 2009/10 financial year includes an additional amount of R63 million which was received during adjustment estimates for general salary adjustments. Furthermore, there has been an increase of 144,89 percent in the allocation of Government Printing Works for the purchase of a new machine for the printing of passports. Therefore excluding the additional funding given to GPW, the budget of the Department has only increased by 4,36 percent as against the previous year. In addition,

should the transfers to Public Entities be excluded from the Department's allocation, the year-on-year increase amounts to approximately 0,2 percent for the delivery of the activities of the Department.

(ii) Departmental Revenue – R442 million

Departmental revenue is derived from services rendered to citizens and foreigners visiting our shores according to approved tariffs. Service to citizens range from issuing of birth registration certificates, identity books and passports. Services provided to foreigners include issuing of visas, permits and permanent residence certificates. Furthermore, the Department imposes fines to individuals, local and foreign transportation carriers where a transgression in terms of Immigration Act has occurred. In addition, foreigners also forfeit their guarantees in the event of contravening the conditions of the permit granted. Included in the revenue is an amount of R0,9 million (R12,6 – R11,7 million), which will be surrendered to the National Revenue Fund in respect of repatriation deposit received prior to the 2004/05 financial year as explained in paragraph 15.1 (iii).

1.3 VIREMENT

During the year under review, the Department requested National Treasury to shift funds between programmes/ economic classification, utilise earmarked funds and Capital budget to defray current expenditure as well as to exceed the eight percent threshold, which was duly granted. The funds were then utilised as per the following table:

Items	PROGRAMMES			
	Administration	Services to Citizens	Immigration Services	Total
	R'000	R'000	R'000	R'000
Compensation of employees	(2 778)	98 687	(117 915)	(22 006)
Goods and services	180 604	(14 042)	(266 874)	(100 312)
Interest and rent on land	1 714	157	73 465	75 336
Payment for financial assets	1 971	–	–	1 971
Transfers and subsidies	1 388	390	2 235	4 013
Payment for capital assets	5 648	(72 496)	107 846	40 998
Total	188 547	12 696	(201 243)	–

1.4 EXPENDITURE

Over the past five years, the expenditure as against the budget has been fluctuating at an average of 95,96 percent (101%: 2005/06, 90,94%: 2006/07, 92,1%: 2007/8, 96,9%: 2008/09 and 98,7%: 2009/10) showing an increase of year-on-year comparison except in 2006/07 where there was a decrease of 10,6 percent compared with 2005/06 financial year. However, in 2005/06 the Department overspent its budget by 1,7 percent due to expenditure incurred on the back record conversion project aimed at converting the finger print manual records into electronic version. The budget reforms implemented in the Department are contributing to the improved expenditure levels as well as controls in the management of the budget.

During the year under review, the Department has managed to utilise 98,7 percent of the total allocated budget, split below as follows:

APPROPRIATION	2009/10				2008/09	
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	ACTUAL % SPENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	%	R'000	R'000
1. Administration	1 282 474	1 282 474	–	100.0	1 365 380	1 365 360
2. Services To Citizens	1 372 353	1 372 353	–	100.0	1 258 111	1 143 893
3. Immigration Services	1 297 105	1 228 730	68 375	94.7	982 780	946 970
4. Transfers To Agencies	1 311 852	1 311 852	–	100.0	1 210 337	1 210 337
TOTAL	5 263 784	5 195 409	68 375	98.7	4 816 608	4 666 560

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The under-spending of 1,3 percent can be attributable to delays in the implementation of the Who AM I Online (WAIO) project, with particular reference to systems earmarked for the hosting of 2010 FIFA World Cup, which resulted in implementing an alternative system. Therefore a request will be submitted to National Treasury for the roll over of funds. The increase in the expenditure against some standard items has been fully explained in the Notes to the Annual Financial Statements.

1.5 LEASE PAYMENTS

The National Treasury granted approval that political office bearers, including Ministers and Deputy Ministers may be provided with official vehicles in accordance with the practice note no 5, of 2006/07. In terms of the scheme, the Executives may be provided with two official vehicles, one based in Pretoria and the other in Cape Town. The Department is participating in the scheme as reflected in note 21.

During 2006/07 financial year, the Department envisaged changing the manual processes where paper forms were used as a main interface with its clients and systems to a total paperless environment where all transactions were committed online and real-time. The WAIO project was then designed to supply a turnkey solution for an integrated core system based on the General Live Capture Concept (GLCC). In 2006 the State Information Technology Agency (SITA) recommended the awarding of the WAIO tender to a consortium of service providers and in July 2008 a master service level agreement was entered into with an indicative pricing schedule reflecting an amount of R4, 5 billion. However, the Department entered into a lease agreement during December 2008 which constitutes a finance lease in terms of Treasury Regulation 13.2.2 due to the significant risks and rewards of ownership of the assets being transferred to the Department, without obtaining prior approval from National Treasury.

A conditional approval was obtained from National Treasury subject to the revision of the contract to reflect that assets

will be transferred to the Department at the end of the finance lease. Furthermore, the condonement was to ensure that the lease agreement complies with paragraphs 7 to 12 of the International Accounting Standards (IAS) 17. In this regard the lease agreement in respect of WAIO project has been classified as a finance lease payment although the change of the contract has not been finalised.

The Department entered into various lease agreements during the previous financial years which constituted a finance lease in terms of Treasury Regulations 13.2.2 for leasing of computer and telecommunication equipment, which were not properly disclosed. This error has been corrected during the 2009/10 financial year. However, the Department is not in a position to reflect the comparative figure for the previous financial year. An amount of R22, 434 million in respect of 2008/09 financial year is included in the goods and services.

1.6 ANY OTHER MATERIAL MATTER – SOCCER WORLD CUP CLOTHING AND TICKETS

The Department has neither purchased any clothing and tickets for its staff members nor sponsored any person or institution with regard to the 2010 FIFA World Cup.

2. UNAUTHORISED EXPENDITURE

During the previous financial years, irregular expenditure amounting to R1, 923 million was erroneously recorded as unauthorised expenditure, although disclosed as irregular in the Annual Financial Statements, split below as follows:

• 2005/06	–	R0, 986 million
• 2006/07	–	R0, 323 million
• 2008/09	–	R0, 614 million
Total		R1, 923 million

The impact of the error was that the vote was not debited with the expenditure incurred; hence the error has been cleared against revenue.

Furthermore, the Department has approached National Treasury to table the previously reported unauthorised expenditure of R99, 883 million in the agenda of the relevant oversight committees of Parliament for authorisation.

3. IRREGULAR EXPENDITURE

Irregular expenditure incurred during the reporting period, consists of an amount of R261, 426 million, which relates to non compliance of procurement processes by the State Information Technology in 2006 in the awarding of the WAIO tender. This matter is under consideration as explained in paragraph 17.

An amount of R29, 065 million has been recorded for the year under review, however, R10, 030 million has been condoned by the Accounting Officer and relates to procurement of goods and services below R5 000 wherein one quotation was requested instead of three quotations as per the Supply Chain Management Framework. This was due to the misinterpretation of the regulations governing the procurement below R5 000.

During the 2009/10 financial year, the Department participated in the transversal contract without prior written approval from National Treasury as required in terms of Treasury Regulation 16A6.6. The amount was consequently condoned by National Treasury during the year under review. The total irregular expenditure amounted to R4, 872 million.

In the 2009/10 financial year, the Department did not comply with the Public Service Regulations 2001; part V.D.2 (d) as numerous employees received payment of overtime in excess of the 30% limit of the basic salary. The amount in excess of the stipulated limit is to the tune of R20, 453 million. This relates to overtime paid to front office staff for Civics and Immigration Officers. Two years ago a decision was made to extend office hours to include Saturdays in order to increase access of services to the Public. However, employees could not accept categorising Saturday as a normal working day. In this regard, the Department had no

other option but to pay overtime for work performed on Saturdays.

The Department did not comply with the DPSA policy guideline on Acting allowance Chapter 1 Part VII B5.1, B5.2 and B5.3 for SMS and personnel on salary levels 1 to 12 in the Public Service stipulates that “an employee may only act in a higher post for a maximum uninterrupted period of six (6) months for SMS and 12 (twelve) months for levels 1 - 12. Due to a higher level of vacancy rate, the Department has acting positions beyond twelve months and thus disclosed R5, 824 million expenditure as irregular.

4. PAYABLES

Included in the payables is an amount of R104, 042 million, which relates to repatriation deposits paid at Foreign Missions. Although this amount was received during the current financial year, a posting journal to the Immigration Control Account was only posted in the following financial year; hence the amount is reflected as a payable owed to the Immigration Control Account.

5. MANAGEMENT OF FIXED ASSETS

During the year under review, a significant progress has been made in the management of fixed assets as the Department strived to meet the minimum requirements of Asset Management Framework.

During the reporting period, the Department appointed a service provider to conduct asset verification exercise in order to ensure that shortcomings which were identified by Auditor-General, are rectified including among other things, room bar-coding, office numbering, verification of assets, and accurate evaluation of capital assets. Furthermore, the Department uniquely identified leased assets by affixing leased barcode numbers, linked assets to employees and implemented BAUD asset management system. All necessary data in respect of the asset register have been loaded on BAUD and employees within Asset Management Unit have been trained to operate the system.

The Department compiled the Asset Management Policy, Standard Operating Procedures and IT Procurement Procedures and will be finalised in the next financial year.

With regard to disposal of assets, the Department identified assets during the verification exercise, which were not in working condition and those assets will be disposed in the next financial year.

In addition, as explained in paragraph 1.1 above, the Department is conducting some of its activities abroad through assistance by DIRCO on a cost recoverable basis. In this regard, there are assets in Missions abroad which belong to the Department, however under the control of DIRCO. These assets were not disclosed in the books of the Department in the previous financial years, hence an adjustment has been made in the disclosure note no 28. In this regard the Department disclosed in respect of major assets R1, 9 million for prior years to 2008/09 and R1, 2 million for the year under review. The Department is also keeping a register for minor assets for the value R2, 4 million in respect of assets at missions abroad.

Furthermore in the 2009/10 the Department has signed a memorandum of understanding with DIRCO, which will pave the way for the transfer of assets to DIRCO in the next financial year.

6. CONTINGENT LIABILITIES

i) Housing Guarantees

The Department provides housing guarantees of 20 percent of the purchase price of a house and the guarantee will be realised once the bond is reduced by the same amount. In the event that an employee fails to meet his/her obligation to the financial institution, the Department deducts the guarantee amount in instalments from that employee's salary. In addition, should the employee resign from the service, the Department notifies the bank concerned and terminates the guarantee. However, a challenge is when

a person passes away and the bank has to utilise the guarantee as the Department is not allowed to utilise the pensions to clear the debt.

The Department has implemented proper processes to manage its guarantees with the banks and submits quarterly reports to National Treasury. In this regard, an amount of R4, 6 million has been disclosed in **Annexure 3A**.

ii) Motor Finance Guarantees

This relates to financial guarantees made by the Department to financial institutions in respect of employees when they purchase a vehicle in terms of the vehicle finance scheme for SMS members. In the event that an employee fails to meet his/her obligation to the bank the Department settles the balance and takes over the vehicle. However, if the employee resigns from the service, he/she has the option of taking over the loan or returning the vehicle to the custody of the Department. In this regard an amount of R1, 4 million has been disclosed in **Annexure 3A**.

iii) Pending Legal Claims: R6, 862 billion

- **Immigration and Civic Services: R414 million**

Immigration claims arise out of unlawful arrests and detention of illegal foreigners as well as damages arising out of failure by the Department to timeously make decisions on permits.

Civic Services claims mainly arise out of the issuing of a passport to a minor child without the parents' authorisation; the fraudulent issuance of death certificates; the non-issuing of Identity Documents and the fraudulent use of an Identity Document resulting in the arrest and detention of the lawful owner.

• **Tenders: R1, 403 billion**

Electronic Document Management System (EDMS)

This claim relates to a tender invitation in respect of the expansion of an Electronic Document Management System (EDMS) which was done through SITA. The tender was not finally awarded, however the participants (Valor IT – R28 230 and New Down Technologies – R1, 375) in the tender process are claiming that the tender was awarded to them.

• **Contracts R5, 045 billion**

(a) Double Ring (Pty) Ltd / Minister of Home Affairs: R76, 5 million

This is a claim for payment flowing from a Service Level Agreement with the Department for the supply and installation of software, telecommunications technology equipment (satellite dishes), provision of bandwidth and maintenance thereof. The supplier is claiming that services have been supplied by a company abroad, hence invoicing Department in foreign currency. The Department is of the view that services have been provided locally; therefore it should be invoiced in Rands.

(b) Chillibush Communications (Pty) Ltd / Director-General Of Home Affairs: R18 million

This is a claim for payment resulting from a Service Level Agreement with the Department to render goods and services relating to campaigns, media placements and productions for a 12 months period commencing May 2008. The contract had a provision for extension in writing after the expiry of the contract. The service provider is now claiming that despite the non extension of the contract in writing

they have a legal right to deliver the services to the Department.

(c) GijimaAst Holdings: R4, 100 billion

The Department procured a tender through the SITA for the WAIO Project. The Department is currently in dispute with GijimaAST regarding the validity and enforceability of the contract/agreement, however no litigation has commenced.

In this regard, the tender was awarded at R1, 9 billion, however the contract was signed with an indicative figure of R4, 5 billion. As at 31st March 2010, the Department had already paid an amount of R391 million towards this contract, therefore the amount in dispute is approximately R4, 1 billion.

• **Claims For Damages: R0, 7 million**

This relates to two claims, the first being a claim in respect of a truck belonging to the City of Tshwane having smashed the gate at New Cooperation Building (DHA) causing the gate to damage the vehicle belonging to a Plaintiff whose vehicle was parked close to the gate. Claim amounts to R16 799,47. The other claim arises from a personal injury wherein the Plaintiff allegedly tripped and fell over an electric cord used by departmental employees while cleaning the premises in the Paarl offices. The claim amounts to R698 918,37.

(d) DIRCO Outstanding Claims

As explained in paragraph 1.1, the Department is also conducting its services abroad and DIRCO provides the running costs on a recoverable basis, however prior to 2003/04 financial year DIRCO was submitting claims on a net basis, which means debiting expenditure of the month against the revenue collected. However, as from 2004/05 the process was changed in order to obtain a proper split

of expenditure incurred abroad as well as revenue collected. Since the Department is operating on modified cash basis of accounting only recognised expenditure supported by documentation. In this regard, the Department has not yet received supporting documents for expenditure amounting to R459, 781 million hence a contingency liability in respect of DIRCO claims is disclosed in note no 17.1 of the Annual Financial Statements.

Furthermore, a Memorandum of Understanding (MOU) between the Department and the DIRCO was signed for implementation by 1 April 2010. The key feature of the MOU was to regulate the processing of expenditure in respect of our operations abroad. In these regard, the Department as from 1 April 2010 will be making advance payment in respect of foreign allowances and residential accommodation which are major expenses. This will resolve the delay in the processing of expenditure in the vote which results in budget being returned back to National Treasury while waiting for documents back from the missions. The Department will be engaging DIRCO on the best way of clearing the outstanding amount in respect of confirmed and unconfirmed.

7. SERVICES RENDERED BY THE DEPARTMENT

7.1 Services to Citizens

With regard to Civic Services, its key role is to secure and register the identity of citizens, determine their status and to issue related enabling documents such as Identity Documents (IDs), passports and birth, marriage and death certificates.

7.2 Immigration Services

The Immigration Services is responsible for the regulation of migration through ports of entry and via foreign missions, and the issuance of a range of permits. It is also responsible for the determination of the status of asylum seekers and refugees and the issuing of related permits.

Its Inspectorate is responsible for enforcing the Immigration Act. Public and private companies are making use of the Large Accounts Unit for the importation of scarce skills.

• Inventory

Inventory on hand at year-end is as follows:

CATEGORY	AMOUNT 2009/10	AMOUNT 2008/09	METHOD OF COSTING
Controlled Stationery	R10 561	R11 627	Actual Cost

• Tariff Policy

The basis for determining the increases of tariffs, the Department utilised inflation and production costs, however is in the process of implementing a proper basis for tariff setting, via the Activity Based Cost (ABC) model, which will be utilised for setting tariffs for 2010/11 financial year.

As prescribed by Treasury Regulation 7.3 the Department reviewed its tariffs annually for the fees charged for enabling documents. During the year under review, the Department submitted tariffs to National Treasury for annual adjustments and the tariffs were approved for implementation as from 1 April 2009.

• Free Services

The Department provides free services in terms of the Identification Act, 1997 and Identification Regulations as contemplated in section 22 of the Act in respect of the first

issue of IDs and it also issues free official passport and crew member certificates.

Furthermore, the Minister in terms of both the Identification and Immigrations Acts has a right to waive the charging of the prescribed fees for enabling documents under certain circumstances. However, during the year under review no material free services were granted.

8. CAPACITY CONSTRAINTS

• Information Communication Technology

The operations of the Department are largely dependent on information communication technology, therefore to provide a world-class service it is imperative for the Department to upgrade its information technology and technological capabilities to a level where it is able to provide real time information, however in a well secured manner. The Department is currently facing huge challenges with regard to Key Systems, Infrastructure, Information Services (IS) Operations and Human Resources.

Integration of system is still not fully achieved. This has huge implications to the integrity of records, the minimisation of fraudulent activities and the security of the SA Identity. Once EDMS is resuscitated, it will link to the National Population Register (NPR) to verify personal information e.g. the connection of mother to child, marriage details etc; Case Management systems needs to integrate to HANIS (for Online Verification) and NIIS (to check if someone was deported before, or if they were denied refugee status before); MCS needs to integrate to HANIS for Online Verification.

In order to develop a proper framework for improving information technology capabilities of the Department, the first step is to revise the existing Master Systems Plan (MSP) to guide development/procurement of systems, which will be updated in the 2010/11 financial year.

i) Human Resource Capacity

The Department, in positioning itself to optimally fulfil its mandate despite decreasing its vacancy rate, continues to be challenged in respect of its people capacity, particularly in its specialised functions. Notwithstanding the approval of the 2008 organisational structure, a dependency existed with regards to the completion of the staff migration process. This contributed to the delay in staffing the establishment optimally.

To optimise the existing capacity; emphasis was placed on improving internal capability through programmes geared towards building customer service skills and frontline service delivery. However, the Department continues to experience skills constraints particularly in the financial management, information technology and people leadership arenas within its core business.

With regard to information technology, the Department relied heavily on consultants and that created a huge challenge with regard to continuity and building of necessary skills within the Department. Investment into these areas of development in future would need to be enhanced substantially.

Our organisational values and behaviours are not entrenched and can be mirrored by a mindset of among others, fraud and corruption. Cultural reformation is therefore cited as an integral aspect in reducing capacity constraints in the future.

ii) Building Infrastructure

The effective and efficient delivery of services to the public depends on the adequate accessibility to our offices. The current footprint of the Department is inadequate to provide the level of services envisaged by the Department to its clients. Distances travelled by clients to reach some of our offices are still too long and the mobile units are not able to cover the geographical spread of our country. The Department will be developing a strategy for acquiring offices in the next financial year.

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9. TRADING ENTITIES AND PUBLIC ENTITIES

9.1 Electoral Commission (IEC)

The Electoral Commission is a constitutional institution reporting directly to Parliament. Its vision is to strengthen constitutional democracy through the delivery of free and fair elections. The Commission was established in terms of section 3 of the Electoral Commission Act, 1996 (Act No. 51 of 1996).

The functions of the Commission include the following:

- To manage any election;
- To ensure that elections are free and fair; and
- Performing the functions assigned to it by the Act.

The Chief Electoral Officer is the Accounting Officer of the Commission in terms of section 12 of the Act and submits independent Annual Financial Statements.

9.2 Film and Publication Board (FPB)

The FPB is a Schedule 3A National Public Entity in terms of the Public Finance Management Act, the Board was established in terms of section 3(1)(a) of the Films and Publications Act, No 65 of 1996 (PFMA), with the Deputy Minister of Home Affairs as its Executive Authority. The Board is responsible for the implementation of the Act, which regulates the creation, production, possession, exhibition and distribution of certain films, interactive computer games and publications.

The functions of the Board include the following:

- To regulate the creation, production, possession and distribution of certain publications and certain films by means of classification, the imposition of age restriction and giving advice to consumers, and
- Performing the functions assigned to it by the Act.

The Chief Executive Officer is the Accounting Officer of the Board in terms of section 13 of the Act and submits independent Annual Financial Statements.

9.3 Government Printing Works (GPW)

The Government Printing Works (GPW) was established to render security printing and related services to the Government of South Africa. In 1976, the GPW was established as a Trade Account by the erstwhile Department of Finance. During the year under review, the GPW was converted into a Government Component.

The functions of the GPW include the following:

- Compiling, editing, printing and distribution of Government Gazettes and Provincial Gazettes;
- The procurement and stocking of departmental forms and face value forms;
- The provision of a printing service pertaining to high security documents and also printed matter of a general nature; and
- The administration of the Publications Section to provide for the stocking of government publications and the selling thereof to government institutions and the general public, as well as institutions abroad.

The Chief Executive Officer of GPW is the Accounting Officer in terms of section 36(3) of the PFMA of 1999 and submits independent Annual Financial Statements.

10. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

The following organisations received transfer payments from the Department as reported in Note no 6 of the Financial Statements:

- The Electoral Commission
- Film and Publication Board
- Government Printing Works

11. CORPORATE GOVERNANCE ARRANGEMENTS

i) Risk management and Fraud Prevention

The Department uses the Public Service Risk Management Framework issued by National Treasury in order to maintain a sound system of risk management and internal control in providing reasonable assurance regarding the achievement of organisational objectives.

The Director-General, as the Accounting Officer, is responsible for ensuring that systematic, documented assessments of key risks are undertaken at least annually for the purposes of making a public statement on risk management. In this regard, the Department have maintained the system of risk management, established a risk management committee, approved terms of reference and compiled a draft risk management policy.

The risk management strategy is that of risk mitigation through control implementation. A risk such as conflict of interest is minimised through a declaration of interest and a vetting process. Risk management in the Department follows both an impact and empirical approach in the identification and evaluation of risks. It is regarded and conducted as a shared responsibility by all officials on a consistent, continuous and uniform basis. The Director-General also receives assurance from the audit committee, which derives its information in part from regular internal and external audit reports throughout the Department on risk and internal control.

Fraud and corruption is prevented through a Counter Corruption Unit that is responsible for the following: the implementation of the counter corruption strategy, the annual Fraud Prevention Plan, the Whistle Blowing mechanism, awareness and training as well as conducting fraud and corruption investigations.

To ensure communication of risk management process across the Department, risk representative consisting of all Directors were appointed and training workshops conducted to capacitate management on risk management processes and legal requirements.

During the year under review, the Department updated the 2008/09 strategic and operational risk registers by reviewing the old risks and identifying the new risks. The Department developed the risk mitigation strategies for each risk on the risk register and continuously monitoring the implementation status thereof.

ii) Health and Safety

The Director-General is responsible for ensuring compliance with the Occupational Health and Safety Act, Act 85 of 1993 and Regulations and for the implementation of all processes relating to the Occupational Health and Safety (OHS) standards.

During the year under review, the Department has conducted internal assessments aimed at identifying occupational risks and potential health risks in terms of Section 8 of the Occupational Health and Safety Act 85/1993 and provided training to Occupational Health and Safety representatives. The Department has compiled a draft OHS policy guided by the National Building Regulations and the Occupational Health and Safety Act.

The Department has further identified the Department of Public Works as a crucial stakeholder for the success of the programme especially on matters related to building infrastructure and has established a joint committee.

iii) Internal Audit and Audit Committee

The Department maintains a system of internal auditing as prescribed by the Public Finance Management Act

(PFMA). The Internal Audit unit assists management with the following:

- Evaluating the effectiveness, efficiency and the economy of their activities,
- Evaluating the effectiveness of the internal control systems, and
- Furnishing them with independent analyses, appraisals, recommendations and information concerning the activities they have reviewed.

The Department has a properly constituted Audit Committee as prescribed by the PFMA. The Committee delivers the following service:

- Monitoring of management's response to reported weaknesses in controls, deficiencies in systems and recommendations for improvement, and contributing to the process by which the Department is directed and controlled, and
- Ensuring that Department adheres to all governance principles as per the PFMA.

The chairperson of the audit committee resigned during the latter part of the financial year and the Minister has appointed an acting chairperson within the current members.

12. FINANCIAL MANAGEMENT IMPROVEMENTS

The Department established a Back to Basics project in order to resolve the issues reported by Auditor General and to improve the general financial management in the Department. The project was split into nine streams, which covered the following units:

- Services Revenue Management
- Supply Chain Management
- Financial Administration
- Asset Management
- Budget Control

- Information Services
- Human Resources Management
- Legal
- Performance Information

To ensure the delivery of objectives, project status review meetings were held weekly and periodic progress reports submitted to the Minister, Audit Committee, National Treasury and Auditor-General. A considerable progress has been achieved in clearing the audit issues as well as strengthening compliance with the PFMA, Treasury Regulations and Supply Chain Management Framework within the Department. At this juncture, the Department wishes to register its appreciation for the assistance it has received from National Treasury, particularly the Office of the Accountant General and Public Finance division in its endeavour of obtaining a clean audit report.

To improve the governance and accountability in the Department, managers have been appointed as Programme and Responsibility Managers. In terms of the letter the Accounting Officer has delegated some of his powers in terms of PFMA section 44(1) with particular reference to management of budget, implementation of financial management controls, management of assets and compliance to Supply Chain Management Framework. The Department also established various committees to promote compliance, transparency, efficiency and effective utilisation of resources and managers are participating as members of these committees (e.g. Bid Adjudication Committee, Transport Committee, Risk Committee, Theft and Loss Committee).

13. PERFORMANCE INFORMATION

The Department has developed its strategic plan for the next MTEF period, which articulates its strategic priorities. New policy proposals and objectives are submitted to the Minister for approval. The Executive Management Committee reviews the objectives and also paves the way for planning for the new financial year.

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i) Performance Management System

The performance management and development system is a management tool for effective monitoring of individual performance to ensure that individual goals are achieved in line with their Branch strategic goals. The Department is committed to delivering relevant, responsive and high-quality products and services to the public as per its Strategic Plan. The Strategic Plan is cascaded to the business units through annual performance plans and business plans, and finally to the officials' performance agreements. There are monitoring and evaluation mechanisms covering all activities planned and ensuring that performance is enhanced. The system requires that all members be contracted and evaluated quarterly. During the year under review, the Department ensured that annual performance plans were in place and officials have signed performance agreements and their activities are ultimately tied to the broader organisational goals.

ii) Management Reporting

On a quarterly basis, the Executive Committee reviews progress on the implementation of the strategic objectives and takes the necessary corrective steps to reposition the Department to fully achieve its mandate. As part of their responsibility, senior management members are required to submit progress reports on their respective areas of responsibility. The following reports are used as mechanisms to inform progress made on respective key performance areas:

- Monthly and quarterly unit reports;
- Branch quarterly reports (including performance information verification);
- Quarterly Individual Performance Assessment evaluation report ; and
- The Annual report.

During the year under review, Department also implemented dashboard reports, with emphasis of the following:

- Identification of projects;

- Progress on projects (national and provincial);
- Determining if projects are on track and how to achieve goals; and
- Monitoring of delivery within Civics and Immigration Services.

The use of metrics or key performance indicators for managing the operational environment is a key principle that was developed through the Turnaround programme. Heads of branches reported on progress on key metrics / indicators at the Operations Committee (OPSCO) which took place on weekly basis.

To streamline this function, the Department has created a performance and monitoring capacity within the Chief Directorate: Policy and Strategy to monitor performance through the evaluation of quarterly reports. Emphasis was placed on the verification of performance information by the internal audit and monitoring and evaluation units on a quarterly and annual basis. This is in line with governmental initiatives to ensure that taxpayers get value for money in respect of service delivery.

The Department is in the process of designing and developing an online reporting tool that will simplify the process of monthly and quarterly reporting and ensure better alignment between individual and organisational performance management. The reporting tool will include a dashboard functionality to allow managers to manage their business more effectively. The online reporting tool will be implemented during the 2010/11 financial year.

14. SCOPA RESOLUTIONS

The Department attended a hearing with the Standing Committee on Public Accounts (SCOPA) on 16 April 2010 regarding the Department's Annual Report for 2008/09 financial year; however the Department is still awaiting resolutions of the committee. With regard to the issues raised by the Auditor-General, progress made is explained under paragraph 15.

15. PRIOR MODIFICATIONS TO AUDIT REPORTS

During the previous financial year, the Department obtained a qualified audit opinion as against a disclaimer in the 2007/08 financial year. To rectify the situation, the Department developed action plans to clear all issues raised by the Auditor-General. In this regard, the Department has been submitting progress reports to the Minister, Audit Committee, National Treasury and Auditor-General. The following is the progress made during the year under review:

15.1 BASIS FOR QUALIFICATION OPINION

i) Departmental Revenue

- **Inability to substantiate the accuracy of amounts and completeness of transactions recorded for revenue collection from enabling supporting documents processed due to lack of audit trails of application forms processed.**

In order to resolve the inability to substantiate the accuracy and completeness of revenue, integration of accounting systems for processing of transactions and lack of audit trail, the Department has since implemented an Integrated Receipting Engine System (IRE) to 100 local revenue administering offices that contribute approximately 80 percent of the local revenue, and continued with the provincial support project to the remaining local revenue administering office that contribute 20 percent of the annual revenue with the purpose of ensuring compliance with Treasury Regulations with regards to revenue management.

The Department has also redesigned the systems descriptions and process flows with regard to the processing of application forms for services that generate revenue. This resulted in the development and printing of application forms for services rendered by

the Department in triplicate to facilitate maintenance of records as envisaged in section 40(1)(a) of the PFMA and Treasury Regulation 7.2.1 and 17.2 respectively. The implementation of the revised forms will be with effect from 1 July 2010. However, there has been improvement in record keeping of application documents in support of revenue collected.

- **Lack of an audit trail and systems to facilitate the recordings of immigration fines and penalties levied in terms of section 50(1) and 50(3) of the Immigration Act 2002.**

During the year under review, the Department put processes to ensure that revenue recorded on Basic Accounting System (BAS) with regard to fines, is supported by required documentation. However, the matching of fines issued as against fines paid is still posing a challenge. This is due to the fact that the Department is still operating on a modified cash basis of accounting, therefore at the issuing of fines the revenue is not recognised and as a result no transaction is processed in the books of accounts. The fines are recorded on the Penalty Case System (PCS), which is not linked to BAS as fines are not recognised as revenue until paid. However, a manual process has been followed to match what has been collected as against the fines issued and an Integrated Receipting Engine (IRE) has been implemented in four ports of entry. The implementation of the version two of IRE system in 2010/11 financial year will pave the way for the interface between PCS and Movement Control System.

ii) Capital Assets

- **Completeness and accuracy of the fixed asset register that includes assets not included in the asset register, asset included in the asset register but not verifiable and unsubstantiated fair value adjustment.**

During the year under review, the Department conducted asset verification exercise to ensure that shortcomings which were identified are rectified including among other things, room barcoding, office numbering, identification of lease assets, verification of assets and accurate evaluation of capital assets.

iii) Payables

- **Clearance of repatriation deposit suspense account and immigration control account due to non availability of supporting documents.**

A request was submitted to National Treasury to transfer the net balance reflected on the repatriation deposit account amounting to R0, 9 million (R12, 6 – R11, 7 million) to National Revenue Fund.

iv) Leases

- **Contravention of Treasury Regulations in terms of entering into a Finance Lease in respect of procuring hardware and software for Who Am I Online project.**

The Department approached National Treasury to obtain condonement with regard to entering on a finance lease without National Treasury approval and a conditional approval was granted in terms of Treasury Regulation 13.2.5 subject to the Department renegotiating the contract in a manner such that the ownership of assets is transferred to the Department at the end of the lease period.

While the Department was engaged in a process to negotiate the change of the contract, the non performance by the service provider to deliver the project in terms of the timelines was noted. In the course of investigating the matter and considering the process and documentation leading to the contract concluded between the Department and the service provider, it

became apparent to the Department that, on various grounds “the contract ” was invalid and unenforceable. However, in order to comply with paragraphs 7-12 of the International Accounting Standards (IAS) 17, the lease agreement has been classified as finance lease.

15.2 OTHER MATTERS

- **Non-compliance with SECTION 38 (1) (C) (I) as effective and appropriate steps were not taken to collect all revenue due from civics and immigration services in foreign missions dating back as 2004/05 due to delays in receiving supporting documents.**

As explained in paragraph 1.1, the Department is also conducting certain services abroad. In this regard, DIRCO collects revenue on behalf of the Department and provides the running cost on a recoverable basis. Prior to the 2003/04 financial year, DIRCO was submitting the transactions incurred abroad on a set off basis (netting the expenditure as against the revenue). However, as from 2004/05 the process was changed in order to obtain a proper split of expenditure incurred abroad as well as revenue collected. Since the Department is operating on modified cash basis of accounting only recognised revenue supported by documentation. The Department has performed a detailed reconciliation from the 2004/05 up to 2008/09 financial years to determine the extent of revenue owed by DIRCO. In this regard, the amount owed to the Department in respect of revenue collected abroad amounts to R894, 498 million of which R295, 104 million has been confirmed by Department. During the next financial year, the Department will be engaged in discussions with DIRCO on how to settle the amount.

Furthermore, a Memorandum of Understanding (MOU) between the Department and the DIRCO was signed for implementation by 1 April 2010. The key feature of the MOU was to regulate the processing of revenue collected abroad as DIRCO has opened separate bank accounts

for the revenue collected on behalf of the Department in order to avoid the mixing of funds between the two Departments and this will ensure that revenue collected on behalf of the Department is kept separately.

- **Non compliance with the Public Service Regulations 2001, part V.D.2(d) as numerous employees of the Department receives payment of overtime in excess of 30% of their basic salary.**

This relates to overtime paid to front office staff for Civics and Immigration Services. Two years ago, a decision was taken to extend office hours to include Saturdays in order to increase access of services to the public, however employees could not accept categorising Saturday as a normal working day. In this regard, the Department had no other option but to pay overtime for work performed during Saturdays.

With regard to Immigration Officers, some of the ports of entry operate for long hours inclusive of Saturdays and Sundays. Since Immigration is not regarded as essential services, the Department has to pay overtime for work performed beyond normal working hours.

The Department, after consultation with labour and without success to find an amicable solution, approached the Labour Court to rule on the matter. However, the view of the court was that the matter is not urgent therefore it had to follow the normal process which could take about a year or more. The Department will continue to strive for a solution on the matter.

16. EXEMPTIONS AND DEVIATIONS RECEIVED FROM NATIONAL TREASURY

During the year under review, the Department in its endeavour to address long outstanding issues, to comply with the provisions of the PFMA, Treasury Regulations and Supply Chain Management framework, sought certain exemptions and deviations from National Treasury, which were duly granted and explained below:

• **Condonement of Finance Lease**

A condonation with regard to entering into a finance lease agreement was granted in order to comply with paragraphs 7 to 12 of the International Accounting Standards (IAS) 17, however subject to the Department re-negotiating the contract in a manner such that the ownership of assets will be transferred to the Department at the end of the lease contract. The Department has classified the lease agreement as finance lease although the validity and enforceability of the contract is still in dispute.

• **Condonement of Payments Effected Manually above R2 000**

During the year under review, the Department processed manual payments amounting to R141 650 for salary related payments due to delays in the submission of required information in order to process these transaction on PERSAL. National Treasury has granted approval on condition that the Department will make sure that all future payments in excess of R2 000 are effected electronically to avoid exposing the Department to fraud and a directive has been issued in this regard.

• **Utilisation of Earmarked Funds, Capital Funds for Defraying Current Expenditure and Shifting of Funds More Than the Eight Percent Threshold**

The Department, due to service delivery pressures requested an approval to utilise earmarked funds, capital funds to defray current expenditure and exceeding eight percent threshold for transferring of funds under a main division, which was dully granted.

• **Condonement of Irregular Expenditure**

The Department participated in transversal contract RT61-2006 in respect of air transport for deportation of illegal immigrants without prior authority in terms of Treasury Regulation 16.A. 6.6 and condonement was dully granted.

• **Deviation from Normal Tender Procedures**

During the year under review, the Department submitted a list of three items for deviation in respect of procurement above R1 million for 2009/10 amounting to R7, 547 million, which was noted by National Treasury.

17. INVESTIGATIONS: WHO AM I ONLINE (WAIO)

As reported in the previous financial year, the Department commissioned an investigation via the Office of the Auditor-General on the WAIO project to investigate among other things, the procurement process followed within State Information Technology Agency (SITA) in 2006, the subsequent awarding of the contract in 2007 and the funding of the project.

The report of the Auditor-General revealed certain tender procedural non-compliance aspects as well as concerns over the funding to honour the contract value. Furthermore, the Auditor-General established that the Department entered into a leased agreement during December 2008 with regard to WAIO, which constitutes a finance lease in terms of Treasury Regulations 13.2.2 due to the significant risks and rewards of ownership of the assets being transferred to the Department, however the Department classified the lease as an operating lease.

In order for the Department to regularise the expenditure incurred in respect of WAIO contract, the Department was to obtain a condonement from the Minister of Public Services and Administration with regard to non compliance of procurement processes by SITA as well as *ex post facto* approval from National Treasury in respect of the finance lease.

In this regard, the Department approached the Minister of Public Services and Administration for the condonement, however approval is still awaited.

Furthermore, the Department appointed a forensic auditor to investigate the awarding of the tender as well as the reasons for the increase in the original tender price. A draft forensic report was issued in December 2009, which was not conclusive due to lack of certain valuable information from stakeholders involved and inadequate terms of reference to allow the auditor to have a full scope of investigations. The revised terms of reference were submitted to the forensic auditor during February 2010.

With regard to the finance lease, a conditional approval was granted by National Treasury in terms of Treasury Regulation 13.2.5 subject to the Department renegotiating the contract in a manner such that ownership of assets is transferred to the Department at the end of the lease period. Furthermore, in respect of funding an in principle approval was granted for a business case to the value of R2, 234 billion subject to submission of the revised business case.

While the Department was engaged in a process to ensure that it meets all conditions set by National Treasury to finalise the finance lease as well as funding for the WAIO project, the Department observed the non performance by the service provider to deliver the project in terms of their undertaking. In the course of investigating the matter and considering the process and documentation leading to the contract concluded between the Department and the service provider, it became apparent to the Department that, on various grounds the contract was invalid and unenforceable.

Since condonation has not been received from DPSA all payments with regard to WAIO have been disclosed as irregular, however leased payments have been classified as a finance lease. With regard to the dispute on the validity and enforceability of the contract between the Department and the service provider, a contingency liability has been disclosed between the value of the contract and amount paid as at 31st of March 2010.

18. EVENTS AFTER THE REPORTING DATE

At the time of reporting, no material events affecting the Department occurred that had an impact in the Annual Financial Statements.

19. APPROVAL

The Annual Financial Statements set out on pages 99 to 142 have been approved by the Accounting Officer.



MKUSELI APLENI
DIRECTOR-GENERAL
DATE: 31 May 2010

Annual Financial Statements

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE NO. 4: DEPARTMENT OF HOME AFFAIRS

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Home Affairs, which comprise the appropriation statement, the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 99 to 136.

Accounting Officer's Responsibility for the Financial Statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in note 1.1 to the financial statements and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2009 (Act No. 12 of 2009) (DoRA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's Responsibility

3. As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) my responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. I conducted my audit in accordance with International Standards on Auditing and **General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009**. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Capital Assets

7. In terms of section 38(1)(d) and 40(1)(b) of the PFMA the accounting officer of the Department of Home Affairs must safeguard the assets and prepare financial statements in accordance with the prescribed norms and standards. Treasury Regulation 17.2 requires the accounting officer to retain all financial information in

its original form for a specified period. I was unable to verify the existence, completeness and the accurate valuation of the capital assets of the Department stated at R1, 606 billion in notes 28 and 29 to the financial statements. The Department's records did not permit the application of alternative audit procedures regarding the existence, completeness and consequently the accurate valuation of the capital assets.

Qualified Opinion

8. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Department of Home Affairs as at 31 March 2010 and its financial performance and its cash flows for the year then ended, in accordance with modified cash basis of accounting as described in note 1.1 to the financial statements and in the manner required by the PFMA and DoRA.

Emphasis of Matter

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

Basis of Accounting

9. The Department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policies note 1.1 to the financial statements

Restatement of Corresponding Figures

10. As disclosed in notes 18, 22 and 24 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of an error discovered during 31 March 2010 in the financial statements of the Department of Home Affairs at, and for the year ended, 31 March 2009.

Unauthorised and Irregular Expenditure

11. As disclosed in note 9 to the financial statements, unauthorised expenditure relates to an amount of R99, 883 million which was previously reported in the 2005/06 financial year. The Department has approached the National Treasury to table the previously reported unauthorised expenditure in the agenda of the relevant oversight committees of Parliament for authorisation.
12. As disclosed in note 24 to the financial statements, irregular expenditure to the amount of R321, 640 million was incurred due to non-compliance with various laws and regulations.

Significant Uncertainties

13. With reference to note 18 to the financial statements, the Department has various pending legal claims amounting to R6, 862 billion.

The ultimate outcome of the aforementioned matters cannot currently be determined and a contingent liability has been disclosed in the financial statements. Detailed information regarding the nature of the claims is disclosed in the accounting officer's report (paragraph 6).

Material Losses

14. As disclosed in note 28 to the financial statements, material losses to the amount of R26 million were incurred as a result of an adjustment made to the movable tangible capital asset balance. This adjustment relates to capital assets, which could not be physically verified by management.

I draw attention to the matter below. My opinion is not modified in respect of these matters:

Unaudited Supplementary Schedules

15. The supplementary information set out on pages 137 to 142 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 thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In terms of the PAA of South Africa and *General Notice 1570 of 2009*, issued in *Government Gazette No. 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

Findings

Predetermined Objectives

Usefulness of Information

17. The following criteria were used to assess the usefulness of the planned and reported performance information:
 - Consistency: Has the Department reported on this its performance with regard to its objectives, indicators and targets in its approved strategic plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
 - Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
 - Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

Planned and Reported Indicators/Measures Not Well Defined

18. For the selected programmes, 38 percent of the immigration services' planned and reported indicators/measures were not clear, with an unambiguous definition to allow for data to be collected consistently.

Compliance with Laws and Regulations

Treasury Regulations and PFMA

Non-adherence to Legislation

19. Contrary to the requirements of section 38(1)(a) and 40(1) of PFMA, the accounting officer did not keep full and proper records of the financial affairs of the Department in accordance with the prescribed norms and standards. As a result the finalisation of the audit process required extensive adjustments to be made to the annual financial statements submitted.
20. Contrary to the requirements of section 38(1)(d) of PFMA, the accounting officer did not implement appropriate measures for the management, including the safeguarding and the maintenance of the assets as audit assurance relating the existence, completeness and valuation of the departmental capital asset register could not be obtained.
21. Contrary to the requirements of Treasury Regulation 27.2.6, no external assessment of internal audit has been performed to ensure that internal audit has been conducted in accordance with the standards set by the Institute of Internal Auditors.
22. Contrary to the requirements of section 38(1)(f) of PFMA and Treasury Regulation paragraph 8.2.3, payments due to creditors were not settled within 30 days.

INTERNAL CONTROL

23. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and DORA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

Leadership

There has been a significant improvement in the leadership structures within the Department with the appointment of key staff in leadership position but there was a lack of oversight responsibility to take action of ensuring that the departmental assets are verified and reconciled on a regular basis.

Financial and Performance Management

Personnel are not always aware of the allocation of duties, responsibilities and lines of reporting. Duties which should be taken by personnel to address risks relating to the achievement of complete and accurate financial and performance information are not performed. Such actions include the daily review of transactions and the proper record keeping of supporting documentation. This has resulted in errors, anomalies and inconsistencies going undetected.

General hardware and application controls have not been designed to ensure the reliability of the operating system, the accuracy of the data outputs, and the protection of equipment and files. The lack of an adequate asset register led to inconsistencies in the asset register not being able to be rectified as and when they occurred.

Governance

Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial and performance management. Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken. Internal audit did not fulfil its responsibilities as set out in the annual audit plan as only 48 percent of the intended audits were carried out. Furthermore, significant audit work was not performed on those areas identified as high risk. Measures to report the effectiveness of internal controls and the recommendations thereof were not adequate.

OTHER REPORTS

Investigations

Investigations in Progress

Who Am I Online (WAIO)

24. The Department commissioned an investigation to investigate, among other things, the procurement process followed within State Information Technology Agency (SITA) in 2006, the subsequent awarding of the contract in 2007 and the funding of the project. A draft forensic report was issued in December 2009, which was not conclusive due to lack of certain valuable information from stakeholders involved and inadequate terms of reference to allow the investigator to have a full scope of investigation. The revised terms of reference were submitted to the forensic auditor during February 2010. The investigation is still ongoing

Investigations Completed During the Financial Year

25. An investigation was performed for the tender relating to the upgrading of BVR and 27 other offices countrywide during the 2008/09 financial year.

It was identified that there were discrepancies in the contract bill of quantities, the respective invoices paid and the physical security of equipment installed in the 28 offices by the contractor. This resulted in the Department suffering financial losses amounting to R6,027 million. Six officials in the Department were charged with the offence and the disciplinary process is ongoing.



Pretoria
3 September 2010



DEPARTMENT OF HOME AFFAIRS
VOTE 4 - CENTRAL GOVERNMENT ADMINISTRATION
APPROPRIATION STATEMENT: DETAILS PER PROGRAMME
For the Year Ended 31 March 2010

Appropriation per Programme									
2009/10								2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	(R'000)
1. Administration									
Current payment	1 040 634	(11 331)	192 842	1 222 145	1 222 145	–	100.0	1 197 097	1 194 279
Transfers and subsidies	1 261	–	1 388	2 649	2 649	–	100.0	2 469	2 195
Payment for capital assets	52 032	(340)	5 988	57 680	57 680	–	100.0	82 835	87 665
2. Services to Citizens									
Current payment	1 212 152	(258)	85 060	1 296 954	1 296 954	–	100.0	1 021 197	1 000 788
Transfers and subsidies	3 082	–	390	3 472	3 472	–	100.0	7 255	7 274
Payment for capital assets	144 423	258	(72 754)	71 927	71 927	–	100.0	229 659	135 831
3. Immigration Services									
Current payment	1 461 119	(91 375)	(219 949)	1 149 795	1 081 420	68 375	94.1	1 044 429	944 725
Transfers and subsidies	264	–	2 235	2 499	2 499	–	100.0	1 965	2 002
Payment for capital assets	36 965	103 046	4 800	144 811	144 811	–	100.0	19 365	81 464
3. Transfers to Agencies									
Transfers and subsidies	1 311 852	–	–	1 311 852	1 311 852	–	100.0	1 210 337	1 210 337
TOTAL	5 263 784	–	–	5 263 784	5 195 409	68 375	98.7	4 816 608	4 666 560
Reconciliation with statement of financial performance									
ADD:									
Departmental receipts				442 220				355 673	
Actual amounts per statement of financial performance (total revenue)				5 706 004				5 172 281	
Actual amounts per statement of financial performance (total expenditure)					5 195 409				4 666 560

Appropriation per Economic Classification									
	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	(R'000)
Current payments									
Compensation of employees	1 659 064	–	(22 006)	1 637 058	1 637 058	–	100.0	1 327 951	1 296 049
Goods and services	2 054 841	(166 629)	66 317	1 954 529	1 886 154	68 375	96.6	1 934 772	1 843 226
Interest on rent and land	–	75 336	–	75 336	75 336	–	–	–	–
Financial transactions in assets and liabilities	–	(11 671)	13 642	1 971	1 971	–	100.0	–	517
Transfers and subsidies									
Provinces and municipalities	–	–	857	857	857	–	100.0	634	634
Departmental agencies and accounts	1 311 852	–	–	1 311 852	1 311 852	–	100.0	1 210 337	1 210 337
Households	4 607	–	3 156	7 763	7 763	–	100.0	11 055	10 837
Payments for capital assets									
Machinery and equipment	94 032	31 752	15 085	140 809	140 869	–	100.0	217 612	164 242
Software and other intangible assets	139 388	71 212	(77 051)	133 549	133 549	–	100.0	114 247	140 718
Total	5 263 784	–	–	5 263 784	5 195 409	68 375	98.7	4 816 608	4 666 560

Details per Programme I – Administration for the Year Ended 31 March 2010									
Details per Sub-Programme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	(R'000)
I.1 Minister									
Current payment	1 725	–	–	1 725	1 725	–	100.0	1 612	1 584
I.2 Deputy Minister									
Current payment	1 420	–	–	1 420	1 420	–	100.0	1 328	1 306
I.3 Management									
Current payment	258 984	(320)	185 258	443 922	443 922	–	100.0	498 224	512 360
Transfers and subsidies	530	–	52	582	582	–	100.0	481	985
Payment for capital assets	26 069	320	(20 380)	6 009	6 009	–	100.0	23 895	1 403
I.4 Corporate Services									
Current payment	103 238	21	3 534	106 793	106 793	–	100.0	109 489	110 673
Transfers and subsidies	215	–	(129)	86	86	–	100.0	842	57
Payment for capital assets	–	(21)	798	777	777	–	100.0	771	743
I.5 Financial Services									
Current payment	117 023	(4 646)	36 068	148 445	148 445	–	100.0	105 345	104 057
Transfers and subsidies	433	–	1 088	1 521	1 521	–	100.0	1 050	1 050
Payment for capital assets	4 000	(6 990)	7 552	4 562	4 562	–	100.0	2 329	2 261
I.6 Information Services									
Current payment	183 848	(9 352)	45 959	220 455	220 455	–	100.0	227 589	209 667
Transfers and subsidies	83	–	80	163	163	–	100.0	96	103
Payment for capital assets	–	9 352	743	10 095	10 095	–	100.0	482	15 308
I.7 Transversal IT Projects									
Current payment	144 019	3 001	(73 943)	73 077	73 077	–	100.0	45 929	47 773
Payment for capital assets	–	(3 001)	34 204	31 203	31 203	–	100.0	32 702	45 451
I.8 Government Motor Transport									
Current payment	20 636	–	(8 176)	12 460	12 460	–	100.0	9 346	8 677
Transfers and subsidies	–	–	297	297	297	–	100.0	–	–
Payment for capital assets	21 963	–	(16 929)	5 034	5 034	–	100.0	22 613	22 456

Details per Programme I – Administration for the Year Ended 31 March 2010									
2009/10							2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	(R'000)
I.9 Property Management									
Current payment	209 741	(35)	4 142	213 848	213 848	–	100.0	198 235	198 182
Payment for capital assets	–	–	–	–	–	–	–	43	43
Total	1 093 927	(11 671)	200 218	1 282 474	1 282 474	–	100.0	1 282 401	1 284 139

Details per Programme I per Economic Classification for the Year Ended 31 March 2010									
2009/10							2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	(R'000)
Current payments									
Compensation of employees	227 690	–	(2 778)	224 912	224 912	–	100.0	184 748	178 687
Goods and services	812 944	(1 374)	181 978	993 548	993 548	–	100.0	1 012 349	1 015 105
Interest on rent and land	–	1 714	–	1 714	1 714	–	100.0	–	–
Financial transactions in assets and liabilities	–	(11 671)	13 642	1 971	1 971	–	100.0	–	487
Transfers and subsidies to:									
Provinces and municipalities	–	–	857	857	857	–	100.0	634	634
Households	1 261	–	531	1 792	1 792	–	100.0	1 835	1 561
Payment for capital assets									
Machinery and equipment	52 032	6 987	(9 315)	49 704	49 704	–	100.0	82 835	87 665
Software and other intangible assets	–	(7 327)	15 303	7 976	7 976	–	100.0	–	–
Total	1 093 927	(11 671)	200 218	1 282 474	1 282 474	–	100.0	1 282 401	1 284 139

Details per Programme 2 – Services to Citizens for the Year ended 31 March 2010									
Details per Sub-Programme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	(R'000)
2.1 Management									
Current payment	28 482	–	(8 913)	19 569	19 569	–	100.0	37 833	27 498
Transfers and subsidies	3 082	–	(3 077)	5	5	–	100.0	7 255	2 049
Payment for capital assets	–	–	21	21	21	–	100.0	75	65
2.2 Status Services									
Current payment	149 608	(6)	59 278	208 880	208 880	–	100.0	100 645	93 211
Transfers and subsidies	–	–	88	88	88	–	100.0	–	186
Payment for capital assets	40 000	6	(35 856)	4 150	4 150	–	100.0	18 855	3 897
2.3 Identification									
Current payment	118 353	–	11 803	130 156	130 156	–	100.0	108 147	111 909
Transfers and subsidies	–	–	97	97	97	–	100.0	–	311
Payment for capital assets	–	–	198	198	198	–	100.0	–	694
2.4 HANIS									
Current payment	123 526	–	(46 026)	77 500	77 500	–	100.0	113 501	88 090
Payment for capital assets	104 423	–	(42 834)	61 589	61 589	–	100.0	201 160	126 586
2.5 Customer Service Centre									
Current payment	107 407	–	(42 415)	64 992	64 992	–	100.0	50 437	38 248
Transfers and subsidies	–	–	12	12	12	–	100.0	–	2
Payment for capital assets	–	–	122	122	122	–	100.0	9 569	253
2.6 Provincial Civic Services									
Current payment	684 776	(252)	111 333	795 857	795 857	–	100.0	610 634	641 832
Transfers and subsidies	–	–	3 270	3 270	3 270	–	100.0	–	4 726
Payment for capital assets	–	252	5 595	5 847	5 847	–	100.0	–	4 336
Total	1 359 657	–	12 696	1 372 353	1 372 353	–	100.0	1 258 111	1 143 893

Details per Programme 2 per Economic Classification for the Year Ended 31 March 2010									
	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	(R'000)
Current payments									
Compensation of employees	745 803	–	98 687	844 490	844 490	–	100.0	624 551	624 471
Goods and services	466 349	(415)	(13 627)	452 307	452 307	–	100.0	396 646	376 317
Interest on rent and land	–	157		157	157	–	100.0	–	–
Transfers and subsidies to:									
Households	3 082	–	390	3 472	3 472	–	100.0	7 255	7 274
Payment for capital assets									
Machinery and equipment	40 000	151	20 191	60 342	60 342	–	100.0	115 412	58 064
Software and other intangible assets	104 423	107	(92 945)	11 585	11 585	–	100.0	114 247	77 767
Total	1 359 657	–	12 696	1 372 353	1 372 353	–	100.0	1 258 111	1 143 893

Details per Programme 3 – Immigration Services for the Year Ended 31 March 2010									
Details per Sub-Programme	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	(R'000)
3.1 Management									
Current payment	60 568	–	(1 434)	59 134	59 134	–	100.0	38 673	31 712
Transfers and subsidies	264	–	(264)	–	–	–	–	1 965	6
Payment for capital assets	2 000	–	(1 264)	736	736	–	100.0	15 000	13 314
3.2 Admissions									
Current payment	451 004	(91 384)	(87 166)	272 454	204 079	68 375	74.9	189 730	90 602
Transfers and subsidies	–	–	8	8	8	–	100.0	–	51
Payment for capital assets	34 965	103 055	243	138 263	138 263	–	100.0	–	63 250
3.3 Immigration Control									
Current payment	223 281	151	(34 504)	188 928	188 928	–	100.0	245 729	243 716
Transfers and subsidies	–	–	50	50	50	–	100.0	–	10
Payment for capital assets	–	(151)	2 401	2 250	2 250	–	100.0	4 097	597
3.4 Provincial Immigration Control									
Current payment	471 280	(152)	31 558	502 685	502 685	–	100.0	418 549	419 110
Transfers and subsidies	–	–	2 059	2 059	2 059	–	100.0	–	1 828
Payment for capital assets	–	152	2 391	2 543	2 543	–	100.0	–	3 519
3.5 Refugee Affairs									
Current payment	101 227	–	(1 437)	99 790	99 790	–	100.0	69 037	78 526
Transfers and subsidies	–	–	96	96	96	–	100.0	–	91
Payment for capital assets	–	–	842	842	842	–	100.0	–	638
3.6 Foreign Missions									
Current payment	153 759	10	(126 966)	26 803	26 803	–	100.0	82 711	81 059
Transfers and subsidies	–	–	286	286	286	–	100.0	–	16
Payment for capital assets	–	(10)	187	177	177	–	100.0	268	146
Total	1 498 348	11 671	(212 914)	1 297 105	1 228 730	68 375	94.7	1 065 759	1 028 191

Details per Programme 3 per Economic Classification for the Year Ended 31 March 2010									
	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	(R'000)
Current payments									
Compensation of employees	685 571	–	(117 915)	567 656	567 656	–	100.0	518 652	492 891
Goods and services	775 548	(164 840)	(102 034)	508 674	440 299	68 375	88.3	525 777	451 804
Interest and rent on land	–	73 465	–	73 465	73 465	–	100.0	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–	–	30
Transfers and subsidies to:									
Households	264	–	2 235	2 499	2 499	–	100.0	1 965	2 002
Payment for capital assets									
Machinery and equipment	2 000	24 616	4 209	30 823	30 823	–	100.0	19 365	18 513
Software and other intangible assets	34 965	78 432	591	113 988	113 988	–	100.0	–	62 951
Total	1 498 348	11 671	(212 914)	1 297 105	1 228 730	68 375	94.7	1 065 759	1 028 191

Details per Programme 4 – Transfers to Agencies for the Year Ended 31 March 2010									
Details per Sub-Programme	2009/10							2008/09	
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of Final Appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)
4.1 Film and Publication Board									
Transfers and subsidies	39 797	–	–	39 797	39 797	–	100.0	33 519	33 519
4.2 Government Printing Works									
Transfers and subsidies	334 822	–	–	334 822	334 822	–	100.0	137 425	137 425
4.3 Electoral Commission									
Transfers and subsidies	937 233	–	–	937 233	937 233	–	100.0	1 039 393	1 039 393
Total	1 311 852	–	–	1 311 852	1 311 852	–	100.0	1 210 337	1 210 337

Details per Programme 4 per Economic Classification for the Year Ended 31 March 2010									
2009/10							2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	(R'000)
Current payments									
Transfers and subsidies to:									
Departmental agencies and accounts	1 311 852	-	-	1 311 852	1 311 852	-	100.0	1 210 337	1 210 337
Payment for capital assets									
Total	1 311 852	-	-	1 311 852	1 311 852	-	100.0	1 210 337	1 210 337

NOTES TO THE APPROPRIATION STATEMENT

For the Year Ended 31 March 2010

1. Details of Transfers and Subsidies as Per Appropriation Act (After Virement):

Details of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure I (A-C) to the Annual Financial Statements.

2. Details of Specifically and Exclusively Appropriated Amounts Voted (After Virement):

Details of these transactions can be viewed in note I (Annual Appropriation) to the Annual Financial Statements.

3. Details on Financial Transactions in Assets and Liabilities

Details of these transactions per programme can be viewed in the note on Financial Transactions in assets and liabilities to the Annual Financial Statements.

4. Explanations of Material Variances From Amounts Voted (After Virement):

4.1 Per Programme	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Variance as a % of Final Appropriation %
Programme 3: Immigration Services	1 297 105	1 228 730	68 375	5.3
Under-spending mainly due to funds for the Movement Control Legacy System to be rolled over and paid to SARS in the 2010/11 financial year.				

4.2 Per Economic Classification	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Variance as a % of Final Appropriation %
Current payments:				
Compensation of employees	1 637 058	1 637 058	–	–
Goods and services	1 954 529	1 886 154	68 375	3.5
Interest and rent on land	75 336	75 336	–	–
Financial transactions in assets and liabilities	1 971	1 971	–	–
Transfers and subsidies:				
Provinces and municipalities	857	857	–	–
Departmental agencies and accounts	1 311 852	1 311 852	–	–
Households	7 763	7 763	–	–
Payments for capital assets:				
Machinery and equipment	140 869	140 869	–	–
Software and other intangible assets	133 549	133 549	–	–

DEPARTMENT OF HOME AFFAIRS

VOTE 4 - CENTRAL GOVERNMENT ADMINISTRATION

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
REVENUE			
Annual appropriation	1	5 706 004	5 172 281
Departmental revenue	2	5 263 784	4 816 608
		442 220	355 673
TOTAL REVENUE		5 706 004	5 172 281
EXPENDITURE			
Current expenditure			
Compensation of employees	3	3 600 519	3 139 792
Goods and services	4	1 637 058	1 296 049
Interest and rent on land	5	1 886 154	1 843 226
Financial transactions in assets and liabilities	6	75 336	
		1 971	517
Total current expenditure		3 600 519	3 139 792
Transfers and subsidies			
Transfers and subsidies	7	1 320 472	1 221 808
		1 320 472	1 221 808
Expenditure for capital assets			
Tangible capital assets	8	274 418	304 960
Software and other intangible assets	8	140 869	164 242
		133 549	140 718
Total expenditure for capital assets		274 418	304 960
TOTAL EXPENDITURE		5 195 409	4 666 560
SURPLUS/(DEFICIT) FOR THE YEAR		510 595	505 721
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		68 375	150 048
Departmental revenue	14	442 220	355 673
SURPLUS/(DEFICIT) FOR THE YEAR		510 595	505 721

DEPARTMENT OF HOME AFFAIRS

VOTE 4 - CENTRAL GOVERNMENT ADMINISTRATION STATEMENT OF FINANCIAL POSITION

For the Year Ended 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
ASSETS			
Current assets			
Unauthorised expenditure	9	99 883	101 806
Cash and cash equivalents	10	93 613	77 293
Prepayments and advances	11	714	663
Receivables	12	13 210	12 684
TOTAL ASSETS		207 420	192 446
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	13	68 375	150 048
Departmental revenue to be surrendered to the Revenue Fund	14	25 548	33 437
Payables	15	112 404	4 881
TOTAL LIABILITIES		206 327	188 366
NET ASSETS		1 093	4 080
Represented by:			
Recoverable revenue		1 093	4 080
TOTAL		1 093	4 080

DEPARTMENT OF HOME AFFAIRS

VOTE 4 - CENTRAL GOVERNMENT ADMINISTRATION STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended 31 March 2010

Recoverable revenue

Opening balance

Transfers:

Debts revised

Closing balance

TOTAL

Note

	2009/10 R'000	2008/09 R'000
	4 080	(133)
	(2 987)	4 213
	(2 987)	4 213
	1 093	4 080
	1 093	4 080

DEPARTMENT OF HOME AFFAIRS

VOTE 4 - CENTRAL GOVERNMENT ADMINISTRATION CASH FLOW STATEMENT

For the Year Ended 31 March 2010

CASH FLOW	Note	2009/10 R'000	2008/09 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		5 705 677	5 172 281
Annual appropriated funds received	1.1	5 263 784	4 816 608
Departmental revenue received	2	441 893	355 673
Net (increase)/decrease in working capital		108 869	(16 833)
Surrendered to Revenue Fund		(600 157)	(464 412)
Current payments		(3 600 519)	(3 139 792)
Transfers and subsidies paid		(1 320 472)	(1 221 808)
Net cash flow available from operating activities	16	293 398	329 436
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(274 418)	(304 960)
Proceeds from sale of capital assets	2.4	327	-
Net cash flows from investing activities		(274 091)	(304 960)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(2 987)	4 213
Net cash flows from financing activities		(2 987)	4 213
Net increase/(decrease) in cash and cash equivalents		16 320	28 689
Cash and cash equivalents at beginning of period		77 293	48 604
Cash and cash equivalents at end of period	17	93 613	77 293

DEPARTMENT OF HOME AFFAIRS

VOTE 4 - CENTRAL GOVERNMENT ADMINISTRATION ACCOUNTING POLICIES

For the Year Ended 31 March 2010

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. PRESENTATION OF FINANCIAL STATEMENTS

1.1 Basis of Preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation Currency

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

1.3 Rounding

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

1.4 Comparative Figures

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

1.5 Comparative Figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. REVENUE

2.1 Appropriated Funds

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

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

The total appropriated funds received during the year are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the

financial year are recognised as payable in the statement of financial position.

2.2 Departmental Revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however, disclosed in the disclosure note to the annual financial statements.

2.3 Direct Exchequer Receipts / Payments

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and subsequently paid into the National/Provincial Revenue Fund, unless otherwise stated.

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Aid Assistance

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the annual financial statements.

Cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. EXPENDITURE

3.1 Compensation of Employees

3.1.1 Short-Term Employee Benefits

The cost of short-term employee benefits are expensed in the statement of financial performance when financial authorisation for payment is effected on the system (by no later than 31 March each year)

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

Employee cost are capitalised to the cost of a capital project when an employee spends more than 50 percent of his/her time in the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Post Retirement Benefits

Employer contribution (i.e. social contributions) are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March each year).

No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the National Revenue Funds and not in the financial statements of the employer department.

Social contribution (such as medical benefits) made by the Department for certain of its ex-employees are classified as transfers to households in the statement of financial performance.

3.1.3 Termination Benefits

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

3.1.4 Other Long-Term Employee Benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the statement of financial performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements.

3.2 Goods and Services

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

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

3.3 Interest and Rent on Land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial Transactions in Assets and Liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

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

3.5 Transfers and Subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Annual Financial Statements

3.6 Unauthorised Expenditure

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

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

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

3.7 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular Expenditure

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

4. ASSETS

4.1 Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Bank overdrafts are shown separately on the face of the statement of financial position.

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

4.2 Other Financial Assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and Advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and where the goods and services have not been received by year end.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentials irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8 Capital Assets

4.8.1 Movable Assets

• Initial Recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

• Subsequent Recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset” and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

4.8.2 Immovable Assets

Initial Recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent Recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset”. On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

5. LIABILITIES

5.1 Payables

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

5.2 Contingent Liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent Assets

Contingent assets are included in the disclosure notes to the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

5.4 Commitments

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

5.5 Accruals

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

5.6 Employee Benefits

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

5.7 Lease Commitments

• Finance Lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

• Operating Lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Provisions

Provisions are disclosed 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 will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. RECEIVABLES FOR DEPARTMENTAL REVENUE

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. NET ASSETS

7.1 Capitalisation Reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

7.2 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.

8. RELATED PARTY TRANSACTIONS

Specific information with regards to related party transactions is included in the disclosure notes.

Annual Financial Statements

9. Key Management Personnel

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

10. PUBLIC PRIVATE PARTNERSHIPS (PPP)

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

DEPARTMENT OF HOME AFFAIRS

VOTE 4 - CENTRAL GOVERNMENT ADMINISTRATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

I. ANNUAL APPROPRIATION

I.1 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:

	Final Appropriation 2009/10 R'000	Actual Funds Received 2009/10 R'000	Funds not Requested/ Not Received 2009/10 R'000	Appropriation Received 2008/09 R'000
Administration	1 282 474	1 282 474	–	1 365 380
Services to Citizens	1 372 353	1 372 353	–	1 258 111
Immigration Services	1 297 105	1 297 105	–	982 780
Transfers to Agencies	1 311 852	1 311 852	–	1 210 337
Total	5 263 784	5 263 784	–	4 816 608

2. DEPARTMENTAL REVENUE

	Note	2009/10 R'000	2008/09 R'000
Sales of goods and services other than capital assets	2.1	384 662	304 904
Fines, penalties and forfeits	2.2	33 219	17 094
Interest, dividends and rent on land	2.3	659	608
Sales of capital assets	2.4	327	–
Financial transactions in assets and liabilities	2.5	23 353	33 067
Departmental revenue collected		442 220	355 673

In the 2008/09 audit, the Department has been qualified on payables relating to 2004/05 financial year which was mainly for repatriation deposits. In an endeavour to clear this long outstanding amounts, the Department sought approval from National Treasury which was duly granted and an amount of R0,9 million has been transferred to National Revenue Fund.

Annual Financial Statements

2.1 Sales of Goods and Services other than Capital Assets

	Note 2	2009/10 R'000	2008/09 R'000
Sales of goods and services produced by the department		384 642	304 891
Sales by market establishment		1 261	1 398
Administrative fees		380 036	299 107
Other sales		3 345	4 386
Sales of scrap, waste and other used current goods		20	13
Total		384 662	304 904

2.2 Fines, Penalties and Forfeits

	Note 2	2009/10 R'000	2008/09 R'000
Fines		22 491	11 234
Penalties		3 254	5 558
Forfeits		7 474	302
Total		33 219	17 094

2.3 Interest, Dividends and Rent on Land

	Note 2	2009/10 R'000	2008/09 R'000
Interest Received		659	608
Total		659	608

2.4 Sale of Capital Assets

	Note 2	2009/10 R'000	2008/09 R'000
Tangible capital assets			
Machinery and equipment	27.2	327	–
Total		327	–

2.5 Financial Transactions in Assets and Liabilities

	Note 2	2009/10 R'000	2008/09 R'000
Receivables		3 973	918
Other Receipts including Recoverable Revenue		19 380	32 149
Total		23 353	33 067

The debt account closed with a balance of R6,1 million during 2008/09 financial year. To this effect, the Department has recovered the debts through monthly deductions from officials' salaries in case of current employees' debts. When debts are recovered from officials' salaries, the instalment amount is reduced with amount present in the debt receivable interest account and the amount is debited against this account and credited to the revenue item: Priv Sec: Dom: Contr debt hence the increase on receivables in Financial transactions in assets and liabilities.

3. COMPENSATION OF EMPLOYEES

3.1 Salaries and Wages

	Note 3	2009/10 R'000	2008/09 R'000
Basic salary		1 082 003	822 581
Performance award		25 518	19 965
Service Based		4 564	1 310
Compensative/circumstantial		124 659	106 960
Periodic payments		666	258
Other non-pensionable allowances		193 251	177 741
Total		1 430 661	1 128 815

3.2 Social Contributions

	Note 3	2009/10 R'000	2008/09 R'000
Employer contributions			
Pension		123 501	99 622
Medical		82 584	67 353
Bargaining council		312	259
Total		206 397	167 234
Total compensation of employees		1 637 058	1 296 049
Average number of employees		9 343	8 394

During the year under review, the Department was in a process of migrating employees into the approved organisational structure and a moratorium was placed on the filling of funded vacant positions. In light of these developments, a total of 3 190 contract workers were employed to ensure that service delivery is not negatively affected as a result of the vacancy rate. Furthermore, the yearly salary increase was more than the provision made for and an additional amount allocated during the Adjusted Estimates.

4. GOODS AND SERVICES

	Note	2009/10 R'000	2008/09 R'000
Administrative fees		16 005	15 586
Advertising		7 553	24 352
Assets less than R5,000	4.1	17 248	18 168
Bursaries (employees)		2 280	1 864
Catering		5 849	11 975
Communication		63 654	55 469
Computer services	4.2	346 391	244 576
Consultants, contractors and agency/outsourced services	4.3	573 401	633 773
Entertainment		403	417
Audit cost – external	4.4	22 097	15 373
Inventory	4.5	221 141	121 952
Operating leases		151 214	165 514
Owned and leasehold property expenditure	4.6	84 457	129 834
Transport provided as part of the departmental activities		59 811	80 863
Travel and subsistence	4.7	263 303	235 242
Venues and facilities		9 567	20 937
Training and staff development		23 655	13 432
Other operating expenditure	4.8	18 176	53 899
Total		1 886 154	1 843 226

The increase is mainly due to increase in normal price increase and included is the additional funds allocation for specific projects.

Annual Financial Statements

4.1 Assets Less Than R5 000

	Note	2009/10	2008/09
	4	R'000	R'000
Tangible assets		17 003	18 163
Machinery and equipment		17 003	18 163
Intangible assets		245	5
Total		17 248	18 168

The Department embarked on the “Look and Feel” project at outside offices to ensure that offices bear a same corporate image, hence a continuous level of expenditure.

4.2 Computer Services

	Note	2009/10	2008/09
	4	R'000	R'000
SITA computer services		104 887	108 199
External computer service providers		241 504	136 377
Total		346 391	244 576

The increase in computer services is due to the upgrade of the Department’s Information Service Infrastructure that resulted in the installation of more data lines, system development and mainframe support.

4.3 Consultants, Contractors and Agency/Outsourced Services

	Note	2009/10	2008/09
	4	R'000	R'000
Business and advisory services		305 076	369 773
Infrastructure and planning		42	22
Legal costs		23 714	10 563
Contractors		60 839	96 010
Agency and support/outsourced services		183 730	157 405
Total		573 401	633 773

The Department’s new leadership embarked on a project where departmental officials have now resumed and taken over projects initiated by the Turnaround team. It is worth mentioning that there is now a reduction on the dependency and reliance on consultants within the Department.

4.4 Audit Cost – External

	Note	2009/10	2008/09
	4	R'000	R'000
Regularity audits		21 536	15 373
Other audits		561	–
Total		22 097	15 373

Under the item Other Audits, the amount as disclosed is mainly for forensic audits, which could not be linked to the notes hence the classification to other audits. It must be borne in mind that during the current year, the audit services were also outsourced and resulted in a significant increase on the regulatory audits.

4.5 Inventory

	Note	2009/10 R'000	2008/09 R'000
Learning and teaching support material	4	21	–
Fuel, oil and gas		58	358
Other consumable materials		7 373	5 894
Maintenance material		1 023	465
Stationery and printing		212 317	115 081
Medical supplies		349	154
Total		221 141	121 952

The increase can mainly be attributed to the increase in the printing costs of passports charged by the Government Printing Works. Furthermore, there has been a project embarked to promote Late Registration of Births (LRB), which resulted in an increase in the printing costs for Civic Services-related enabling documents.

4.6 Owned and Leasehold Property Expenditure

	Note	2009/10 R'000	2008/09 R'000
Municipal services	4	26 644	19 140
Property Maintenance and repairs		49 117	–
Other		8 696	110 694
Total		84 457	129 834

Included under this item are payments for municipal services and other expenditure relating to buildings namely maintenance, garden services, cleaning services, fumigation services, pest control, and safeguarding & security services. During the year under review, the Department refurbished their buildings leading to an increase in maintenance costs.

4.7 Travel and Subsistence

	Note	2009/10 R'000	2008/09 R'000
Local	4	262 433	226 093
Foreign		870	9 149
Total		870	235 242

The fragmentation of the organisational structure of the Department into Zones put a lot of strain on the travelling budget of the Department as a result of the movement of managers responsible for two or more provinces. In addition the increase is also linked to the relocation of officials to different offices within the zones.

4.8 Other Operating Expenditure

	Note	2009/10 R'000	2008/09 R'000
Professional bodies, membership and subscription fees	4	168	3 145
Resettlement costs		1 818	1 533
Other		16 190	49 221
Total		18 176	53 899

The decrease is as a result of the item for Uniform and protective clothing classified under this item, which was removed to Inventories in terms of SCOA classification.

5. INTEREST AND RENT ON LAND

	Note	2009/10 R'000	2008/09 R'000
Interest paid		75 336	–
Total		75 336	–

The Department entered into various lease agreements during the previous financial years which constituted a finance lease in terms of Treasury Regulations 13.2.2 for leasing of computer and telecommunication equipment, which were not properly disclosed. This error has been corrected during the 2009/10 financial year. However, the Department is not in a position to reflect the comparative figure for the previous financial year. An amount of R22, 434 million in respect of 2008/09 financial year is included in the goods and services.

6. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

	Note	2009/10 R'000	2008/09 R'000
Material losses through criminal conduct		–	–
Other material losses written off	6.1	1 627	–
Debts written off	6.2	344	517
Total		1 971	517

Annual Financial Statements

6.1 Other Material Losses Written Off

	Note 6	2009/10 R'000	2008/09 R'000
Nature of losses			
Bank Adjustment		5	–
Disallowance Miscellaneous		361	–
Disallowance Damages and Losses		919	–
Foreign Affairs Vouchers in Transit		342	–
Total		1 627	–

6.2 Debts Written Off

	Note 6	2009/10 R'000	2008/09 R'000
Nature of debts written off			
Ex-employee: salary related debts		238	354
FMS subsistence and travel		3	30
Telephone debt		27	–
Dishonoured cheques		7	3
Financial assistance		69	126
Other		–	4
Total		344	517

The internal controls pertaining to these accounts have since been stepped up, hence the decrease in debt amounts being written off. The Department is making monthly follow-ups where it is possible and economical other agencies are being utilised in order to reduce the risk of writing off debts. Furthermore, a Departmental Debt Management Committee has been established.

7. TRANSFERS AND SUBSIDIES

	Note	2009/10 R'000	2008/09 R'000
Provinces and municipalities	Annex 1A	857	634
Departmental agencies and accounts	Annex 1B	1 311 852	1 210 337
Households	Annex 1C	7 763	10 837
Total		1 320 472	1 221 808

The increase in transfers is mainly due to the increased amounts paid over to public entities

8. EXPENDITURE FOR CAPITAL ASSET

	Note	2009/10 R'000	2008/09 R'000
Tangible assets		140 869	164 242
Machinery and equipment	28.1	140 869	164 242
Software and other intangible assets		133 549	140 718
Computer software	29.1	77 730	77 767
Capitalised development costs	29.1	–	62 951
Other intangibles	29.1	55 819	–
Total		274 418	304 960

8.1 Analysis of Funds Utilised to Acquire Capital Assets – 2009/10

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	140 869	–	140 869
Machinery and equipment	140 869	–	140 869
Software and other intangible assets	133 549	–	133 549
Computer software	77 730	–	77 730
Other Intangibles	55 819	–	55 819
Total	274 418	–	274 418

8.2 Analysis of Funds Utilised to Acquire Capital Assets – 2008/09

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	164 242	–	164 242
Machinery and equipment	164 242	–	164 242
Software and other intangible assets	140 718	–	140 718
Computer software	77 767	–	77 767
Capitalised development costs	62 951	–	62 951
Total	304 960	–	304 960

9. UNAUTHORISED EXPENDITURE

9.1 Reconciliation of Unauthorised Expenditure

	Note	2009/10 R'000	2008/09 R'000
Opening balance	9	101 806	101 806
Less: Amounts transferred to receivables for recovery		(1 923)	–
Unauthorised expenditure awaiting authorisation / written off		99 883	101 806
		2009/10 R'000	2008/09 R'000
Analysis of awaiting authorisation per economic classification			
Current		99 883	101 806
Total		99 883	101 806

10. CASH AND CASH EQUIVALENTS

	Note	2009/10 R'000	2008/09 R'000
Consolidated Paymaster General Account		92 212	75 888
Cash receipts		1 052	1 090
Cash on hand - Petty Cash		349	315
Total		93 613	77 293

11. PREPAYMENTS AND ADVANCES

	Note	2009/10 R'000	2008/09 R'000
Travel and subsistence		714	663
Total		714	663

Due to the nature of some of the programmes within the Department, it has become essential that officials be granted standing advances in order to enable them to execute special activities as and when required by the Department. In this regard, the main contributing units are Counter Corruption and Immigration Services.

12. RECEIVABLES

	Note	2009/10				2008/09
		R'000	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	12.1 Annex 3	237	15	135	387	912
Recoverable expenditure	12.2	3 118	651	6	3 775	2 016
Staff debt	12.3	1 556	1 747	594	3 897	6 186
Other debtors	12.4	1 623	2 394	1 134	5 151	3 570
Total		65 34	4 807	1 869	13 210	12 684

12.1 Claims Recoverable

	Note	2009/10 R'000	2008/09 R'000
National departments	12	81	271
Provincial departments		158	224
Public entities		148	401
Local governments		–	16
Total		387	912

The Department has during the year under review ensured that there is full compliance with the minimum financial performance indicators as required by National Treasury. This has resulted in the improvement in the collection of debts.

12.2 Recoverable Expenditure (Disallowance Accounts)

	Note	2009/10 R'000	2008/09 R'000
Disallowance Miscellaneous	12	–	361
Disallowance Dishonoured Cheques		13	15
Disallowance Damages and Losses		3 762	1 640
Total		3 775	2 016

Most of the cases on the Disallowance Damages and Losses account are less than a year in terms of the ageing and investigations are underway. A Loss Control Committee has been established in order to facilitate the resolution and determine liability on all above cases, therefore this amount is not a loss against the State yet.

Annual Financial Statements

12.3 Staff Debt

	Note	2009/10 R'000	2008/09 R'000
Salary: Tax debt	12	2	4
Debt account		3 895	6 182
Total		3 897	6 186

As a result of the processes and procedures that have been enforced by the Department, officials' debts are recovered through deductions from salaries.

12.4 Other Debtors

	Note	2009/10 R'000	2008/09 R'000
Foreign affairs vouchers in transit	12	5 151	3 570
Total		5 151	3 570

An over/underpaid made between the Department and DIRCO.

13. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2009/10 R'000	2008/09 R'000
Opening balance		150 048	39 622
Transfer from statement of financial performance		68 375	150 048
Paid during the year		(150 048)	(39 622)
Closing balance		68 375	150 048

Savings can mainly be attributed to funds for the Movement Control Legacy System to be rolled over and paid to SARS in the 2010/11 financial year.

14. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

	Note	2009/10 R'000	2008/09 R'000
Opening balance		33 437	102 554
Transfer from Statement of Financial Performance		442 220	355 673
Paid during the year		(450 109)	(424 790)
Closing balance		25 548	33 437

The revenue accrual account closed with an amount of R25,548 million. As indicated in Note 2, the Department submitted a request to National Treasury to transfer the net balance reflected on the repatriation deposit account amounting to R0,9 million (R12,6 – R11,7 million) to National Revenue Fund, which was duly granted. As result of this a POC journal was processed in order to take this into account.

15. PAYABLES – CURRENT

	Note	2009/10 Total	2008/09 Total
Amounts owing to other entities	Annex 4		
Clearing accounts	15.1	1 857	3 849
Other payables	15.2	110 547	1 032
Total		112 404	4 881

15.1 Clearing Accounts

	Note	2009/10 R'000	2008/09 R'000
Salary other	15	3	501
Boat/Plane/Stowaway Deposits		510	640
Salary Income Tax		1 344	2 594
Finance Assistance (SA Citizens)		–	114
Total		1 857	3 849

15.2 Other Payables

Note	2009/10 R'000	2008/09 R'000
15		
Repatriation Deposits	104 042	886
Debt Receivable Interest	237	146
Foreign Affairs Vouchers in Transit	6 268	-
Total	110 547	1 032

16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

Note	2009/10 R'000	2008/09 R'000
Net surplus/(deficit) as per Statement of Financial Performance	510 595	505 721
Add back non cash/cash movements not deemed operating activities	(217 207)	(176 285)
(Increase)/decrease in receivables – current	(526)	(6 951)
(Increase)/decrease in prepayments and advances	(51)	(273)
(Increase)/decrease in other current assets	1 923	-
Increase/(decrease) in payables – current	107 523	(9 609)
Proceeds from sale of capital assets	(327)	-
Expenditure on capital assets	274 418	304 960
Surrenders to Revenue Fund	(600 157)	(464 412)
Net cash flow generated by operating activities	293 398	329 436

17. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

Note	2009/10 R'000	2008/09 R'000
Consolidated Paymaster General account	92 212	75 888
Cash receipts	1 052	1 090
Cash on hand – Petty Cash	349	315
Total	93 613	77 293

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





**DEPARTMENT OF HOME AFFAIRS
VOTE 4 - CENTRAL GOVERNMENT ADMINISTRATION
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL
STATEMENTS**

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

18.1 Contingent Liabilities

		Note	2009/10 R'000	2008/09 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 2A	1 428	1 108
Housing loan guarantees	Employees	Annex 2A	4 602	8 797
Claims against the department		Annex 2B	6 867 724	5 724
Other departments (interdepartmental unconfirmed balances)		Annex 4	469 638	986 235
Total			7 343 392	1 001 864

The increase is mainly due to claims against the Department and unconfirmed interdepartmental balances for expenditure incurred abroad but still waiting for supporting documents from DIRCO.

19. COMMITMENTS

		Note	2009/10 R'000	2008/09 R'000
Current expenditure			9 554	36 734
Approved and contracted			9 554	36 734
Capital expenditure			98 330	7 111
Approved and contracted			98 330	7 111
Total Commitments			107 884	43 845

The R107,884 million for commitments includes an amount of R100 million for the expansion of HANIS database.

20. ACCRUALS

Listed by economic classification	30 Days	30+	2009/10	2008/09
	R'000	Days	Total	Total
			R'000	R'000
Goods and services	81 350	8 740	90 090	28 948
Machinery and equipment	14 495	–	14 495	57 388
Total	95 845	8 740	104 585	86 336

Listed by programme level

	Note	2009/10 R'000	2008/09 R'000
Programme 1: Administration		88 602	26 367
Programme 2: Civic and Immigration services		8 869	57 938
Programme 3: Immigration Services		7 114	2 031
Total		104 585	86 336

	Note	2009/10 R'000	2008/09 R'000
Confirmed balances with other departments	Annex 4	326 572	113 807
Confirmed balances with other government entities	Annex 4	931	–
Total		327 503	113 807

21. EMPLOYEE BENEFITS

	Note	2009/10 R'000	2008/09 R'000
Leave entitlement		66 377	53 944
Service bonus (Thirteenth cheque)		42 227	36 567
Performance awards		28 443	24 129
Capped leave commitments		118 109	111 539
Total		255 156	226 179

Increase due to normal salary increases.

22. LEASE COMMITMENTS

22.1 Operating Leases Expenditure

2009/10	Land	Buildings and Other Fixed Structures	Machinery and Equipment	Total
Not later than 1 year	–	110 562	3 513	114 075
Later than 1 year and not later than 5 years	–	160 379	691	161 070
Later than five years	–	41 875	–	41 875
Total lease commitments	–	312 816	4 204	317 020

2008/09	Land	Buildings and Other Fixed Structures	Machinery and Equipment	Total
Not later than 1 year	–	82 695	895	83 590
Later than 1 year and not later than 5 years	–	96 531	1 366	97 897
Later than five years	–	17 234	–	17 234
Total lease commitments	–	196 460	2 261	198 721

22.2 Finance Leases Expenditure**

2009/10	Land	Buildings and Other Fixed Structures	Machinery and Equipment	Total
Not later than 1 year	–	–	287 535	287 535
Later than 1 year and not later than 5 years	–	–	876 033	876 033
Total lease commitments	–	–	1 163 568	1 163 568
LESS: finance costs	–	–	(251 637)	(251 637)
Total present value of lease liabilities	–	–	911 931	911 931

22.2 Finance Leases Expenditure (continue)

2008/09	Land	Buildings and Other Fixed Structures	Machinery and Equipment	Total
Not later than 1 year	–	–	149 436	149 436
Later than 1 year and not later than 5 years	–	–	527 095	527 095
Later than five years	–	–	–	–
Total lease commitments	–	–	676 531	676 531
LESS: finance costs	–	–	(179 594)	(179 594)
Total present value of lease liabilities	–	–	496 937	496 937

The increase is mainly due to the finance lease contract with GijimaAST regarding the Who Am I Online.

23. RECEIVABLES FOR DEPARTMENTAL REVENUE

Note	2009/10 R'000	2008/09 R'000
Sales of goods and services other than capital assets	127 871	147 294
Fines, penalties and forfeits	139 056	14 874
Total	266 927	162 168

23.1 Analysis of Receivables for Departmental Revenue

Note	2009/10 R'000	2008/09 R'000
Opening balance	162 168	34 733
Less: amounts received	(162 168)	(22 513)
Add: amounts recognised	266 927	149 948
Closing balance	266 927	162 168

The Department has taken a decision that all drivers entering the South Africa borders must have valid work permits. The practice in the past was that drivers from the SADC region were not required to have valid work permits to gain entry to the country, hence an increase of revenue in this regard.

24. IRREGULAR EXPENDITURE

24.1 Reconciliation of Irregular Expenditure

	Note	2009/10 R'000	2008/09 R'000
Opening balance	24	194 480	1 923
Add: Irregular expenditure – relating to current year		21 640	193 280
Less: Amounts condoned		(76 889)	(723)
Irregular expenditure awaiting condonation		539 231	194 480
Analysis of awaiting condonation per age classification			
Current year		306 738	197 429
Prior years		132 493	1 923
Total		439 231	199 352

24.2 Details of Irregular Expenditure – Current Year

Incident	Disciplinary Steps Taken/ Criminal Proceedings	2009/10 R'000
Non-compliance with Tender Procedures	None	261 426
Non compliance with the Practice note regarding transactions to the value of R2 000 - R5 000	A Circular has been issued to address this non-compliance	29 065
Non compliance to Treasury Regulations 16A.6.6	None	4 872
Non compliance to the Public Service Regulations 2001, part V.D.2 (d) on the 30% limit on overtime.	None, the Department has since consulted the DPSA on this matter however this has also been referred to the Labour Court.	20 453
Non compliance with DPSA policy guideline on Acting allowance Chapter I Part VII B5.1, B5,2 and B5,3 for SMS and personnel on salary levels 1 to 12	None	5 824
Total		321 640

24.3 Details of Irregular Expenditure Condoned

Incident	Condoned by (Condoning Authority)	2009/10 R'000
Non compliance with Treasury Regulations 16A.6.6	National Treasury	66 782
Non compliance with the Practice note regarding transactions to the value of R2 000 - R5 000	Accounting Officer	10 030
An official procured goods and services for his own personal use. The official was then dismissed and the amount was recovered from his pension benefits	Accounting Officer	77
Total		76 889

25. RELATED PARTY TRANSACTIONS

Payments made	Note	2009/10 R'000	2008/09 R'000
Goods and services		–	565 148
Total		–	565 148

Payments made	Note	2009/10 R'000	2008/09 R'000
Department of Public Works		–	30 549
Government Printing Works		–	534 599
Film and Publication Board		–	–
Independent Electoral Commission		–	–
Total		–	565 148

Department of Public Works: Provides for and manage the accommodation, housing, land and infrastructure needs of national departments.

Government Printing Works: For the provision of security printing services to the Department including the stationery and printing on the goods and services.

Film and Publication Board: To ensure efficient and effective consumer protection, through regulation of media content.

Independent Electoral Commission: It is a Chapter 9 constitutional institution reporting directly to Parliament and manages the national, provincial and municipal elections.

26. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2009/10 R'000	2008/09 R'000
Political office bearers	3	2 991	2 940
Officials:			
Level 15 to 16	8	6 702	8 876
Level 14 (incl. CFO if at a lower level)	41	24 276	19 803
Total	52	33 969	31 619

27. PROVISIONS

	Note	2009/10 R'000	2008/09 R'000
Potential irrecoverable debts			
Other debtors		1 431	2 513
Claims recoverable		135	282
Total		135	2 795

28. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening Balance R'000	Curr Year Adjust- ments to Prior Year Balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	849 240	(111 595)	138 237	1 566	874 326
Transport assets	167 177	(18 331)	14 094	1 566	161 474
Computer equipment	561 709	(54 256)	103 333	–	610 786
Furniture and office equipment	107 430	(80 346)	14 942	–	42 026
Other machinery and equipment	12 924	41 338	5 878	–	60 140
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	849 240	(111 595)	138 247	1 566	874 326

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28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Cash	Non-Cash	(Capital Work in Progress Current Costs and Finance Lease Payments)	Received Current, Not Paid (Paid Current Year, Received Prior Year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	140 869	–	(31 491)	28 859	138 247
Transport assets	4 080	–	(323)	10 337	14 094
Computer equipment	117 192	–	(30 887)	17 028	103 333
Furniture and office equipment	13 677	–	–	1 265	14 942
Other machinery and equipment	5 920	–	(281)	229	5 878
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	140 869	–	(31 491)	28 859	138 247

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Sold for Cash	Transfer Out or Destroyed or Scrapped	Total Disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT				
Transport assets	327	1 239	1 556	–
TOTAL DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS	327	1 239	1 556	–

28.3 Movement for 2008/09

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening Balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	643 366	223 023	17 149	849 240
Transport assets	145 664	21 513	–	167 177
Computer equipment	388 897	187 795	14 983	561 709
Furniture and office equipment	97 340	12 225	2 135	107 430
Other machinery and equipment	11 465	1 490	31	12 924
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	643 366	223 023	17 149	849 240

28.4 Minor Assets

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Intangible Assets R'000	Heritage Assets R'000	Machinery and Equipment R'000	Biological Assets R'000	Total R'000
Minor assets	683	–	141 685	–	142 368
TOTAL	683	–	141 685	–	142 368

	Intangible Assets	Heritage Assets	Machinery and Equipment	Biological Assets	Total
Number of minor assets at cost	214	–	121 344	–	121 558
TOTAL NUMBER OF MINOR ASSETS	214	–	121 344	–	121 558

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2009

	Intangible Assets R'000	Heritage Assets R'000	Machinery and Equipment R'000	Biological Assets R'000	Total R'000
Minor assets	438	–	74 280	–	74 718
TOTAL	438	–	74 280	–	74 718

	Intangible Assets	Heritage Assets	Machinery and Equipment	Biological Assets	Total
Number of R1 minor assets	236	–	112 385	–	112 621
TOTAL NUMBER OF MINOR ASSETS	236	–	112 385	–	112 621

29. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening Balance R'000	Current Year Adjustments to Prior Year Balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Computer software	491 799	15 170	26 203	–	533 172
Other intangibles	–	–	55 819	–	55 819
TOTAL INTANGIBLE CAPITAL ASSETS	491 799	15 170	82 022	–	588 991

29.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Cash R'000	Non-Cash R'000	(Development Work in Progress – Current Costs) R'000	Received Current Year, Not Paid (Paid Current Year, Received Prior Year) R'000	Total R'000
Computer software	77 730	–	(77 730)	26 203	26 203
Other intangibles	55 819	–	–	–	55 819
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	133 549	–	(77 730)	26 203	82 022

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29.2 Movement for 2008/09

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening Balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Computer software	413 889	77 910	–	491 799
TOTAL INTANGIBLE CAPITAL ASSETS	413 889	77 910	–	491 799

DEPARTMENT OF HOME AFFAIRS

VOTE 4 - CENTRAL GOVERNMENT ADMINISTRATION ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS For the Year Ended 31 March 2010

ANNEXURE 1A STATEMENT OF UNCONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2008/09
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount Received by Municipality	Amount Spent by Municipality	% of Available Funds Spent by Municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
Tshwane District Municipality	–	–	857	857	857	–					634
Total			857	857	857	–					634

ANNEXURE 1B STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS For the Year Ended 31 March 2010

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2008/09
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Film and Publication Board	39 027	–	770	39 797	39 797	100.0	33 519
Government Printing Works	331 155	–	3 667	334 822	334 822	100.0	137 425
Electoral Commission	928 967	–	8 266	937 233	937 233	100.0	1 039 393
Total	1 299 149	–	12 703	1 311 852	1 311 852	100.0	1 210 337

ANNEXURE IC
STATEMENT OF TRANSFERS TO HOUSEHOLDS
For the Year Ended 31 March 2010

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2008/09
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available Funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee Social Benefit-Cash	4 607	–	3 156	7 763	6 904	88.9	9 979
Claims against the State	–	–	–	–	793	–	839
Donations and Gifts Household-cash	–	–	–	–	66	–	19
Total	4 607	–	3 156	7 763	7 763		10 837

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 – LOCAL

Guarantor Institution	Guarantee in Respect of	Original Guaranteed Capital Amount	Opening Balance 1 April 2009	Guarantees Draw Downs During the Year	Guarantees Repayments/ Cancelled/ Reduced/ Released During the Year	Revaluations	Closing Balance 31 March 2010	Guaranteed Interest for Year Ended 31 March 2010	Realised Losses Not Recoverable i.e. Claims Paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
Stanic		1 428	1 108	320	–	–	1 428	–	–
	Subtotal	1 428	1 108	320	–	–	1 428	–	–
	Housing								
ABSA		1 110	2 063	126	1 079	–	1 110	–	–
African / Unique Bank		44	44	–	–	–	44	–	–
BOE Bank		199	822	–	623	–	199	–	–
FNB		394	664	243	513	–	394	–	–
Free State Development		18	18	–	–	–	18	–	–
Green Start H/L		–	16	33	49	–	–	–	–
Hlano Fin. Service		18	18	–	–	–	18	–	–
Ithala		34	34	–	–	–	34	–	–
MEEG Bank		59	59	–	–	–	59	–	–
NP Develop Corp		180	258	31	109	–	180	–	–
NEDCOR		1 538	2 164	17	643	–	1 538	–	–
NHFC		22	45	–	23	–	22	–	–
Old Mutual Bank		120	173	26	79	–	120	–	–

Annexures to the Annual Financial Statements

ANNEXURE 2A (continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 – LOCAL

Guarantor institution	Guarantee in Respect of	Original Guaranteed Capital Amount	Opening balance 1 April 2009	Guarantees Draw Downs During the Year	Guarantees Repayments/ Cancelled/ Reduced/Released During the Year	Revaluations	Closing Balance 31 March 2010	Guaranteed Interest for Year Ended 31 March 2010	Realised Losses Not Recoverable i.e. Claims Paid Out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
NHFC		22	45	–	23	–	22	–	–
Old Mutual Bank		120	173	26	79	–	120	–	–
Peoples Bank		283	425	33	175	–	283	–	–
Saambou		110	804	–	694	–	110	–	–
Siyanda District Municipality		7	7	–	–	–	7	–	–
STD Bank		373	1 011	13	651	–	373	–	–
TNBS Mutual Bank		13	33	–	20	–	13	–	–
UNI Bank		15	15	–	–	–	15	–	–
VBS Mutual Bank		65	122	18	75	–	65	–	–
	Subtotal	4 602	8 795	540	4 733	–	4 602	–	–
	Total	6 030	9 903	860	4 733	–	6 030	–	–

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010

Nature of Liability	Opening Balance 1 April 2009	Liabilities Incurred During the Year	Liabilities Paid/Cancelled/ Reduced During the Year	Liabilities Recoverable	Closing Balance 31 March 2010
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Litigation and Legal Enquiries	5 724	6 862 000	–	–	6 867 724
TOTAL	5 724	6 862 000	–	–	6 867 724

ANNEXURE 3**CLAIMS RECOVERABLE AS AT 31 MARCH 2010**

Government Entity	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
National Departments: Salary Recoverable	81	271	–	–	81	271
Provincial Departments: Salary Recoverable	158	224	–	–	158	224
Local Government: Salary Recoverable	–	16	–	–	–	16
Department: International Relations and Co-operation	295 104	250 056	599 394	1 208 449	894 498	1 458 505
Subtotal	295 243	250 567	599 394	1 208 449	894 737	1 459 016
Other Government Entities						
Film and Publication Board	148	401	–	–	148	401
Subtotal	148	401	–	–	148	401
Total	295 491	250 968	599 394	1 208 449	894 885	1 459 417

ANNEXURE 4
INTER-GOVERNMENT PAYABLES AS AT 31 MARCH 2010

GOVERNMENT ENTITY	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department International Relations and Co-operation	249 648	105 653	459 781	968 757	709 429	1 074 410
State Information Technology Agency	27 110				27 110	–
G-Fleet Management	49 814	8 154	9 857		59 671	8 154
Property Management Trading Entity				7 914	–	7 914
Department Correctional Services				634	–	634
National Prosecuting Authority				24	–	24
Government Communication and Information System				91	–	91
Western Cape National Department of Health				6	–	6
Department of Public Service and Administration				7	–	7
Total	326 572	113 807	469 638	977 433	796 210	1 091 240
OTHER GOVERNMENT ENTITY						
Current						
Palama	931	–	–	–	931	–
Total	931	–	–	–	931	–

ANNEXURE 5
INVENTORY

Note

Inventory

Opening balance

Add/(Less): Adjustments to prior year balance

Add: Additions/Purchases – Cash

Closing balance

	Quantity	2009/10 R'000
	1 125 921	10 561
	1 125 921	10 561



APPENDIX A:

Immigration Account Unaudited
Financial Statements



IMMIGRATION ACCOUNT

UNAUDITED ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

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Annual Financial Statements

IMMIGRATION ACCOUNT UNAUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2009/10 R'000	2008/09 R'000
REVENUE			
Interest earned		366 16	53 103
EXPENDITURE			
Banking Charges		313	2 766
Exchange losses	8	0	2 500
SURPLUS FOR THE YEAR		36303	50 337

STATEMENT OF FINANCIAL POSITION

	Note	2009/10 R'000	2008/09 R'000
ASSETS			
Cash and cash equivalents	2	596 538	554 696
LIABILITIES			
Unclaimed repatriation deposits	3	460 692	418 816
NET ASSETS (represented by accumulated surpluses)		135 846	135 880

STATEMENT OF CHANGES AND NET ASSETS

Opening Balance	135 880	85 543
Surplus for year	(34)	50 337
Closing balance	135 846	135 880

Note : The accumulated surplus at the end of 2009 consists of cumulative net interest earned, a portion of which may be paid to the National Revenue Fund (NRF), once agreement has been reached with National Treasury on the appropriate treatment.

CASH FLOW STATEMENT

	Note	2009/10 R'000	2008/09 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		50340	182 977
Payments		(8498)	(64 681)
Net increase in cash and cash equivalents	4	41842	118 296
Cash and cash equivalents at the beginning of the year		554696	436 400
Cash and cash equivalents at the end of the year		596 538	554 696

IMMIGRATION ACCOUNT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements.

1. PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

• Basis of Preparation

These financial statements reflect transactions and balances that arose as a result of the legislative repatriation deposit requirements contained in the Alien Control Act 96 of 1991 (repealed by S54 of Immigrations Act) and the immigration Act No 13 of 2002 as amended and its Regulations as published in Government Gazette 31 Jan 2005 (No 27227) and 27 June 2005 (No 27725). The Regulations to the Act describe the requirement of financial or other guarantees for visa's or transit visa's and specific types of permits which include visitors, study, treaty, business, crew, medical, relatives, work, corporate and exchange permits.

The Immigration Act, the Public Finance Management Act and Treasury Regulations do not specify that financial statements for this Account should be prepared using a financial reporting framework.

The Office of the Accountant-General has approved the preparation of entity specific financial statements in terms of SAAPS 2 as issued by IRBA.

The Financial Statements have been prepared on a

modified cash basis of accounting, except for the unclaimed repatriation deposits, which have been reflected as a liability, and include such additional criteria considered appropriate for this Account. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

• Comparative Figures

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

1.1 REVENUE

• Interest

Interest is recognised in the Statement of Financial Performance when the cash is received.

Net interest is paid periodically to the National Revenue Fund. Net interest earned comprises interest less bank charges. Net interest not paid over to the NRF has accumulated in a commercial bank account and is reflected in the accumulated surplus account.

• Forfeitures

Forfeited deposits are recognised as revenue and comprise of the following:

- Any forfeiture arranged via the relevant section of the Immigration Act dealing with deposits and forfeitures;
- When a foreigner has violated the conditions of his/her temporary residence permit; and
- Forfeitures are approved by the Immigration

Services Branch of the Department.

Forfeited deposits are paid into the National Revenue Fund.

• Exchange Gains

Exchange gains arise when repatriation refunds made by the Department of Foreign Affairs are converted into ZAR and where such refund is less than the original ZAR repatriation deposit received, as reflected in the Department's books and records.

Exchange gains are calculated by the Department and paid into the Immigration Account's commercial bank account.

1.2 EXPENDITURE

The Immigration Account's operating and administration costs, with the exception of bank charges, are borne by the Department.

The costs incurred to deport illegal immigrants are borne by the Department.

• Exchange Losses

Exchange losses arise when repatriation refunds made by the Department of International Relations and Cooperation (DIRCO) are converted into ZAR and where such refund exceeds the original ZAR repatriation deposit received, as reflected in the Department's books and records. Exchange losses are recorded and accumulated in the Department's accounting records and the cash required to reimburse the Department for realised exchange losses is claimed from the Immigration Account's commercial bank account.

Annual Financial Statements

I.3 ASSETS

• Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand.

Cash received by the Department in respect of deposits required in terms of the Immigration Act No. 13 of 2002 are deposited into a commercial bank account. Cash payments made by the Department in respect of refunds paid to foreigners in terms of the Immigration Act No. 13 of 2002 are made from such commercial bank account.

I.4 LIABILITIES

Unclaimed Deposits

Unclaimed deposits comprise repatriation deposits owing to foreigners in terms of the Immigration Act No. 13 of 2002 (previously known as the Alien Control Act). The Regulations stipulate the requirement of financial or other guarantees which may take the form of an upfront cash payment, referred to in the Regulations as a deposit. Unclaimed deposits are carried at cost.

Manual receipts (BI / FA forms) are issued to depositors on receipt of cash. The Department refunds depositors upon the presentation of valid original receipt (BI / FA form). The onus is upon the eligible depositor to claim back the deposit.

The Department implemented a deposit register with effect from 1 April 2008. All repatriation deposit transactions are deposited in and refunded from the designated commercial bank account.

A portion of the unclaimed deposits balance may be paid into the National Revenue Fund (NRF) once the Department's reconciliation process has been finalised.

As a result of the above all unclaimed deposits and such amounts determined as payable to the NRF are disclosed as a liability. The amounts are refunded in the following cases.

- When permanent residence is granted to an applicant;
- An applicant has changed from the previous employer and a new deposit is required;
- The applicant left the country within the validation period of his / her temporary

residence permit; and

- When an applicant has left the country with the necessary approval after his / her temporary residence permit has expired.

It is not possible to determine a current or non-current portion of unclaimed repatriation deposits as some refunds may take place within one year while others may only occur several years later.

Interest earned on the repatriation deposits does not accrue to depositors.

2. CASH AND CASH EQUIVALENTS

	2009/10 R'000	2008/09 R'000
Cash at bank	596 538	554 696

The Immigration Account (previously known as the Alien's Deposit Account) previously consisted of the Paymaster-General Account No. 8033-103-3. A commercial bank account was opened on 14 September 1998 into which all repatriation deposits and refunds were paid / refunded from the date forward.

3. UNCLAIMED REPATRIATION DEPOSITS

Note	2009/10 R'000	2008/09 R'000
Opening balance	418 816	350 857
Deposits received	50 340	129 873
Refunds and payments made	(8 464)	(62 213)
Adjustments	-	952
Amount to be refunded to DHA	-	(653)
Closing balance	460 692	418 816

A register of unclaimed repatriation deposits was prepared based on documentation and data files available at the Department. Based on this information and the relevant data extracted from the Department's Q and A system, the unclaimed deposits balance can be compared to the balance in the financial statements as follows:



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Re ya le amohela
Enjoy the 2010 FIFA World Cup™!

President Jacob Zuma

Former president,
Nelson Mandela



Home Affairs

Human Resources Management



HUMAN RESOURCES

DEPARTMENT OF HOME AFFAIRS

I. SERVICE DELIVERY

The following tables reflect the components of Service Delivery Improvements Plan as well as progress made in its implementation.

Table 1.1 - Main Services for Service Delivery Improvement and Standards

Main Services	Actual customers	Potential Customers who may be integrated	Standard of Services	Actual Achievement Against Standards
Civic Services and Migration	All South African citizens in South Africa and abroad and foreigners in South Africa	Foreigners who may be interested in visiting South Africa or in immigrating	Service delivery standards are set out in the departmental Service Delivery Improvement Plan	These service standards are in the process of review as part of the Turnaround project as processes are re-designed and redefined. The performance information contains the key enabling documents and turnaround times

Human Resources – Home Affairs

Table 1.2 - Consultation Arrangements for Customers

Type of arrangements	Actual Customer	Potential Customer	Actual Achievements
<p>Suggestion boxes at all offices and floor walkers in public serving areas</p> <p>Queue management system introduced in certain offices</p>	South African citizens in South Africa and abroad and Foreigners in South Africa	Foreigners who may be interested in visiting South Africa or immigrating	<p>Floor walkers improved the flow in public offices</p> <p>Public suggestion boxes were utilized to improve service delivery</p> <p>Queue management assisted with more effective and efficient service delivery</p>
Internet: DHA website	South African citizens and Foreigners	South African citizens and Foreigners requiring information / documentation	World-wide access ensured
Customer Service Centre	South African citizens in South Africa and abroad requiring assistance and Foreigners in South Africa and abroad	Foreigners who may be interested in visiting South Africa or immigrating	<p>By 31 March 2010, 1 509 036 contacts (calls, faxes and e-mails) had been attended to</p> <p>99% of calls were answered in less than 20 seconds (target in SLA is 80%)</p>
Type of arrangements	Actual Customer	Potential Customer	Actual Achievements
Complaints and Compliments (CCU) unit and Operational Response Unit	South African citizens requiring assistance and Foreigners in South Africa and abroad	NA	<p>CCU unit (Oct 09 to Mar 10) Received cases: 3202 Resolved cases: 2932 Completion percentage: 91.5% Compliments received: 41</p> <p>Operational Unit (Apr 09 to Mar 10) Received cases: 3865 Resolved cases: 3454 Completion percentage: 89.3% (Cases exclude telephone enquiries)</p>

Table I.3 - Service Delivery Access Strategy

Access Strategy	Actual Achievements
Expansion of footprint and deployment of mobile units in rural areas	<p>117 Mobile units were deployed in the provinces to be used in rural and marginalized areas.</p> <p>78% of mobile units were fully functional by the end of March 2010 compared against 71% by the end of March 2009.</p> <p>Twenty-five 4X4 vehicles were purchased as addition to the mobile unit fleet to be used at areas inaccessible to the mobile unit trucks</p> <p>21 additional service delivery points were established</p>

Table I.4 - Service Information Tool

Type of Information Tool	Actual Achievement
<p>Proper information at counters, enquiry counters and floor walkers</p> <p>Information available on website</p>	<p>Two thousand five hundred “Frequently Asked Questions” handbooks were published and distributed to all DHA offices to ensure standard application of DHA processes. The “Know Your Rights” pamphlets were also updated and distributed to DHA offices. Both documents are available in English.</p> <p>IOM Human Trafficking information was distributed to Regional offices and Key Ports of Entry during Human Trafficking Awareness Week with contact numbers for victims to report or for informants to pass information to the Department.</p> <p>2010 Communications Strategy – services to be provided to travelers to the 2010 FIFA Soccer World Cup.</p> <p>Event Visas.</p>

Table 1.5 - Complaints Mechanism

Complaints Mechanism	Actual Achievements
Toll-free line (Customer Service Centre, Complaints and Compliments unit and Operational Response unit), suggestion boxes and internet website	Internal hotline operational and operates through the call centre. The DHA hotline number is 0800 204 479. The Customer Contact Centre number is 0800 60 11 90. The Customer Contact Centre handled 1 509 036 contacts (calls, faxes and e-mails). The abandonment rate was 0.74% for the reporting period. 99% of calls were answered within 20 seconds by 31 March 2010.

2. EXPENDITURE (INPUT BY BUDGET OFFICE)

TABLE 2.1 - Personnel costs by Programme

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel Cost as Percent of Total Expenditure	Average Personnel Cost per Employee (R'000)
1 Administration	1 294 145	224 912	8 089	289 293	17.4	233
2 Services to Citizens	1 372 353	844 490		4 363	61.5	119
3 Immigration Services	1 228 730	567 656		11 420	46.2	–
4 Transfers to Agencies	1 311 852	-			–	–
Total	5 207 080	1 637 058	8 089	305 076	31.4	156

TABLE 2.2 - Personnel Costs by Salary band

Salary Bands	Personnel Expenditure (R'000)	Percentage of Total Personnel Cost	Average Personnel Cost per Employee (R' 000)
Lower skilled (Levels 1-2)	6 583	0.4	6 583
Skilled (Levels 3-5)	122 824	7.5	160 345
Highly skilled production (Levels 6-8)	1 027 360	62.8	172 174
Highly skilled supervision (Levels 9-12)	189 689	11.6	390 307
Senior management (Levels 13-16)	54 315	3.3	646 607
Contract	235 621	14.4	74 002
Periodically remuneration	666	-	111
Total	1 637 058	100.0	156 000

TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries		Overtime		Home Owner Allowance (HOA)		Medical Assistance	
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass as % of Personnel Cost
1 Administration	140 620	62.5	12 863	5.7	3 194	1.4	7 053	3.1
2 Services to Citizens	563 248	66.7	55 199	6.5	18 506	2.2	45 213	5.4
3 Immigration Services	378 135	66.6	31 561	5.6	11 530	2.0	30 318	5.3
4 Transfers to Agencies	-	-	-	-	-	-	-	-
Total	1 082 003	66.1	99 623	6.1	33 230	2.0	82 584	5.0

TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries		Overtime Overtime		Home Owner Allowance (HOA)		Medical Assistance	
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass as % of Personnel Cost
Lower skilled (Levels 1-2)	4 112	62.5	110	1.7	362	5.5	636	9.7
Skilled (Levels 3-5)	76 389	62.2	5 888	4.8	4 705	3.8	10 199	8.3
Highly skilled production (Levels 6-8)	631 565	61.5	79 499	7.7	25 986	2.5	64 969	6.3
Highly skilled supervision (Levels 9-12)	123 565	65.1	4 742	2.5	1 774	0.9	6 012	3.2
Senior Management (Levels 13-16)	41 116	75.7	-	-	399	0.7	760	1.4
Contract	205 256	87.1	9 385	4.0	4	-	8	-
Periodical Payments								
Total	1 082 003	66.1	99 623	6.1	33 230	2.0	82 584	5.0

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

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration	1 481	964	34.9	346
Civic Services	8 178	7 124	12.9	2 654
Immigration Services	3 056	2 406	21.3	190
Total	12 715	10 494	17.5	3 190

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

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	12	1	91.7	–
Skilled (Levels 3-5), Permanent	1 170	766	34.5	–
Highly skilled production (Levels 6-8), Permanent	6 966	5 967	14.3	–
Highly skilled supervision (Levels 9-12), Permanent	841	486	42.2	–
Senior management (Levels 13-16), Permanent	151	84	44.4	–
Contract, all levels	3 575	3 190	10.8	3 190
Total	12 715	10 494	17.5	3 190

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

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Computer system designers and analysts., Permanent	2	–	100.0	–
Information technology related, Permanent	134	61	54.5	–
Regulatory Inspectors, Permanent	1 892	1 542	18.5	–
Total	2 028	1 603	21.0	–

Human Resources – Home Affairs

4. JOB EVALUATION

TABLE 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	12	–	–	–	–	–	–
Skilled (Levels 3-5)	1 170	25	4	–	–	–	–
Highly skilled production (Levels 6-8)	6 966	214	34.1	–	–	–	–
Highly skilled supervision (Levels 9-12)	841	241	38.4	–	–	–	–
Senior Management Service Band A	107	107	17.1	–	–	–	–
Senior Management Service Band B	33	32	5.1	–	–	–	–
Senior Management Service Band C	10	8	1.3	–	–	–	–
Senior Management Service Band D	1	–	–	–	–	–	–
Contract, all levels	3 575	–	–	–	–	–	–
Total	12 715	627	4.9	–	–	–	–

TABLE 4.2 - Profile Of Employees Whose Positions Were Upgraded Due to Their Posts Being Upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	–	–	–	–	–
Male	–	–	–	–	–
Total	–	–	–	–	–

Employees with a Disability – – – – –

TABLE 4.3 - Employees Whose Salary Level Exceed The Grade Determined by Job Evaluation [i.t.o PSR I.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
None					
Total					10 494

Percentage of Total Employment**TABLE 4.4 - Profile Of Employees Whose Salary Level Exceeded The Grade Determined by Job Evaluation [i.t.o. PSR I.V.C.3]**

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a Disability	-	-	-	-	-

5. EMPLOYMENT CHANGES**TABLE 5.1 - Annual Turnover Rates by Salary Band**

Salary Band	Employment at Beginning of Period (April 2009)	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Lower skilled (Levels 1-2), Permanent	1	21	9	900.0
Skilled (Levels 3-5), Permanent	853	40	95	11.1
Highly skilled production (Levels 6-8), Permanent	6 082	109	229	3.8
Highly skilled supervision (Levels 9-12), Permanent	476	11	37	7.8
Senior Management Service Band A, Permanent	43	6	3	7.0
Senior Management Service Band B, Permanent	15	5	1	6.7
Senior Management Service Band C, Permanent	2	4	-	- 0
Senior Management Service Band D, Permanent	1	1	1	100.0
Contract, all levels	1 370	2 148	2 810	205.1
Total	8 843	2 345	3 185	36.0

Human Resources – Home Affairs

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2009)	Appointments	Terminations	Turnover Rate
Computer programmers., Permanent	2	1	2	100.0
Information technology related, Permanent	50	10	5	10.0
Regulatory Inspectors, Permanent	1 480	187	154	10.4
Total	1 532	198	161	10.5

TABLE 5.3 - Reasons Why Staff Are Leaving the Department

Termination Type	Number	Percentage of Total Resignations	Total Employment	Percentage of Total Employment
Death, Permanent	62	1.95		0.6
Resignation, Permanent	68	2.14		0.6
Expiry of contract, Permanent	2 810	88.23		26.8
Transfers, Permanent	36	1.13		0.3
Discharged due to ill health, Permanent	9	0.28		0.1
Dismissal-misconduct, Permanent	141	4.43		1.3
Retirement, Permanent	59	1.85		0.6
Total	3 185	100.00	10 494	30.4

Resignations as % of Employment

0.6

TABLE 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2009)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Computer programmers., Permanent	2	1	50.0	-	-
Information technology related, Permanent	50	10	20.0	28	56.0
Regulatory Inspectors, Permanent	1 480	46	3.1	511	34.5
Total	1 532	57	3.7	539	35.2

TABLE 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2009)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	1	–	–	–	–
Skilled (Levels 3-5), Permanent	853	513	5.8	141	1.6
Highly skilled production (Levels 6-8), Permanent	6 082	1 033	11.7	1 876	21.2
Highly skilled supervision (Levels 9-12), Permanent	476	149	1.7	382	4.3
Senior management (Levels 13-16), Permanent	61	5	0.1	6	0.1
Contract, all levels	1 370	–	- 0	–	- 0
Total	8 843	1 700	19.2	2 405	27.2

6. EMPLOYMENT EQUITY

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

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	35	4	–	39	8	22	2	–	24	1	72
Professionals, Permanent	89	5	–	94	13	91	2	1	94	12	213
Technicians and Ass professionals, Permanent	372	21	12	405	41	418	11	11	440	86	972
Clerks, Permanent	1 076	70	13	1 159	56	1 815	182	19	2 016	469	3 700
Service and sales workers, Permanent	883	65	5	953	84	683	44	5	732	28	1 797
Elementary occupations, Permanent	120	10	–	130	1	263	17	–	280	2	413
Plant and Machine Operators and Assemblers	119	9	–	128	–	9	–	–	9	–	137
Contract	1 028	36	8	1 072	9	2 010	84	4	2 098	11	3 190
Total	3 722	220	38	3 980	212	5 311	342	40	5 693	609	10 494
Employees with disabilities	14	–	–	14	7	5	2	–	7	5	33

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

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	3	1	–	4	–	2	–	–	2	–	6
Senior Management, Permanent	33	5	–	38	10	26	2	–	28	3	79
Professionally qualified and experienced specialists and mid-management, Permanent	223	14	10	247	37	149	8	7	164	37	485
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2 160	136	20	2 316	146	2 760	211	28	2 999	517	5 978
Semi-skilled and discretionary decision making, Permanent	275	28	–	303	10	364	37	1	402	41	756
Contract, all levels	1 028	36	8	1 072	9	2 010	84	4	2 098	11	3 190
Total	3 722	220	38	3 980	212	5 311	342	40	5 693	609	10 494

TABLE 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	5	-	-	5	-	2	-	-	2	-	7
Senior Management, Permanent	2	-	-	2	2	4	1	-	5	-	9
Professionally qualified and experienced specialists and mid-management, Permanent	5	1	-	6	-	3	1	1	5	-	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	45	1	-	46	-	59	4	-	63	-	109
Semi-skilled and discretionary decision making, Permanent	18	-	-	18	-	21	1	-	22	-	40
Unskilled and defined decision making, Permanent	10	-	-	10	-	11	-	-	11	-	21
Contract, all levels	715	30	5	750	6	1322	59	5	1 386	6	2 148
Total	800	32	5	837	8	1 422	66	6	1 494	6	2 345
Employees with Disabilities	1	–	–	1	–	2	–	–	2	–	3

TABLE 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	2	–	–	2	–	–	–	–	–	–	2
Senior Management, Permanent	2	–	–	2	–	1	–	–	1	–	3
Professionally qualified and experienced specialists and mid-management, Permanent	74	4	2	80	6	51	2	2	55	8	149
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	442	38	1	481	26	413	33	1	447	79	1 033
Semi-skilled and discretionary decision making, Permanent	215	7	–	222	2	263	20	–	283	6	513
Total	735	49	3	787	34	728	55	3	786	93	1 700
Employees with Disabilities	8	–	–	8	5	1	–	–	1	4	18

TABLE 6.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	–	–	–	–	–	1	–	–	1	–	1
Senior Management, Permanent	–	–	–	–	–	2	–	–	2	1	3
Professionally qualified and experienced specialists and mid-management, Permanent	18	–	1	19	4	12	–	1	13	1	37
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	103	5	1	109	7	80	3	1	84	29	229
Semi-skilled and discretionary decision making, Permanent	44	1	1	46	–	43	4	–	47	3	96
Unskilled and defined decision making, Permanent	6	–	–	6	–	3	–	–	3	–	9
Contract, all levels	1 150	12	2	1 164	13	1 400	228	1	1 629	4	2 810
Total	1 321	18	5	1 344	24	1 541	235	3	1 779	38	3 185

TABLE 6.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Disciplinary action	97	2	–	99	3	41	4	–	45	3	150
Total	97	2	–	99	3	41	4	–	45	3	150

TABLE 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	31	10	–	41	14	24	4	–	28	2	85
Professionals	40	8	–	48	12	56	4	2	62	8	130
Technicians and Associate Professionals	558	34	10	602	67	627	22	22	671	118	1 458
Clerks	3 787	210	39	4 036	168	2 722	273	57	3 052	415	7 671
Service and Sales Workers	900	130	10	1 040	84	968	132	15	1 115	84	2 323
Skilled Agriculture and Fishery Workers	–	–	–	–	–	–	–	–	–	–	–
Craft and related Trades Workers	–	–	–	–	–	–	–	–	–	–	–
Plant and Machine Operators and Assemblers	–	–	–	–	–	–	–	–	–	–	–
Elementary Occupations	–	–	–	–	–	–	–	–	–	–	–
Total	5 316	392	59	5 767	345	4 397	435	96	4 928	627	11 667
Employees with disabilities	3	–	–	3	1	2	1	–	3	2	9

NOTE: The totals in this table exceed the total number of employees in the Department, as the figure represents the number of training interventions attended by employees.

7. PERFORMANCE REWARDS

TABLE 7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost	Average Cost per Beneficiary (R)
African, Female	1 188	5306	11.3	10,280	8 653
African, Male	846	3708	8.1	7,705	9 108
Asian, Female	16	40	0.2	226	14 125
Asian, Male	12	38	0.1	194	16 167
Coloured, Female	120	340	1.1	980	8 167
Coloured, Male	80	220	0.8	828	10 350
<i>Total Blacks, Female</i>	<i>1 324</i>	<i>5 686</i>	<i>12.6</i>	<i>11,311</i>	<i>8 543</i>
<i>Total Blacks, Male</i>	<i>938</i>	<i>3 966</i>	<i>8.9</i>	<i>8,710</i>	<i>9 286</i>
White, Female	410	604	3.9	3,929	9 583
White, Male	87	205	0.8	1,272	14 621
Employees with a disability	12	33		104	8 667
Total	2 771	10 494	26.4	25 518	9 209

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

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	–	1	–	14	–
Skilled (Levels 3-5)	306	766	2.9	1 419	4 637
Highly skilled production (Levels 6-8)	2 186	5 967	21.0	16 933	7 746
Highly skilled supervision (Levels 9-12)	260	486	2.5	6 298	24 223
Contract, Level 1 - 12	–	3 190	–	–	–
Total	2 752	10 410	26.4	24 664	8 962

TABLE 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost	Average Cost per Beneficiary (R)
Computer system designers and analysts, Permanent				–	
Information technology related, Permanent	45	61	2.8	1 042	23 156
Regulatory Inspectors, Permanent	394	1 542	24.6	2 831	7 185
TOTAL	439	1 603	27.4	3 873	8 822

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

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost	Average Cost per Beneficiary (R)	% of SMS Wage Bill
Band A	15	57	17.8	637	42 467	0.00%
Band B	4	21	4.8	217	54 250	0.00%
Band C	-	5	–	–	–	0.00%
Band D	-	1	–	–	–	0.00%
Total	19	84	22.6	854	44 947	0.00%

8. FOREIGN WORKERS

TABLE 8.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Skilled (Levels 3-5)	–	–	–	–	–	–
Highly skilled production (Levels 6-8)	–	–	–	–	–	–
Highly skilled supervision (Levels 9-12)	1	50.0	1	50.0	–	–
Senior management (Levels 13-16)	1	50.0	1	50.0	–	–
Contract (Levels 9-12)	–	–	–	–	–	–
Contract (Levels 13-16)	–	–	–	–	–	–
Total	2	100.0	2	100.0	–	–

TABLE 8.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Administrative office workers	1	50.0	1	50.0	-	-
Other occupations	-	-	-	-	-	-
Professionals and managers	1	50.0	1	50.0	-	-
Social natural technical and medical sciences+supp	-	-	-	-	-	-
Total	2	100.0	2	100.0	-	-

9. LEAVE UTILISATION**TABLE 9.1 - Sick Leave for Jan 2009 to Dec 2009**

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	--
Skilled (Levels 3-5)	4 148	54.4	430	6.6	10	1 012
Highly skilled production (Levels 6-8)	34 656	80.7	4 671	71.4	7	14 283
Highly skilled supervision (Levels 9-12)	2 043	25.8	297	4.5	7	1 994
Senior management (Levels 13-16)	195	2.6	49	0.7	4	503
Contract, all levels	4 883	58.4	1 091	16.7	4	1 138
Total	45 925	85.4	6 538	100.0	7	18 930

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2009 to Dec 2009

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)
Skilled (Levels 3-5)	778	100.0	16	11.0	49	132
Highly skilled production (Levels 6-8)	2 604	100.0	121	83.4	22	1 073
Highly skilled supervision (Levels 9-12)	186	100.0	6	4.1	31	342
Senior management (Levels 13-16)	-	-	-	-	-	-
Contract	8	100.0	2	1.4	4	3 729
Total	3 576	100.0	145	100.0	25	5 276

TABLE 9.3 - Annual Leave for Jan 2009 to Dec 2009

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	-	0.00	-
Skilled (Levels 3-5)	13 827	16.88	819
Highly skilled production (Levels 6-8)	130 975	21.67	6 045
Highly skilled supervision (Levels 9-12)	10 419	20.88	499
Senior management (Levels 13-16)	1 502	21.46	70
Contract, all levels	11 183	4.71	2 372
Total	167 906	17.12	9 805

TABLE 9.4 - Capped Leave for Jan 2009 to Dec 2009

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2009	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2009	Number of Employees with capped leave credit as at 31 December 2009
Lower skilled (Levels 1-2)	–	–	–	–	–	–
Skilled (Levels 3-5)	373	9	43	43	27 940	643
Highly skilled production (Levels 6-8)	1 799	6	60	312	162 251	2 713
Highly skilled supervision (Levels 9-12)	246	9	71	28	22 836	322
Senior management (Levels 13-16)	11	4	81	3	3 162	39
Total	2 429	6	17	386	216 189	3 717

TABLE 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2009/10 due to non-utilisation of leave for the previous cycle	3 102	137	22 642
Capped leave payouts on termination of service for 2009/10	6 904	376	18 362
Total	10 006	513	19 505

Human Resources – Home Affairs

10. HIV / AIDS AND HEALTH PROMOTION PROGRAMMES

Table 10.1 – Steps Taken to Reduce the Risks 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
Employees stationed at Ports of Entries	<ul style="list-style-type: none"> • Health and Wellness screening programme (including VCT) • HIV and AIDS awareness • Inoculation
Refugee Reception Centre Staff	<ul style="list-style-type: none"> • Health and wellness screening programme (including VCT) • Counselling Services

Table 10.2 – Details of Health Promotions and HIV/AIDS Programmes

Question	Yes	No	Details, if yes
Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Ms FB Macrery, Acting Director: Employee Wellness
Does the Department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		The department has employed dedicated employee wellness practitioners both at Head Office and provinces (1 per province). The annual budget for the unit amounts to R3, 870,000.00
Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	√		The department has implemented an integrated Employee Wellness programme which consist of the following elements: Sports and recreation, Occupational Health and Safety, HIV and AIDS and other chronic diseases management and Care and support.
Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		Please see table below.
Has the Department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		The department has developed an integrated Employee Wellness policy which addresses unfair discrimination on the basis of HIV.

Table 10.2 – Details of Health Promotions and HIV/AIDS Programmes (continued)

Question	Yes	No	Details, if yes
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.	√		The integrated Employee Wellness policy is vocal about discrimination based on HIV status. A workplace support group for HIV positive employees is in place.
Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		The Department encourages its employees to undergo Voluntary Counselling and Testing using public sector and private Health facilities. The Department embarked on a nation wide VCT initiative during the period under review. Official at the Department were given an opportunity to test for HIV at the workplace. The programme is ongoing. More than 1000 employees undertook VCT. A large percentage of male employees participated.
Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/ indicators.	√		The Department conducted a knowledge attitude, perceptions and behaviour (KAPB) survey during the period under review. The report is available with recommendations. A health screening was launched and the report of the programme provides baseline information regarding the status of wellbeing in the Department.

Table 10.3 - List of HIV/AIDS Committee Members

OFFICE	NAME	TEL	FAX	CELL	EMAIL
Eastern Cape	Nomfundo Filtane	(047) 5323475	(047) 531 2060	826598125	Tudo.filtane@dha.gov.za
Free State	Mandla Ngcozo	(058) 3037110	(058) 3034866	823304906	Mandla.ngozo@dha.gov.za
Gauteng East	Dorothy Makinta	(012) 3241860	(012) 3268328	826474422	Dorothy.makinta@dha.gov.za
Gauteng West	Sibongile Filand	(011) 8827814	(011) 8827814	833820834	Elina.filand@dha.gov.za
KwaZulu Natal	Nozipho Ngcobo	(033) 8455018	(033) 3455079	731268904	Nozipho.ngcobo@dha.gov.za
Limpopo	Kgomotso Gama	(015) 4913111	(015) 4913768	833331169	Makgenene.gama@dha.gov.za
Mpumalanga	Anya van Vuuren	(013) 7539523	(013) 7533501	845823266	Anya.vanvuuren@dha.gov.za
North West	Mokgantsho Mangope	(018) 3871200	(018) 3845449	826637104	Mokgantsho.mangope@dha.gov.za
Northern Cape	Lulu Hlophe	(053) 8395400	(053) 8314836	843356605	Lulu.hlophe@dha.gov.za
Western Cape	Chris Samaai	(021) 4620768	(021) 4627322	736058221	Chris.samaai@dha.gov.za
Head Office Waltloo	Rabie Legora	(012) 8108203	(012) 8107303	760607460	Rabbie.legora@dha.gov.za
Head Office BVR	Moses Munsanje	(012)8108754/5	(012) 8108756	844212543	Moses.munsanje@dha.gov.za
Head Office GPW	Sylvia Berense	(012) 3344602	(012) 3239741	764204924	Sylvia.berense@gpw.gov.za

II. LABOUR RELATIONS

TABLE II.1 - Collective Agreements

Subject Matter	Date
None	

TABLE II.2 - Misconduct and Disciplinary Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total
Final Written Warnings	28	13.6
Suspensions without pay	28	13.6
Demotion	3	1.5
Dismissals	91	44.2
Not Quilty	12	5.8
Cases withdrawn	44	21.4
Total	206	100.0

TABLE II.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total
Assault	-	-
Disrespect and abusive behaviour	6	2.9
Aiding and abetting, and corruption	79	38.3
Theft	2	1.0
Fraud/False statement	57	27.7
Unauthorised absence/abscondment	26	12.6
Discrimination against fellow employees	2	1.0
Damage to/loss of state property	2	1.0
Unauthorised use of government vehicles	13	6.3
Dereliction of duty	19	9.2
Total	206	100.0

TABLE 11.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total
Resolved	98	86.7
Unresolved	15	13.3
Withdrawn	–	-
Total	113	100.0

TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Number of disputes addressed	56	100.0
Total	56	100.0

TABLE 11.6 - Strike Actions

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

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	R'000
Cost (R'000) of suspensions	5 440

12. SKILLS DEVELOPMENT

TABLE 12.1 - Training Needs Identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	25	–	52	–	52
	Male	47	–	64	–	64
Professionals	Female	106	–	–	–	–
	Male	107	–	–	–	–
Technicians and associate professionals	Female	526	–	208	–	208
	Male	446	–	178	–	178
Clerks	Female	1 215	–	1 214	–	1 214
	Male	2 485	–	658	–	658
Service and sales workers	Female	760	–	–	–	–
	Male	1 037	–	–	–	–
Elementary Occupations, Permanent	Female	282	–	–	–	–
	Male	131	–	–	–	–
Craft and related trades workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Plant and machine operators and assemblers	Female	9	–	124	–	124
	Male	128	–	74	–	74
Contract	Female	2 109	–	241	–	241
	Male	1 081	–	377	–	377
Total		10 494	–	3 190	–	3 190

TABLE 12.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	25	–	601	–	601
	Male	47	–	560	–	560
Professionals	Female	106	–	–	–	–
	Male	107	–	–	–	–
Technicians and associate professionals	Female	526	–	399	–	399
	Male	446	–	350	–	350
Clerks	Female	1 215	65	4 306	–	4 371
	Male	2 485	28	3 402	–	3 430
Service and sales workers	Female	760	–	–	–	–
	Male	1 037	–	–	–	–
Skilled agriculture and fishery workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Elementary Occupations, Permanent	Female	282	–	–	–	–
	Male	131	–	–	–	–
Plant and machine operators and assemblers	Female	9	–	–	–	–
	Male	128	–	–	–	–
Contracts	Female	2 109	–	1 114	–	1 114
	Male	1 081	–	842	–	842
Gender sub totals	Female	5 032	65	6 420	–	6 485
	Male	5 462	28	5 154	–	5 182
Total		10 494	93	11 574	–	11 667

Human Resources – Home Affairs

13. INJURY ON DUTY

TABLE 13.1 - Injury on Duty

Nature of Injury on Duty	Number	% of Total
Required basic medical attention only	52	92.9
Temporary Total Disablement	–	–
Permanent Disablement	–	–
Fatal	4	7.1
Total	56	100.0

14. UTILISATION OF CONSULTANTS

TABLE 14.1 - Report on Consultant Appointments Using Appropriated Funds

Project Title	Total Number of Consultants That Worked on the Project	Duration: Work Days	Contract Value in Rand
DHA Turnaround Programme	142	31 640	899,200 million



APPENDIX B

GOVERNMENT PRINTING WORKS

Annual Financial Statements
for the year ended 31 March 2010



GOVERNMENT PRINTING WORKS

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

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GOVERNMENT PRINTING WORKS

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

Nature of Business and Principal Activities:	The Government Printing Works is tasked with the rendering of printing and related services to Government Departments, Provincial Institutions and Local Authorities
Legal Form of Entity:	In accordance with the Public Finance Management Act (No.1 of 1999), Government Printing Works is classified as a trading entity
Business Address:	149 Bosman Street Pretoria 0001
Postal Address:	Private Bag X 85 Pretoria 0001
Auditors:	The Auditor-General of South Africa
Bankers:	ABSA and Reserve Bank
Accounting Officer:	T S Moyane

Annual Financial Statements – Government Printing Works

GOVERNMENT PRINTING WORKS REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2010

We are pleased to present our report for the financial year ended 31 March 2010.

1. AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The audit committee consists of the members listed hereunder and should meet at least 4 times per annum as per its approved terms of reference. During the current year, three meetings were held.

Name of Member	Position	Number of Meetings Attended
Ms. MAF Moja	Chairperson	2
Mr.A Keyser	Member	3
Mr D Braitwaite	Resigned: 29 July 2009	1

2. AUDIT COMMITTEE RESPONSIBILITY

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of Section 51 (1)(a) of the Public Finance Management Act, No.1 of 1999 as amended by Act 29 of 1999 and Treasury Regulations 27.1. We further report that we conducted our affairs in compliance with this charter.

3. THE EFFECTIVENESS OF INTERNAL CONTROL

The GPW is in their first phase of transition out of the Department of Home Affairs being corporatised. This resulted in management concentrating on strategic matters of the new structure of the organisation to the extent that the Internal Audit Unit was adversely affected.

Due to the circumstances prevailing within the organisation, the internal unit was not functional for the year. Audit Committee meetings concentrated on strategic financial matters and advising management on the new structure of the internal audit unit.

4. EVALUATION OF FINANCIAL STATEMENTS

We have:

- Reviewed the Auditor-General South Africa's management report and management's response thereto
- Reviewed and discussed the audited annual financial statements due to be included in the annual report with the Auditor-General South Africa's and the Accounting Officer's reports.
- Reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor-General South Africa's report on the annual financial statements, and we are of the opinion that the audited annual financial statements should be accepted and read with the report of the Auditor-General South Africa.

5. APPRECIATION

The Audit Committee expresses its appreciation to the Accounting Officer, Management team, and the Auditor-General to fulfill our obligations.



Ms. MAF Moja
Chairperson of the Audit and Risk Committee
Date: 31 July 2010

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

The Accounting Officer is required by the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999), to ensure that Government Printing Works (GPW) maintains and implements adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the year then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared on the going concern basis and in compliance with South African Statements of Generally Accepted Accounting Practice. Unless otherwise indicated, the financial statements are prepared on the same basis and accounting policies as in previous years to comply with South African Statements of Generally Accepted Accounting Standards except where it is directed by National Treasury (NT).

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Accounting Officer has reviewed the entity's cash flow forecast for the year to 31 March 2011 and, in the light of this review and the current financial position, the Accounting Officer is satisfied that the entity had or has access to adequate resources to continue in operational existence for the foreseeable future.

The Annual Financial Statements set out on pages 184 to 208, which have been prepared on the going concern basis, were approved by the Accounting Officer on 28 May 2010.



Mr T S Moyane
Accounting Officer
Pretoria
28 May 2010

GOVERNMENT PRINTING WORKS

ACCOUNTING OFFICER'S REPORT FOR THE YEAR ENDED 31 MARCH 2010

EXECUTIVE SUMMARY

During the year under review (2009/10), the Government Printing Works (GPW) achieved several significant milestones which impacted on the overall achievements and successes of the past year.

The Government Printing Works established as a Trading Account within the Department of Home Affairs (DHA) in 1976 and as a Trading Entity when the PFMA came into effect in 1999. Consequently, the GPW must be run on purely business principles involving among others, prompt decision making governed by market forces. Notwithstanding this and being a division of the Department of Home Affairs, it operates within the public service milieu. This dichotomy militates against the need for the application of business principles across all spheres of its activities, from staff recruitment through service conditions, procurement policies to business relationship with clientele.

Considering factors such as the legislative and regulatory environment, internal and external operations, capabilities, markets and customers, current state and future requirements for infrastructure and equipment and related expenditure, a business case was prepared during 2008 in order to convert the GPW into a appropriate business model. On the 9th of October 2009, a proclamation was published in the Government Gazette, giving effect to the establishment of GPW as Government Component. The change in the business model will have a significant impact on how the organisation relates to itself and strategic partners.

The principal clientele of the GPW are State Departments and their statutory bodies. It provides services to them at cost recoverable basis. However, for a while now, service delivery has been adversely affected by problems emanating from its human and material resources. In the field of human

resources, it continues to lose experienced and qualified artisans and administrative personnel to the private printing sector because the latter offers attractive remuneration packages. This invariably impacts on service delivery in terms of the lack of capacity to provide certain services at all, by the delivery date or qualitatively. Inevitably, the GPW is as a result compelled to outsource a greater percentage of jobs.

A summary of key outcomes for the year under review are as follows:

1) MANDATE AND CORE BUSINESS

The Government Printing Works' core business is the rendering of security printing and related services to Government Departments, Provincial Institutions and Municipalities. This entails the following:

- Compiling, editing, printing and distribution of Government Gazettes and Provincial Gazettes.
- The procurement and stocking of departmental forms and face value documents.
- The provision of a printing service pertaining to high security documents and also printed matter of general nature.
- The procurement and distribution of standard stationary items.

However, during the year under review the GPW had to undertake other functions and services in the printing market to ensure financial viability.

2) ESTABLISHMENT AND CONFIRMATION OF GPW AS A GOVERNMENT COMPONENT

The Government Component, a new form of Entity, established in terms of schedule 3 of the Public Service Act – Section 7 (5)(c) came into effect on the 1st of April 2008 and after due deliberations, was considered to be the best form of Entity suitable for a “production type” organisation such as GPW.

The Government Gazette of the 9th of October 2009 - published a proclamation signed on the 19th of August 2009 by the State President of the Republic of South African Amendment of Part A of Schedule 3 to the Public Service Act, 1994 giving effect to the establishment of the GPW as Government Component. The change in the business model will have a significant impact on how the organisation relates to itself and strategic partners and would create flexibility and an environment to financial viability. It further brought into context clearer definition of its core business – security printing of face value documents, while looking at transforming and diversifying its offerings in the security printing space in the region.

The process of conversion will provide the GPW with the autonomy and flexibility to operate more efficiently and effectively in South Africa's growing printing industry and create a conducive environment to expand its footprint based on its unique capabilities in the region.

3) MARKETING OPPORTUNITIES

The GPW's financial viability is dependent on its ability to generate revenue at a large proportion and leverage on its unique mandate – state security printing and the existence of the captive market that requires its services.

The GPW was awarded large printing contracts or orders with the Departments of Home Affairs, Education, Police, Health, Justice, International Relations and Cooperation.

On the regional scale, the GPW was awarded a multi-million security printing contract by the Department of Transport and Communication for the Government of the Republic of Mozambique for their Vehicle Inspection Certificates. The GPW also printed examinations for the Malawi National Examination Board (MANEB) for the Republic of Malawi.

i. Opportunities in the Government Market

Beyond the increase in economic activity, there is clearly room to expand the range and value of products that could fall within the security printing segment. The introduction of enhanced security features to a wider range of Government forms and documents provides scope for the sophistication of printing services. An example is the upgrading of the social security forms which beneficiaries currently present for the payment of benefits, to include UV-inked security elements for ready identification of fraudulent forms being presented for payment.

The security printing proportion of Government's requirements is estimated at R50 to R100 million per year and the expansion of these features will broaden the potential remit of Government Component.

ii. Marketing Opportunities in the SADC Region

A number of governments within the South African Development Community (SADC) do not have access to the modern printing facilities, but have the need for a range of secure printing production for their own security documents. Much of this is currently outsourced to private sector printers in Europe.

A confident, well performing and well established Government Component, with all proper protocols,

procedures, facilities and security accreditation, would be very well placed to bid for and win at least a proportion of such work. Government ownership coupled with improved corporate governance, and proven service delivery standards would confer additional credibility when bidding for this work. However, this opportunity is dependent on the mandate allowing competition with non-South African private sector printers.

iii. Research and Development in New Technologies

Research and development is the cornerstone of the security printing organisation and collaboration with similar institutions locally and internationally has become imperative. This initiative is supported by participating in seminars and workshops organised by ICAO and manufacturers of high security printing machines and equipment.

4) NEW PASSPORT PRODUCTION FACILITY

The relocation to a new production facility was completed in early April 2009, despite various challenges. This facility produces the new South African passport, with internationally benchmarked security features, which was successfully launched by the Minister of Home Affairs on the 8th of April 2009.

5) APPOINTMENT OF SENIOR MANAGERS

The GPW has over a number of years experienced an inability to fill senior critical posts. In the year under review four (4) positions were advertised with a view to enhance the leadership and management capabilities. The positions of the General Managers – Finance and that of Operation and Production were successfully filled by highly qualified candidates. However, those of the Human Resources and Strategic Management will be assessed in due course.

The leadership core in a new dispensation has helped the GPW to focus in its service delivery targets and bring stability in strategic thinking and planning for the future.

6) NEW SECURITY PRINTING FACILITY AND PRODUCTION PROCESS OPTIMISATION

The GPW embarked on a strategy to develop a card (polycarbonate) printing facility. This footprint will become a pillar for all card based security printing projects in the country and the region and this capability will enhance the profile of the GPW. Currently the GPW is tasked by DHA to print the Crew Member certificate for the country's airline industry and this process will act as a pilot to the major smart card project once Home Affairs is ready for its roll-out in the next financial year.

Management is putting a capital investment plan in place for this project and a possible masterplan in the event of a decision taken at an executive level of DHA.

7) CHALLENGES

Service delivery is still adversely affected by problems emanating from its human and material resources. In the field of human resources, the organisation still continues to lose experienced and qualified artisans and administrative personnel to the private printing sector because the latter offers attractive remuneration packages and working conditions. Actions to address management and staff shortcomings included the approval of the new top management structure, the appointment of the General Managers for Finance and Operations effective from the 1st of April 2010 as well as the appointment of operational resources on contract.

Although the ultimate 'home' of the GPW has been identified, the development and financing of the facilities as well as the technology upgrade necessary in order for the GWP to deliver on its mandate, would remain a challenge without any additional funding from the Fiscus.

Annual Financial Statements – Government Printing Works

While it currently has cash reserves, these are inadequate for its working capital requirements and to fund the necessary facilities and infrastructure investments required.

The GPW will be reliant on the State until adequate reserves are built up and additional revenues and volumes materialise through the improved production processes and confidence in the GPW as the State's security printer.

The current information support systems are fragmented and a number of stand-alone systems are utilised, none of which can be considered to be an enterprise-wide system geared for the printing industry and thus making integration, reporting and management an absolute nightmare, time consuming, costly and fragmented process. The GPW has during the year under review, embarked on a process in order to identify an Enterprise Resource Planning (ERP) system that addresses the organisational needs as specified in the User Requirements Specifications document.

Although the solution was identified and preparation work has started for the implementation of this system, this project faces daily challenges as it competes for the same scarce resources with other projects as part of the conversion process.

8) SUCCESSES

While the GPW has not fully achieved its deliverables for the year under review primarily due to the delays in the conversion process and its human resources challenges, the organisation still succeeded in achieving the following:

- Conversion into Government Component;
- Phase 2 of the high security printing section supporting the passport project; and
- Appointment of 2 General Managers.

In addition to the above, the organisation has produced the following documents:

Product	2008/09	2009/10	% Variance
Passports (books)	1 259 611	832 262	-34%
Identity Documents (books)	2 499 419	2 463 147	-2%
Examinations (books)	38 794 029	29 859 940	-23%
Government Gazettes (copies)	3 125 700	2 890 366	-8%
Revenue Unit Stamps (number of sheets)	50 000	63 500	27%

9) AUDITOR-GENERAL RESOLUTIONS AND PRIOR YEAR MODIFICATIONS

In the past financial years the GPW received Qualified Audit opinions from the Auditor General covering a number of items as disclosed and several resolutions items were taken into account during this period to address financial management concerns at the GPW.

During the year under review, the GPW developed a plan of action with a view to address all the major issues which were raised by the AGSA. However, the implementation of this plan was dependent on two critical factors; namely, the establishment of the GPW as a Government Component (GC) and the recruitment of the requisite skill within the organisation, which were partially addressed by the appointment of the Chief Financial Officer and General Manager: Operations and Production.

Although the GPW could recruit as planned additional skills and expertise required within the organisation during the year under review, significant efforts and progress was achieved with regards to the implementation of the plan of action, some of which are tabulated below:

- Debtors days were reduced from 148 days outstanding (2007/08) and 87 days outstanding (2008/09) and to 63 days outstanding (2009/10)
- The inventory clean up exercise continued in order to bring stock holding to a more acceptable level. Planning processes in this area also improved.
- The suspense accounts that have caused several qualified audit opinions in the past, have been addressed. More work can be done in this area, but that would be refined with the implementation of the new ERP system.
- The GPW took a strategic decision to replace the current legacy systems with an Enterprise Resource Planning system. Based on User Requirements Specifications compiled during this year, a company was appointed to assist with the implementation of the preferred solution. It is envisaged that the implementation process would take between two and three years to complete.

10) KEY FINANCIAL HIGHLIGHTS

During the year under review, the GPW achieved the following:

Detail	Budget 2009/10 R '000	Actual 2009/10 R '000
Total Income	605 500	699 300
Expenditure	(605 200)	(605 200)
Profit/(Loss)	300	94 100



Mr T S Moyane
Accounting Officer
Pretoria
28 May 2010

REPORT OF THE AUDITOR-GENERAL

TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE GOVERNMENT PRINTING WORKS FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

I have audited the accompanying financial statements of the Government Printing Works (GPW), which comprise the statement of financial position as at 31 March 2010, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 183 to 208.

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR-GENERAL'S RESPONSIBILITY

As required by section 188 of the Constitution of South Africa and section 4 of Public Audit Act of South Africa, my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Government Printing Works as at 31 March 2010, and its financial performance and cash flows for the year then ended in accordance with SA Statements of GAAP and in the manner required by the PFMA.

EMPHASIS OF MATTER

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

RESTATEMENT OF CORRESPONDING FIGURES

As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of an error discovered during 2010 in the financial statements of the GPW at, and for the year ended, 31 March 2009.

• Irregular Expenditure

As disclosed in note 28 to the financial statements, irregular expenditure to the amount of R3, 265, 302.78 was incurred, as a result of employees being paid amounts for overtime worked contrary to the provisions of chapter I part V paragraph D(2) of the Public Service Regulations.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and *General Notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

FINDINGS

Predetermined Objectives

- Non-compliance with regulatory and reporting requirements
The GPW has not reported performance against predetermined objectives, as required by section 40(3) (a) of the PFMA.

Compliance with Laws and Regulations

Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)

Prohibited Actions

- Overtime worked by GPW employees exceeded 10 hours per week. This constitutes a contravention of section 10 of the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997).

PFMA and Treasury Regulations

Non-adherence

- The accounting officer did not take effective and appropriate steps to collect all money due to the trading entity, as required by section 38(1)(c)(i) of the PFMA and Treasury Regulation 11.2. (a). This relates to debts older than 90 days amounting to R36,791,995.14 which is 32% of all outstanding debtors.
- The accounting officer did not ensure that there is a functional internal audit within GPW as required by Treasury Regulations (TR) 3.2.2.

Public Service Act, 1994 (Act No. 103 of 1994).

Non-adherence

- The accounting officer did not ensure that GPW employees declare their interest and refrain from engaging in remunerative work outside the GPW, as required by sections 30 and 31 of the Public Service Act, 1994 (Act No. 103 of 1994).

INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

• Leadership

The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control. An effective organisational structure that places people with appropriate skills is not established. The GPW does not have the required capacity to perform all the necessary functions within the entity, resulting in excessive overtime being worked by employees.

• Governance

Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial and performance reporting. Internal controls relating to the preparation and reporting on performance information are inadequate. Internal audit that inspects the adequacy and implementation of internal control has not been functional since December 2008.

And. No. - [Signature]

Pretoria
30 July 2010



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Statement of Financial Performance

	Note(s)	2010 R '000	2009 R '000
Revenue	2	639 035	487 074
Cost of sales	3	(497 025)	(403 771)
Gross profit		142 010	83 303
Other income	4	60 248	28 341
Operating expenses	5	(109 278)	(100 668)
Operating profit		92 980	10 976
Interest received	6	-	4 260
Profit for the year		92 980	15 236

Statement of Financial Position as at March 31, 2010

	Note(s)	2010 R '000	2009 R '000
Assets			
Non-Current Assets			
Property, plant and equipment	8	359 411	348 696
Current Assets			
Inventories	9	160 373	124 191
Trade and other receivables	10	152 561	139 454
Cash and cash equivalents	11	390 923	103 307
		703 857	366 952
Total Assets		1 063 268	715 648
Net Assets and Liabilities			
Net Assets			
Capital fund	12&13	356 410	356 410
Surplus distributable to National Treasury		112 683	19 703
		469 093	376 113
Liabilities			
Non-Current Liabilities			
Deferred income	14	506 788	223 684
Current Liabilities			
Trade and other payables	15	85 276	113,890
Provisions	16	2 111	1 961
		87 387	115 851
Total Liabilities		594 175	339 535
Total Net assets and Liabilities		1 063 268	715 648

Statement of Changes in Net Assets

	Capital Fund R '000	Machinery & Equipment Fund R '000	Total Funds R '000	Surplus Distributable to National Treasury R '000	Net Assets R '000
Opening balance as previously reported	189 097	152 910	342 007	19 061	361 068
Adjustments					
Prior period adjustments	-	-	-	(191)	(191)
Balance at April 01, 2008 as restated	189 097	152 910	342 007	18 870	360 877
Changes in net assets					
Profit for the year	-	-	-	15 236	15 236
Transfer from machinery and equipment fund	152 910	(152 910)	-	-	-
Transfer of treasury approved profits to capital fund	14 403	-	14 403	(14 403)	-
Total changes	167 313	(152 910)	14 403	833	15 236
Balance at April 01, 2009	356 410	-	356 410	19 703	376 113
Changes in net assets					
Profit for the year	-	-	-	92 980	92 980
Total changes	-	-	-	92 980	92 980
Balance at March 31, 2010	356 410	-	356 410	112 683	469 093
Note(s)	12	13			

Cash Flow Statement

	Note(s)	2010 R '000	2009 R '000
Cash flows from operating activities			
Cash receipts from contributors and other sources		1 105 840	700 942
Cash paid to suppliers and employees		(745 374)	(556 694)
Cash generated from operations	17	360 466	144 248
Interest income		-	4 260
Net cash from operating activities		360 466	148 508
Cash flows from investing activities			
Acquisition of property, plant and equipment	8	(72 850)	(321 998)
Loss on disposal of property plant and equipment	8	-	(36)
Net cash from investing activities		(72 850)	(322 034)
Total cash movement for the year		287 616	(173 526)
Cash at the beginning of the year		103 307	276 833
Total cash at end of the year	11	390 923	103 307

Annual Financial Statements – Government Printing Works

Accounting Policies

I. Basis of Preparation

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

The Government Printing Works (GPW) concluded that the annual financial statements present fairly the entity's financial position, financial performance and cash flow.

These accounting policies are consistent with the previous year, except where the GPW has adopted certain new and amended South African Statements of Generally Accepted Accounting Standards.

I.1 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is de-recognised.

Cost or Fair Value

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight line basis, over the estimated useful life. Depreciation of an asset commences when the asset is ready for its intended purpose and brought to use.

Profits and losses arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the actual proceeds and the carrying amount of the assets, are recognised in the statement of financial performance in the period in which they occur.

The annual depreciation rates are based on the following estimated asset lives:

Item	Years
Plant and equipment	1 - 10 years
Office furniture	6 years
Motor vehicles	5 years
Computer equipment	3 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

I.2 Financial Assets and Liabilities

I.2.1 Initial Recognition

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments comprise of trade and other receivables, trade and other payables, cash and cash equivalents.

Financial instruments classified as loans and receivables are recognised as assets when the entity becomes a party to the contract and as a consequence has a legal right to receive cash.

I.2.2 Profit and Losses and Fair Value Adjustments

Profits, losses and fair value adjustments on financial instruments through surplus or deficit, both realised and unrealised are included in the statement of financial performance.

I.2.3 De-recognition

A financial asset is de-recognised when the entity loses control over the contractual rights that compromises the asset and consequently the substantive risk and benefits associated with the asset are transferred. This occurs when the rights are realised, expired or are surrendered.

The financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the statement of financial performance.

I.2.4 Interest

Interest income is recognised in the statement of financial performance as it accrues, using the original effective interest rate of the instrument calculated at the acquisition of origination date. Interest income includes amortisation of any discount or premium or any other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

I.2.5 Trade and Other Receivables

Trade receivables are recognised initially at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when management believes that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance within operating expenses. The amount of the allowance is calculated in accordance with the doubtful debt policy of the GPW. When a trade receivable is irrecoverable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of financial performance.

Trade and other receivables are classified as loans and receivables.

1.2.6 Trade and Other Payables

Trade payables are initially measured at fair value.

1.2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and deposits held and owed by Paymaster General. These are initially and subsequently recorded at fair value.

1.3 Operating Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight line basis over the period of the lease, except where it is immaterial in relation to the total lease payments and where variable escalation forms part of the payments.

Operating leases are those leases that do fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

1.4 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.5 Impairment of Assets

The entity assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

If there is any indication that assets may be impaired, the recoverable amount is estimated for the individual asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation is recognised immediately in profit or loss.

The increased carrying amount of assets attributable to a reversal of an impairment loss does not exceed the carrying amount

that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation is recognised immediately in profit or loss.

1.6 Retirement Benefits

1.6.1 Pension Funds

The GPW contributes to the Government Employees Pension Fund in respect of employer's contribution to the Fund, as prescribed by law and therefore recognised as an expense in the accounting period. No provision is made for pension retirement benefits in the financial statements of the GPW as the pension scheme is administrated by National Treasury (NT). Once the employee leaves the GPW, he/she becomes a pension member under the auspices of the NT and has no relationship with the GPW.

1.6.2 Medical Benefits

The GPW provides medical benefits for its employees in accordance with Public Service conditions of service benefits. These benefits are funded by employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is therefore made for medical benefits in the financial statements of the GPW. The GPW does not bear any responsibility for medical benefits for employees who have retired.

1.6.3 Termination Benefits

Termination benefits are recognised and expensed only when payment is made and the actual costs are reflected. These benefits are pro rata leave and pro rata service bonus when an employee resigns or when an employee retires.

1.7 Provisions and Contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic

Annual Financial Statements – Government Printing Works

- benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

Provisions shall not be recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.8 Conditional Grants and Receipts

Government grants are recognised when there is reasonable assurance that:

- the entity will comply with the conditions attached to them; and
- the grants will be received.

The deferred income relating to grants is recognised on the following basis:

Capital contributions on plant and equipment: The deferred income will be credited to the Statement of Financial Performance over the useful life of the asset starting when the asset is brought to use.

1.9 Revenue Recognition

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Contract revenue comprises:

- the initial amount of revenue agreed in the contract;
- variations in contract work, claims and incentive payments;

- to the extent that it is probable that they will result in revenue; and
- they are capable of being reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

1.10 Interest Income

Interest is recognised on a time proportion basis using the effective interest method.

1.11 Translation of Foreign Currencies

Foreign Currency Transactions

The functional and presentation currency of the GPW is the South African Rand. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. At the date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency, being the South African Rand, at exchange rates ruling at the date of the statement of financial position. Exchange differences arising on the settlement of transactions, at rates different from those at the date of the transaction, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognised in the statement of financial performance and included in financing costs.

1.12 Significant Judgements, Estimates and Assumptions

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include: allowance for doubtful debts, allowance for slow moving inventory, residual values, useful lives and depreciation methods, employee obligations and asset impairment tests.

Other judgements made relate to classifying financial assets and liabilities into categories.

Notes to the Annual Financial Statements**2. Revenue**

	2010 R '000	2009 R '000
Revenue	639 035	487 074
Regular sales	534 999	345 175
Contract Printing	104 036	141 899
	639 035	487 074

3. Cost of Sales

Direct labour	54 927	44 794
Manufacturing overheads	58 857	45 152
Direct Materials	323 285	290 139
Depreciation-Factory equipment	59 956	23 686
	497 025	403 771

4. Other Income

Administration fees (Home Affairs)	-	222
Bad debts recovered	2 862	3 552
Discount received	1 643	1 008
Deferred income	55 391	23 481
Other recoveries	281	39
Telephone refunds	71	39
	60 248	28 341

5. Operating Expenditure

Administration and management fees
 Audit fees
 Bad debts provision
 Bad debts written off
 Depreciation-Other equipment
 Employee costs
 Other operating expenditure
 Loss on exchange differences
 Loss on sale of assets

	2010 R '000	2009 R '000
	20 186	3 559
	3 485	3 092
	4 637	30 711
	1	284
	2 170	2 528
	44 923	42 015
	32 310	18 028
	1 565	415
	1	36
	109 278	100 668

6. Interest Received

Interest charged on trade and other receivables

	-	4 260
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7. Net Surplus for the Year

The following items have been charged in arriving at net surplus

Depreciation
 Auditors' remuneration
 Consultant fees

	62,128	17 240
	3 485	3 084
	2 605	776
	68 218	21 100

8. Property, Plant and Equipment

	2010			2009		
	Cost /Valuation	Accumulated Deprecia- tion and Impairment	Carrying Value	Cost /Valuation	Accumulated Deprecia- tion And Impairment	Carrying Value
Plant and equipment	489 389	(141 176)	348 213	420 067	(84 721)	335 346
Office furniture	12 571	(8 250)	4 321	11 384	(7 291)	4 093
Motor vehicles	880	(528)	352	880	(352)	528
Computer equipment	21 284	(14 759)	6 525	20 441	(11 712)	8 729
Total	524 124	(164 713)	359 411	452 772	(104 076)	348 696

Reconciliation of property, plant and equipment - 2010

	Opening Balance	Additions	Disposals	Depreciation	Total
Plant and equipment	335 346	70 355	-	(57 488)	348 213
Office furniture	4 093	1 398	(9)	(1 161)	4 321
Motor vehicles	528	-	-	(176)	352
Computer equipment	8 729	1 097	-	(3 301)	6 525
	348 696	72 850	(9)	(62 126)	359 411

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Write Off of Fixed Assets	Depreciation	Total
Plant and equipment	48 670	311 093	(90)	(24 327)	335 346
Office furniture	2 316	2 608	(9)	(822)	4 093
Motor vehicles	660	-	-	(132)	528
Computer equipment	1 365	8 297	-	(933)	8 729
	53 011	321 998	(99)	(26 214)	348 696

2010
R '000
2009
R '000
9. Inventories

Raw materials
 Work in progress
 Finished goods
 Subtotal
 Inventories (write-downs)

102 782	47 221
23 317	42 546
35 349	36 599
161 448	126 366
(1 075)	(2 175)
160 373	124 191

Inventories are valued consistent to previous years as stated in note 1.4. During the year under review slow moving and obsolete stock amounting to R0,727 million (2009: R15,581 million) were written off. A reduction in the provision for slow moving and obsolete stock amounting to R1,100 million was passed during the current financial year.

10. Trade and Other Receivables

Trade receivables
 Other receivables

105 698	98 030
46 863	41 424
152 561	139 454

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Included in other receivables are the following: Disallowance creditors of R 7, 405 million (2009: R2, 445 million), Incapacity leave of R 0, 233 million (2009: R0, 268 million), VAT of R20, 556 million (2009: R10, 093 million) and Creditors with debit balances of R 0, 279 million (2009: R7, 642 million).

The GPW considers that the carrying amount of trade and other receivables approximates to their fair value. Concentrations of credit risk with respect to trade receivables are limited due to the majority of receivables being owed by Government departments. Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the group's trade receivables.

Trade and other receivables impaired

As at 31 March 2010 trade and other receivables in the amount of R 31, 372 million was considered to be impaired and the provision for doubtful debts of R 4, 637 million was raised.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	52 281	27 616
Provision created	4 637	32 840
Less: Utilised	(25 546)	(8 175)
	31 372	52 281

The creation and release of provision for impaired receivables have been included in operating expenses in the income statement (note 5). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

11. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Cash on hand

Bank balances

Paymaster General

34	25
125 122	5 389
265 767	97 893
390 923	103 307

12. Capital Fund

Balance at the beginning of the year

Transfer from machinery and equipment fund

Transfer of the NT approved profits

356 410	189 097
-	152 910
-	14 403
356 410	356 410

The capital fund originated through the transfer of net surplus in previous years' after the approval of the NT was obtained for the necessary transfers. The purpose of the fund is the financing of the operations of the GPW.

13. Machinery and Equipment Fund

Balance at the beginning of the year
Transfer for capital expenditure

	2010 R '000	2009 R '000
	-	152 910
	-	(152 910)
	-	-

14. Deferred Income

During the financial year under review the GPW received an amount of R 335 million from the Department of Home Affairs (DHA) as a contribution in the acquiring of a new passport assembly line. The deferred income will be credited to the Statement of Financial Performance over the useful life of the asset starting when the asset is brought to use.

Opening balance
Grants received during the year
Deferred income realised through depreciation and appropriation
Closing balance

	223 684	109 962
	338 495	137 203
	(55 391)	(23 481)
	506 788	223 684

15. Trade and Other Payables

Trade payables
Other payables
Accrued expense - Leave pay

	24 692	27 701
	55 781	81 568
	4 803	4 621
	85 276	113 890

Included in other payables are the following: Accruals of R 32, 462 million (2009: R42, 130 million), Unallocated deposits of R 13, 823 million (2009: R22, 382 million) and Debtors with credit balances of R9, 422 million (2009: R11, 639 million).

Management consider that the carrying amount of trade and other payables approximates their fair value.

The entity changed its leave policy in 2002 due to the new dispensation. The entity capped all employees' unused leave from the previous years prior to June 2000, limiting employees to take such leave during their working life at the entity under specific conditions. Capped leave is payable, based on the salary notch at the date of termination, which is only applicable if the termination of service is as a result of retirement, ill-health, death and specific leave conditions.

Annual Financial Statements – Government Printing Works

Accrued leave pay

Opening balance
Additions

	2010 R '000	2009 R '000
Opening balance	4 621	4 455
Additions	183	166
	4 804	4 621

16. Provisions

Reconciliation of provisions - 2010

Service Bonus

	Opening Balance	Additions	Total
Service Bonus	1 961	150	2 111

Reconciliation of provisions - 2009

Service Bonus

	Opening Balance	Additions	Total
Service Bonus	1 905	56	1 961

The service bonus payable is based on an employees' monthly salary on date when the bonus is due (Month of birth). Bonus payable to employees is only applicable if an employee is still in the service of the entity or else on a pro rata basis in instances of retirement, ill-health and death.

17. Cash Generated from Operations

Surplus for the year

Adjustments for:

Depreciation and amortisation

(Profit) loss on sale of assets

Interest

Movements in provisions

Fixed assets written off

Other non cashflow items

Changes in working capital:

Inventories

Trade and other receivables

Trade and other payables

Deferred income

Surplus for the year	92 980	15 236
Adjustments for:		
Depreciation and amortisation	62,127	26 213
(Profit) loss on sale of assets	1	36
Interest	-	(4 260)
Movements in provisions	150	2 231
Fixed assets written off	8	99
Other non cashflow items	-	2
Changes in working capital:		
Inventories	(36 182)	(21 707)
Trade and other receivables	(13 107)	(9 889)
Trade and other payables	(28 614)	22 565
Deferred income	283 103	113 722
	360 466	144 248

18. Operating Leases

The GPW leases various items of office equipment, including photocopying machines, fax machines, a franking machine and a letter opener from various lessors. These lessors are Minolta and Pitney Bowes. The NT entered into these lease agreements on behalf of the GPW. The lease agreements are for 3 years and can be renewed at the end of the lease term. The lease arrangement does not impose any restrictions.

Future minimum lease payments at 31 March 2010.

R'000 Up to 1 year	R'000 1 to 5 Years	R'000 More than 5 years
397	24	Nil

19. Depreciation - Operating Expenditure

Plant and machinery	
Motor vehicles	
Office equipment	
Computer equipment	
Total depreciation - Operating expenditure	

2010 R '000	2009 R '000
47	1 266
124	93
798	601
1 201	568
2 170	2 528

20. Employee Benefits

Salaries and wages	
Employer contributions:	
Pension	
Housing	
Medical	
Public Service Co-ordinate Bargaining Council	
General Public Service Bargaining Council	

79 919	70 182
6 571	5 713
2 233	2 382
5 238	4 936
3	3
12	13
93 976	83 229

21. Emoluments

21.1. Executive Remuneration

Chief Executive Officer

Basic
Flexible portion of package

	2010 R '000	2009 R '000
Basic	733	674
Flexible portion of package	489	338
	1 222	1 012

Chief Financial Officer

Basic
Flexible portion of package

Basic	147	-
Flexible portion of package	98	-
	245	-

Currently the GPW has an acting Chief Financial Officer. He was seconded by the DHA under the Transformation Project until 31 December 2009. Thereafter he has been employed through a GPW contract.

Executive Director: Operations

Basic
Flexible portion of package

Basic	461	523
Flexible portion of package	307	213
	768	736

Executive Director: HR and Transformation (Resigned 07/11/2008)

Basic
Flexible portion of package

Basic	-	385
Flexible portion of package	-	183
	-	568

Executive Director: Security

Bonuses and performance payments
Flexible portion of package

Bonuses and performance payments	-	153
Flexible portion of package	-	138
	-	291

Director: Costing (Resigned 31/08/2008)

Basic
Flexible portion of package

Basic	98	156
Flexible portion of package	65	128
	163	284

Currently the GPW has an acting Director: Costing. He was seconded by the DHA under the Transformation Project until 31 December 2009. Thereafter he has been employed under a GPW contract.

Factory Manager (Director)

Basic
Bonuses and performance payments

	2010 R '000	2009 R '000
	381	494
	254	112
	635	606

22. Remuneration of Audit Committee Members

Audit committee members

	19	52
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23. Contingencies

These contingent liabilities represent guarantees to various financial institutions for housing loans to personnel. In the event the liability arises, then the GPW will be liable to pay out and then institute claims against personnel. Although the exposure appears reasonable, there is no limit to these contingent liabilities because they are purely dependent on employees exercising the benefit.

List of institutions: ABSA, FNB, Old Mutual, Nedbank and Standard Bank

Guarantees to various financial institutions for housing loans

	62	85
--	----	----

24. Related Parties

The core business of the GPW is the provision of printing and related services to Government entities across all spheres of government. Due to the number of entities involved, the disclosure requirements of IAS are not feasible to list them all.

Related party balances**Amounts included in Trade receivable (Trade Payable) regarding related parties**

The DHA

	9 383	11 284
--	-------	--------

Deferred income

Grant received from National Treasury, via DHA

	338 495	137 203
--	---------	---------

Related party transactions

The following transactions pertaining to the major related parties to the GPW are disclosed:

The DHA

Administration fees received from the DHA

Sales

	-	222
	171 466	51 537
	171 466	51 759

25. Prior Period Errors

25.1 Reconciliation of the VAT

Proper reconciliations of the VAT accounts were performed in the current year, resulting in prior year errors identified. Correcting entries have been processed and comparative figures have been appropriately adjusted.

The correction of the error results in adjustments as follows:

Statement of Financial Position

Decrease in the closing balance - Trade and other receivables
 Decrease in the opening balance - Surplus distributable to the NT
 Decrease in the opening balance - Trade and other receivables

Statement of Financial Performance

Increase in the operating Expenditure

2010 R '000	2009 R '000
-	(88)
279	191
(279)	(191)
-	(88)
	88

25.2 Foreign Exchange Rate Differences

Proper valuation of foreign currency receivables and payables were done at year end, resulting in adjustments to correct these balances. Correcting entries have been processed and comparative figures have been appropriately adjusted.

The correction of the error results in adjustments as follows:

Statement of Financial Position

Increase in the closing balance - Trade and other payables
 Decrease in the closing balance - Trade and other receivables
 Increase in the opening balance - Trade and other payables
 Decrease in the opening balance - Trade and other receivables
 Decrease in the opening balance - Surplus distributable to NT

Statement of Financial Performance

Increase in the expense - Operating expenses

-	(5 348)
-	(1 246)
(5 348)	-
(1 246)	-
6 594	-
-	(6 594)
	6 594

25.3 Classification Correction

Provisions for the write down of obsolete stock was previously incorrectly classified under provision instead of inventory. This has been corrected

The correction of the error results in adjustments as follows:

Statement of Financial Position

Decrease in the closing balance - Provisions

Decrease in the closing balance - Inventory

2010 R '000	2009 R '000
-	2 175
-	(2 175)
-	-

26. Post Balance Sheet Events

Events that occurred after the balance sheet date, but before the financial statements were authorised for issue, were considered. There were no events that indicated evidence of any adverse or favourable conditions that existed on balance sheet date that should be adjusted for.

27. Rental of Buildings

Certain buildings occupied by the GPW are owned and provided by the Department of Public Works (DPW).

28. Irregular Expenditure

Overtime in excess of 30% of Basic Salary.

Overtime in excess of 30% of Basic Salary of R3, 265 during 2010.

3 265	-
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29. Unauthorised Expenditure

There was no unauthorised expenditure during the year, hence there was no need for disciplinary action.

30. Fruitless and Wasteful Expenditure

Interest and penalties

Interest and penalties of R0, 284 during 2009.

-	284
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31. Gifts and Donations

No gifts and donations were made during the year.

32. Ex-gratia Payments

Payments made during the year

2010 R '000	2009 R '000
25	15

33. Risk Management

General

The GPW's activities expose it to a variety of risk. This section summarises these risks and the manner in which the GPW manages them.

Operational Risk

Operational risk is the risk of loss arising from system failure, human error or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The GPW can't expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risk, the GPW is able to manage the risk. Controls include effective segregation of duties, access control, authorisation and reconciliation procedures, staff education and assessment processes and financial.

Price Risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Fair Value

At 31 March 2009, the carrying amounts of cash, accounts receivable, accounts payable and accrued expenses approximated their fair values due to the short term maturities of these assets and liabilities.

Credit Risk

The GPW sells to Government departments, state organs and the general public. It does not apply the credit management policies in a normal trading environment due to the fact that credit sales are only to Government departments. Sales to the general public are either on a pre-paid or cash basis.

Currency Risk

The entity operates in the Republic of South Africa and is exposed to foreign exchange risk except to the extent that local suppliers pass increased cost due to exchange rate fluctuations onto the GPW. At year end the GPW had an exposure to the Japanese Yen, the Pound and the EURO due to agreements for the supply of machinery which contracts was concluded in Japanese Yen, Pounds and EURO. The entity did not hedge for foreign exchange fluctuations on these contracts, due to the utilisation of the Paymaster General account.

Liquidity Risk

The entity's exposure to liquidity risk is minimal since the GPW resorts under the auspices of the DHA which is the ultimate responsible party of the GPW.



Human Resources

Government Printing Works



HUMAN RESOURCES

GOVERNMENT PRINTING WORKS

I. SERVICE DELIVERY

The tables below reflect the components of the service delivery Improvement Plan as well as progress made in the implementation thereof.

Table 1.1 – Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers who may be Integrated	Standard of Services	Actual Achievements Against Standards
Operations and Technology.	All Public Service Departments and South African citizens.	Africa countries that may require security printing services.	Service Delivery Standards are set out in the GPW Business Model.	The re-capitalisation programme and building of printing capacity.

Table 1.2 – Consultation Arrangements for Customers

Type of arrangement	Actual Customer	Potential Customer	Actual achievements
Direct interaction with clients. The implementation of an ERP solution to be implemented in 2010/11, which will include a GPW internet:Website.	All Public Service departments and South African citizens.	Africa countries that may require security printing services.	

Table 1.3 – Service Delivery Strategy

Strategy	Actual Achievements
Continuous interactions with various customers and stakeholders to build on improved relations. Commissioning of new equipment and technology.	Improved capacity and on time services.

Table 1.4 – Service Information Tool

Type of Information Tool	Actual Achievements
Daily interaction with various customers and stakeholders.	Was not measured.

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual Achievements
Suggestion boxes.	Was not measured.

2. EXPENDITURE

The Government Printing Works budgets in terms of clearly defined programmes. The tables below summarise final audited expenditure (Table 2.1) and by salary level (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of the salary bands within the Government Printing Works.

Table 2.1 – Personnel Costs

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel Cost as Percent of Total Expenditure	Average Personnel Cost per Employee (R'000)	Employment
Government Printing Works	605 143	91 162	5 828	1 907	16.2%	193 550	507
Total	605 143	91 162	5 828	1 907	16.2%	193 550	507

Table 2.2 – Personnel Costs by Salary Band

Salary Bands	Personnel Expenditure (R'000)	Percentage of Total Personnel Cost	Average Personnel Cost per Employee (R)
Lower skilled (Levels 1-2)	1 370	1.5	105 385
Skilled (Levels 3-5)	37 186	40.8	137 559
Highly skilled production (Levels 6-8)	27 756	30.4	223 839
Highly skilled supervision (Levels 9-12)	7 588	8.3	399 368
Senior management (Levels 13-16)	1 413	1.5	706 500
Contract (Levels 3-5)	9 091	10	336 704
Contract (Levels 6-8)	4 049	4.4	578 429
Contract (Levels 9-12)	477	0.5	119 250
Contract (Levels 13-16)	1 570	1.7	523 333
Periodical Remuneration	662	0.7	331 000
Total	91 162	100	193 550

Table 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Aid

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount R'000	Salaries as % of Personnel Cost	Overtime R'000	Overtime as % of Personnel Cost	HOA R'000	HOA as % of Personnel Cost	Medical Assistance R'000	Medical Assistance as % of Personnel Cost
Government Printing Works	57 839	62.6	12 760	13.8	2 295	2.5	5 244	5.7
Total	57 839	62.6	12 760	13.8	2 295	2.5	5 244	5.7

Human Resources - Government Printing Works

Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Salaries R'000	Salaries as % of Personnel Cost	Overtime R'000	Overtime as % of Personnel Cost	HOA R'000	HOA as % of Personnel Cost	Medical Ass. R'000	Medical Ass. as % of Personnel Cost
Lower skilled (Levels 1-2)	797	58.2	139	10.1	86	6.3	163	11.9
Skilled (Levels 3-5)	21 557	58.0	5 483	14.7	1 453	3.9	3 103	8.3
Highly skilled production (Levels 6-8)	17 262	62.2	3 500	12.6	698	2.5	1 621	5.8
Highly skilled supervision (Levels 9-12)	5 155	67.9	539	7.1	60	0.8	324	4.3
Senior management (Levels 13-16)	1 160	82.1	0	0	0	0	18	1.3
Contract (Levels 3-5)	6 615	72.8	2 461	27.1	0	0	0	0
Contract (Levels 6-8)	3 411	84.2	637	15.7	0	0	0	0
Contract (Levels 9-12)	475	99.6	0	0	0	0	0	0
Contract (Levels 13-16)	1 406	89.6	0	0	0	0	16	1.0
Total	52 391	63.4	10 345	12.5	2 367	2.9	4 865	5.9

3. EMPLOYMENT AND VACANCIES

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

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

Table 3.1 – Employment and Vacancies, 31 March 2010

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Government Printing Works	673	502	25.4	7
Total	673	502	25.4	7

Table 3.2 – Employment and Vacancies by Salary Bands, 31 March 2010

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	25	17	32.0	0
Skilled (Levels 3-5)	393	320	18.6	0
Highly skilled production (Levels 6-8)	208	138	33.7	0
Highly skilled supervision (Levels 9-12)	38	22	42.1	4
Senior management (Levels 13-16)	9	5	44.4	3
Interns/learners	0	0	0	0
Total	673	502	25.4	7

The abovementioned numbers includes 80 contract employees.

Table 3.3 – Employment and Vacancies by Critical Occupation, 31 March 2010

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Compositors typesetters and related printing workers	40	31	22.5	0
Bookbinding and related machine operators	17	11	35.3	0
Finance and economics related managers	7	3	57.1	2
Printing management and supervisory personnel	37	20	45.9	0
Printing planners and production controllers	10	7	30.0	0
Senior managers	9	5	44.4	0
Total	120	77	35.8	2

Human Resources - Government Printing Works

4. JOB EVALUATION

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides the statistics on the number of posts that were upgraded or downgraded.

Table 4.1 – Job Evaluation

Salary Band on 31 March 2009	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Semi skilled factory staff and skilled administration (Levels 3-5)	0	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0	0
Senior managers	10	4	40	0	0	0	0
Total	10	4	40	0	0	0	0

Table 4.2 – Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Beneficiaries	0	0	0	0	0

Table 4.3 – Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR I.V.C.3]

Total number of Employees whose salaries exceeded the upgrades determined by job evaluation in 2009/2010	None
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Table 4.4 – Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR I.V.C.3]

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

5. EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Table 5.1 summarises appointments, promotions and service terminations by race, gender and disability. In addition, the table provides an indication of the impact of these changes on the employment of the Government Printing Works.

Table 5.1 – Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	15	0	1	6.7
Skilled (Levels 3-5), Permanent	280	0	14	5
Highly skilled production (Levels 6-8), Permanent	140	0	16	11.4
Highly skilled supervision (Levels 9-12), Permanent	22	1	4	18.2
Senior Management Service Band A, Permanent	1	0	0	0
Senior Management Service Band B, Permanent	1	0	0	0
Contract (Band C), Permanent	1	0	0	0
Interns	0	0	0	0
Total	460	0	35	7.6

Contract (Levels 3-5), Permanent	27	5	0	0
Contract (Levels 6-8), Permanent	36	5	0	0
Contract (Levels 9-12), Permanent	0	3	0	0
Contract (Band B), Permanent	0	1	0	0
Contract (Band C), Permanent	1	2	0	0
Total	64	16	0	0

Note: A total of 76 contract employees were appointed for a period of 6 months during the financial year to assist with special projects. These appointments and service terminations are not reflected in the above-mentioned information (Table 5.1).

Human Resources - Government Printing Works

Table 5.2 – Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Bookbinding and related machine operators	17	2	2	11.8
Compositors typesetters and related printing workers	20	4	3	15.0
Printing management and supervisory personnel	23	1	4	17.4
Senior managers	6	2	0	0
Total	66	9	9	13.6

Table 5.3 – Reasons why staff are leaving Government Printing Works

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment
Death, Permanent	5	14.3	1.1
Resignation, Permanent	16	45.7	3.5
Transfers	2	5.7	0.4
Retirement early, Permanent	8	22.9	1.7
Dismissal-misconduct, Permanent	3	8.6	0.7
Retirement normal, Permanent	1	2.9	0.2
Total	35	100.0	7.6

Resignations as % of Employment
7.6

Table 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch Progressions as a % of Employment
Bookbinding and related machine operators, Perm	17	0	0	14	82.4
Compositors typesetters and related printing workers	20	0	0	5	25.0
Printing management and supervisory personnel	23	0	0	23	100.0
Total	60	0	0	42	70.0

Table 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period	Promotions to Another Salary Level	Salary Level Promotions as a % of Employment	Progressions to Another Notch within Salary Level	Notch Progressions as a % of Employment
Lower skilled (Levels 1-2)	15	0	0	10	66.7
Skilled (Levels 3-5)	280	0	0	265	94.6
Highly skilled production (Levels 6-8)	140	2	1.4	101	72.1
Highly skilled supervision (Levels 9-12)	22	0	0	18	81.8
Senior Management Service Band A	1	0	0	0	0
Senior Management Service Band B	1	0	0	0	0
Interns	5	2	40	0	0
Total	460	4	0.7	394	85.7

Human Resources - Government Printing Works

6. EMPLOYMENT EQUITY

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

Table 6.1 – Total Number of Employees (Including Employees with Disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers	2	0	0	2	2	0	0	0	0	0	4
Professionals	29	1	0	30	16	16	2	1	19	13	78
Clerks	25	2	0	27	3	31	2	1	34	17	81
Service and sales workers	6	1	0	7	1	2	0	0	2	0	10
Craft and related trades workers	22	1	0	23	37	7	0	0	7	10	77
Plant and machine operators and assemblers	43	6	0	49	26	28	9	1	38	47	160
Elementary occupations	3	1	0	4	4	9	0	0	9	1	18
Total	130	12	0	142	89	93	13	3	109	88	428

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with Disabilities	3	0	0	3	4	1	0	0	1	3	11

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Contract Employees	21	0	1	22	11	43	1	0	44	4	80

Table 6.2 – Total Number of Employees (including Employees with Disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	2	0	0	2	1	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	8	0	0	8	7	2	0	0	2	2	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen	36	3	0	39	30	33	1	1	35	25	129
Semi-skilled and discretionary decision making	80	7	0	87	50	48	12	2	62	61	260
Unskilled and defined decision making	4	1	0	5	0	12	0	0	12	0	17
Contract (Senior Management)	0	0	0	0	2	1	0	0	1	0	3
Professionally qualified and experienced specialists and mid-management (Contract)	0	0	1	0	3	2	0	0	2	0	5
Contract (Skilled technical)	13	0	0	13	5	19	1	0	20	3	41
Contract (semi-skilled)	8	0	0	8	1	22	0	0	22	1	32
Total	151	11	1	163	99	139	14	3	156	92	509

Table 6.3 – Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Contract	0	0	0	0	2	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Contract	0	0	1	1	2	1	0	0	1	0	4
Contract (Skilled technical), Contract	1	0	0	1	2	1	1	0	2	0	5
Contract (Semi-skilled), Contract	2	0	0	2	0	3	0	0	3	0	5
Total	3	0	1	4	6	5	1	0	6	0	16

Table 6.4 – Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Professionally qualified and experienced specialist	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified worker	2	0	0	2	1	0	0	0	0	0	3
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
Total	2	0	0	2	1	0	0	0	0	0	3

Table 6.5 – Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialist	2	0	0	2	2	3	0	0	3	1	8
Skilled technical and academically	4	0	0	4	6	4	0	0	4	0	14
Semi-skilled and discretionary decision making	3	1	0	4	3	1	0	0	1	3	11
Unskilled and defined decision making	1	0	0	1	0	0	0	0	0	0	1
Contract (Skilled technical)	0	0	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled)	0	0	0	0	0	0	0	0	0	0	0
Total	10	1	0	11	11	8	0	0	8	4	34

Table 6.6 – Disciplinary Action

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Total	7	1	0	8	7	6	0	0	6	1	22

Table 6.7 – Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior officials and managers	2	0	0	2	1	1	0	0	1	0	4
Professionals	2	0	0	2	2	2	0	0	2	2	8
Technicians and associate professionals	14	0	0	14	6	8	0	0	8	3	31
Clerks	13	1	0	14	7	12	0	0	12	3	36
Elementary occupations	1	0	0	1	0	2	0	0	2	2	5
Total	32	1	0	33	16	25	0	0	25	10	84

7. PERFORMANCE

To encourage good performance, the department has granted the following performance rewards during the year review. The information is presented in terms of race, gender and disability (Table 7.1), critical occupations (Table 7.3) and salary bands for SMS (Table 7.4).

Table 7.1 – Performance Rewards by Race, Gender and Disability

Description	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	36	116	31	270	7 504
African, Male	43	135	31.9	295	6 851
Asian, Female	1	3	33.3	12	11 750
Asian, Male	0	1	0	0	0
Coloured, Female	9	14	64.3	57	6 370
Coloured, Male	4	14	28.6	34	8 623
Total Blacks, Female	46	133	34.6	339	7 374
Total Blacks, Male	47	150	31.3	329	7 002
White, Female	47	89	52.8	373	7 935
White, Male	26	96	27.1	219	8 406
Total	166	469	35.4	1 260	7 589

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Table 7.2 – Performance Rewards by Salary Band for Personnel Below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	4	13	30.8	16	4 000
Skilled (Levels 3-5)	99	270	36.7	600	6 061
Highly skilled production (Levels 6-8)	61	124	49.2	616	10 098
Highly skilled supervision (Levels 9-12)	2	19	10.5	27	13 500
Contract (All Levels)	0	80	0	0	0
Total	166	506	35.6	1 259	7 584

Table 7.3 – Performance Rewards by Critical Occupation, 1 April 2009 to 31 March 2010

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost R'000	Average Cost per Beneficiary (R)
Binding and related workers	5	15	33.3	39	7 800
Printing and related machine operators	57	173	32.9	343	6 018
Financial and related professionals	1	3	33.3	17	17 000
Compositors typesetters and related printing workers	12	19	63.2	100	8 333
Printing management and supervisory personnel	6	27	22.2	80	13 333
Printing planners and production controllers	2	6	33.3	35	17 500
Total	83	243	34.2	614	7 398

9. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2009 TO 31 DECEMBER 2009

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

Table 9.1 – Sick Leave: 1 January 2009 to 31 December 2009

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certificates
Lower skilled (Levels 1-2)	90	77.8	10	2.5	9	18	399	70
Skilled (Levels 3-5)	1 525	82.3	189	47.4	8	417	399	1 255
Highly skilled production (Levels 6-8)	869	75.1	104	26.1	8	409	399	653
Highly skilled supervision (Levels 9-12)	100	77	17	4.3	6	100	399	77
Contract (Levels 1-2)	6	83.3	1	0.3	6	1	399	5
Contract (Levels 3-5)	158	84.2	52	13	3	41	399	133
Contract (Levels 6-8)	121	74.4	25	6.3	5	47	399	90
Contract (Levels 13-16)	2	100	1	0.3	2	9	399	2
Total	2 871	79.6	399	100	7	1 042	399	2 285

Table 9.2 – Disability Leave (Temporary and Permanent): 1 January 2009 to 31 December 2009

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Lower skilled (Levels 1-2)	7	100	1	3.7	7	1	7	27
Skilled (Levels 3-5)	245	100	19	70.4	13	65	245	27
Highly skilled production (Levels 6-8)	166	100	7	25.9	24	72	166	27
Total	418	100	27	100	15	138	418	27

Table 9.3 – Annual Leave : 1 January 2009 to 31 December 2009

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	337	24	14
Skilled (Levels 3-5)	7 075	25	278
Highly skilled production (Levels 6-8)	3 372	24	140
Highly skilled supervision (Levels 9-12)	459	21	22
Senior management (Levels 13-16)	42	21	2
Contract (Levels 1-2)	5	5	1
Contract (Levels 3-5)	525	6	91
Contract (Levels 6-8)	270	11	25
Contract (Levels 13-16)	11	11	1
Total	12 096	21	574

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Table 9.4 – Capped Leave: 1 January 2009 to 31 December 2009

Salary Band	Total days of capped leave taken	Average number of days taken per employee
Lower skilled (Levels 1-2)	2	2
Skilled (Levels 3-5)	120	6
Highly skilled production (Levels 6-8)	70	6
Highly skilled supervision (Levels 9-12)	14	14
Total	206	6

Table 9.5 – Leave Pay-outs: 1 April 2009 to 31 March 2010

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2009/10 due to non-utilisation of leave for the previous cycle	107	8	13 375
Capped leave payouts on termination of service for 2009/10	236	34	6 941
Current leave payout on termination of service for 2009/10	64	13	4 923
Total	407	55	7 400

10. HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 10.1 – Steps Taken to Reduce the Risk of Occupational Exposure

Government Printing Works participated in several initiatives to address it.

Table 10.2 – Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if Yes
Has the Government Printing Works designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001?	✓		Executive Director Human Resources and Transformation
Does the Government Printing Works have a dedicated unit or have you designated specific staff members to promote health and well being of your employees?	✓		Specific staff members have been delegated.
Has the Government Printing Works established committees as contemplated in Part VI E 5(e) of Chapter I of the Public Service Regulations, 2001?	✓		Health & Safety Committee

II. LABOUR RELATIONS

Table 11.1 – Collective Agreements : 1 April 2009 to 31 March 2010

None

Table 11.2 – Misconduct and Disciplinary Hearings Finalised

Outcomes of Disciplinary Hearings	Number	Percentage of Total
Corrective counselling	0	0
Final written warning	0	0
Suspended without pay	0	0
Dismissal	2	100
Total	2	100

Table 11.3 – Types of Misconduct Addressed and Disciplinary Hearings

Type of Misconduct	Number	% of total
Abscondment	1	50
Unacceptable behaviour	1	50
Total	2	100

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Table 11.4 – Grievances Lodged

Number of grievance addressed	Number	% of total
Resolved	34	81
Not resolved	8	19
Total	42	100

Table 11.5 – Disputes Lodged

Number of Disputes Addressed	Number	% of total
Upheld	0	0
Dismissed	1	100
Total	1	100

Table 11.6 – Strike Actions

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

Table 11.7 – Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	50
Cost (R'000) of suspensions	40

12. SKILLS DEVELOPMENT

Table 12.1 – Training Needs Identified: 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Number of Employees as at 1 April 2009	Training Needs Identified at Start of Reporting Period			
			Learnerships	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female	16		6	3	9
	Male	34		11	10	21
Clerks and lower skilled	Female	220	1	65	48	114
	Male	242	4	48	34	86
Total		512	5	1147	105	230

Table 12.2 – Training Provided: 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Number of Employees as at 1 April 2009	Training Needs Identified at Start of Reporting Period			
			Learnerships	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female	16		2	3	5
	Male	34		4	4	8
Clerks and lower skilled	Female	220	1	8	18	27
	Male	242	4	18	22	44
Total		512	5	32	47	84

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Table 12.3 – Internship Programme : 1 April 2009 to 31 March 2010

Government Printing Works Internship programme details are as follows:

Unit	No of interns		
	Male	Female	Total
Finance	0	0	0
Information Technology	0	0	0
Printing	4	1	5
Total	4	1	5

13. INJURY ON DUTY

The following table provides basic information on injury on duty

Table 13.1 – Injury on Duty

Nature of Injury on Duty	Number	% of Total
Required basic medical attention only	45	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	45	100

14. UTILISATION OF CONSULTANTS**Table 14.1 – Report on Consultant Appointments**

Project Title	Total Number of Consultants who Worked on the Project	Duration: Workdays	Contract Value in Rand R'000
Year-end Closing Meintjies and Partners	2	13	170
I	2	13	170





