



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA



Annual Report

Building the New Home Affairs
2007/2008

Prepared by the Chief Directorate, Strategic and Executive Support Services
Department of Home Affairs
270 Maggs Street, Waltloo, Pretoria

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Part 1

General Information



Annual Report

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The Hon Ms N N Mapisa-Nqakula
Minister of Home Affairs
Private Bag X114
PRETORIA
0001

Honourable Minister

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2008

It is my honour to submit herewith the Report of the Department of Home Affairs for the financial year 1 April 2007 to 31 March 2008.

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 black ink, appearing to read 'Mavuso Msimang'.

Mavuso Msimang
DIRECTOR-GENERAL OF HOME AFFAIRS

OVERVIEW OF REPORT

The Annual Report 2007/08 aims to convey to the reader what the Department of Home Affairs has achieved during the financial year of 2007/08.

Drawing mainly on the departmental Strategic Plan of 2007/08 and the revised Annual Performance Plan for 2007/08, 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 and mission and its mandate.

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: GENERAL INFORMATION

Introduction by Director-General
Information on the Ministry
Vision and Mission
Legislative Mandate

PART II: PROGRAMME PERFORMANCE

Introduction
Programme Summary
Programme 1
Programme 2
Programme 3

PART III: STATUTORY REQUIREMENTS

Report of the Audit Committee
Annual Financial Statements
Human Resource Management

FOREWORD BY THE DIRECTOR-GENERAL



The Annual Report of the Department of Home Affairs (DHA) provides an audited account of its performance and management of its resources for the financial year 2007 – 2008. The document is submitted to Parliament, which voted for the budget to the Department on the basis of its strategic plan. The Annual Report is also published so that the public at large can have oversight and exercise its constitutional rights in that regard.

When reading any annual report it is important to have some understanding of the broader context and any major developments affecting the organisation. I was appointed as accounting officer in the first quarter of the financial year, in May 2007. My mandate was to improve services while driving a programme that would turn around a highly dysfunctional Department over

the next three years. By June 2007 a service provider had been secured to work alongside DHA officials and phase one of the turnaround programme was completed in December 2007. The main outcomes of phase one were an exhaustive analysis of the underlying problems and client needs; the design of a reconstructed department; and projects to address urgent areas of concern. Phase two began in the last quarter of the financial year (January to March 2008) with a focus on implementation of the new model of the Department, including the transformation of key business processes. This involves over fifty projects organised in several work streams, each sponsored and managed by one of the top managers.

As indicated in my report, as Accounting Officer, the 2007 – 2008 financial year was characterised by the following.

- Significant progress made in addressing a number of deep-seated problems and by improving systems, structures and services;
- Ongoing challenges such as weak or overstretched management and a legacy of unreliable infrastructure and poorly trained and supervised staff.

Actions taken to address management shortcomings included the suspension of a number of senior officials and the appointment of an acting chief financial officer but only in November 2007. Significant resources were allocated to several projects that aimed to address, systematically, the areas of concerns highlighted in previous audit findings. These included revenue collection, asset management, risk management and contracts. The problems addressed are on three levels.

Significant improvements were made with regard to those problems that could be addressed within the financial year, such as contract management. Secondly, other projects were put in place to address problems that require medium and longer-term action, such as training, supervision and infrastructure. Thirdly, discussions were started with the National Treasury on how to resolve legacy problems that went back decades, such as the Immigration Control Account.

While shorter-term gains were made in improving financial controls and management, very significant gains were made in key areas of service delivery. The target set in the Strategic Plan for reducing the average turnaround time for issuing identity documents (IDs) is 60 days by the end of the 2008-2009 financial year, from an average of more than 120 days in 2007. By March 2008 the average was under 75 days and by July 2008 an average of under 60 days was being maintained, as a result of improvements made in the 2007-2008 financial year. Lessons from this success are being applied across the Department. These include the importance of mobilising the talents and energy of our staff through changing values, behaviour and systems in the back and front offices. Improvements in productivity of more than 300% were made in key parts of the process. On the migration side, similar productivity gains were made in fast-tracking permits in support of skills acquisition for a number of projects of national importance through the Large Accounts project.

In the available time, it has not been possible to resolve a number of chronic problems, especially in the financial management area. At the strategic level there can be but little doubt that

significant strides have been taken in addressing deep-rooted structural problems. It bears pointing out that the process of rectifying the Department's performance has revealed the enormity of the outstanding challenges that must be overcome before normalcy is attained. Towards this end it will be necessary to make substantial investments in the development of our human resources, systems and infrastructure.



MAVUSO MSIMANG

DIRECTOR-GENERAL OF HOME AFFAIRS

INFORMATION ON THE MINISTRY

The Ministry of Home Affairs is established according to the prescripts of chapter 3 of the Constitution of the Republic of South Africa. The Ministry has national competency on all matters that relate to identification of persons as citizens or non-citizens who reside in or visit the Republic.

The Ministry has executive authority over the Department of Home Affairs (DHA), the Electoral Commission (IEC), the Government Printing Works (GPW), the Film and Publication Board (FPB), the Immigration Advisory Board and the Refugee Affairs Appeal Board.

The Turnaround Project

Subsequent to the recommendations made by the Support Intervention Team, which was reported on in the 2006/07 Annual Report, the Minister sought and employed the expertise of consultants to implement the recommendations of the Support Intervention Team's report. Fevertree Consulting, together with their international partners A T Kearney, commenced work in the Department of Home Affairs during May 2007.

This team of experts together with dedicated officials of the Department, have worked tirelessly on numerous programmes which included a number of work streams and 55 separate projects. These objectives are to reorganise Home Affairs into a focused, efficient, skilled and well-led organization through, amongst other interventions, the substantial revamping of systems and an increase of resources. The work of the Turnaround Team has thus far yielded impressive results and the progress going forward is commendable.

Launch of the ID Campaign

The Campaign, which was launched with the SABC and the Department of Education, was aimed at motivating young people, especially 16 year olds and grade 12 learners, to apply for identity documents. This was facilitated by the deployment of mobile units to schools across the country to provide onsite application and assist with registration.

Projects relating to the import of scarce skills

After the publication of the list of scarce skills for the Quota Work permits in the Government Gazette, the Minister embarked on a drive to popularize these permits attainable in order to effectively enable and increase the movement of skilled workers into the country. The Minister visited several countries abroad in order to brief our ambassadors, officials and big companies on the objectives of the quota work permits and other work permits.

During the period under review there was a large increase in the take up of temporary work permits, including general work permits, quota work permits and intra-company transfer work permits. This was due not only to the popularization of the permits, but also to the large account project which was set up as a pilot to assist large accounts by processing permits in an efficient manner. Four companies were part of the initial pilot (Gautrain, Lafarge, Mittal Steel and Anglo-American) which has been extended.

Visits to Home Affairs Provincial Offices

The purpose of the visits by the Minister and the Deputy Minister was to brief provinces about the process of the turnaround, to give information to staff and also garner support for the forthcoming work through restructuring and transformation within the Department by the Turnaround Team.

Community Outreach Programmes

The Ministry embarked on several outreach programmes in order to keep abreast of the needs of the communities on the ground especially to do with issuing of enabling documents to the South African public at large. This has seen a combination of visits to different communities in all nine provinces.

Both the Minister and Deputy Minister have also supported the Presidential imbizos in line with the Government Outreach Programme.

Hosting UNHCR Commissioner for Refugees

In October 2007 the UN High Commissioner for Refugees, Mr Antonio Gutierrez, visited South Africa. During his visit, which was hosted by the Minister and Deputy Minister, the High Commissioner commended South Africa on its progressive refugee policy, and pointed out that the challenges faced in implementing these policies is not unique to South Africa. Amongst the issues he raised was the policy and practical challenges of mixed flows of refugees and economic migrants from Zimbabwe. He also commended South Africa's policy of integration of refugees and cautioned against the establishment of refugee camps.

The Minister undertook the following international trips:

COUNTRY	DATE	PURPOSE
Tanzania	4 – 5 April 2007	Presidential Economic Commission (PEC) between Republic of South Africa and United Republic of Tanzania in Dar es Salaam
Belgium, Germany, United Kingdom	13 – 18 May 2007	SA-EU Ministerial Troika meeting in Brussels and meeting with South African Ambassadors, High Commissioners and Consul-Generals to brief them on the process of the new scarce skills quota permits
Zambia	13 – 17 August 2007	SADC Council of Ministers in Lusaka
Malaysia & India	3 – 8 September 2007	Meeting with South African Ambassadors, High Commissioners and Consul-Generals to brief them on the process of the new scarce skills quota permits
Switzerland	30 September – 1 October 2007	Attended the 58th Session of the UNHCR's Executive Committee
Spain	7 – 11 October 2007	As per invitation of Minister's counterpart
Namibia	29 – 31 October 2007	Official handing over of Namibian Records and BNC

The Deputy Minister concluded visitations to provinces to assess the general state of affairs in provinces, with particular emphasis on service delivery. The process started in the previous financial year.

The Deputy Minister also participated in outreach programmes designed to target the most vulnerable groups in society (people with disabilities, the aged and workers). The purpose of these engagements was to determine the challenges experienced in accessing Home Affairs services.

The Deputy Minister is tasked to oversee the Internship and National Youth Service Programme. The Deputy Minister had an interaction with both interns currently employed and those that have already exited the system. The purpose of this interaction was to establish the extent of the impact of this programme on young people with a view to improve the programme and also to facilitate the sharing of experiences between the two groups.

The Deputy Minister of Home Affairs undertook four international trips:

COUNTRY VISITED	DATE	PURPOSE
Czech Republic	12-15 June 2007	Addressed the youth celebration and held a meeting with the Czech Deputy Minister of Interior
Democratic Republic of the Congo (DRC)	19-21 August 2007	Attended the Bi-National Commission meeting
Botswana	24-25 October 2007	Attended the meeting of the Joint Permanent Commission on Defence
Angola	20-23 November 2007	Attended a meeting of the Joint Commission for Cooperation with Angola

Bills submitted to the legislature during the financial year:

The following Amendment Bill was introduced during 2008 and has been dealt with by the Portfolio Committee on Home Affairs during the reporting year:

Refugees Amendment Bill, 2008 (B11—2008)

The main objective of the Amendment Bill is to substitute the definitions to provide for the alignment of certain wording in the Refugees Act, 1998 (Act No. 130 of 1998), with the wording in the 1969 OAU Convention and the 1951 UN Convention, to provide for the delegation of powers for the Director-General, to provide for certain matters with regard to the establishment of Refugee Reception Offices by the Director-General, to provide for the establishment, composition, functions and powers, period of office, removal from office, filling of vacancies, remuneration and administrative staff of the Refugee Appeals Authority, to provide for clarification and revision of procedures relating to refugee status determination, to provide for obligations and rights of asylum seekers, to repeal certain sections, to effect certain technical corrections and to provide for matters connected therewith.

The Amendment Bill seeks to align the Act with the departmental and governmental policies on refugee matters. The Amendment Bill further determines that a Refugee Reception Office consists of at least one Refugee Status Determination Officer who deals with the determination of applications for asylum, as well as such number of officers as the Director-General may appoint to perform administrative functions connected with the refugee status determination process.

The Amendment Bill also seeks to dissolve the existing Standing Committee for Refugee Affairs established in terms of the Act and to establish a body that shall be known as the Refugee Appeals Authority. The Amendment Bill further provides for the accountability of the newly established Refugee Appeals Authority in that the Refugee Appeals Authority must, at the end of each financial year, prepare a report on all its activities during that financial year and on its financial position as at the end of that financial year. This annual report must be submitted to the Minister for tabling in Parliament.



Ms NN Mapisa-Nqakula

**Minister of Home
Affairs**



Mr MKN Gigaba

**Deputy Minister of Home
Affairs**

VISION STATEMENT

The vision of the Department of Home Affairs is
“Rendering a World-class Service”.

MISSION STATEMENT

The mission of the Department of Home Affairs is ***to commit itself, as required by stipulated mandates, to determine and confirm the status of persons by providing enabling documents in the interest of promoting and protecting the national integrity.***

MISSION SUCCESS FACTORS

In the quest for realising the mission of the Department the following factors have been identified as critical to ensure compliance with stakeholder, customer and staff members' expectations:

- Client focus orientation
- Reliable documentation
- Quality service
- Accessibility of services
- Professional staff orientation
- Compliance with mandates
- Corruption-free system
- Business process and systems redesign
- Change management

LEGISLATIVE MANDATE

The mandates of the Department of Home Affairs are embedded in the following legislation and policy documents:

Civic Services

The Births and Deaths Registration Act, 1992 (Act No. 51 of 1992);
 The Marriage Act, 1961 (Act No. 25 of 1961);
 The Recognition of Customary Marriages Act, 1998 (Act No. 120 of 1998);
 The Identification Act, 1997 (Act No. 68 of 1997);
 The South African Citizenship Act, 1995 (Act No. 88 of 1995);
 The South African Passports and Travel Documents Act, 1994 (Act No. 4 of 1994);
 The Alteration of Sex Description and Sex Status Act, 2003 (Act No. 49 of 2003);
 The Civil Union Act, 2006 (Act No. 17 of 2006).

Immigration

The Immigration Act, 2002 (Act No. 13 of 2002);
 The Refugees Act, 1998 (Act No. 130 of 1998);
 The 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 Commission 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;
 The UNHCR Handbook on Criteria and Procedures for the Determination of Refugee Status, 1997.

Other Departmental Mandates

Public Holidays Act, 1994 (Act No. 36 of 1994);
 Electoral Act, 1998 (Act No. 73 of 1998);
 Electoral Commission Act, 1996 (Act No. 51 of 1996);
 Films and Publications Act, 1996 (Act No. 65 of 1996);
 Local Government: Municipal Electoral Act, 2000 (Act No. 27 of 2000).

Other Mandates

The Constitution of the Republic of South Africa, 1996;
 The Public Service Act, 1994 (Proclamation No. 108 of 1994);
 The Labour Relations Act, 1995 (Act No. 66 of 1995);
 The Public Finance Management Act, 1999 (Act No. 1 of 1999).

The following institutions are attached to the Department:

- Film and Publication Board;
- Electoral Commission; and
- Government Printing Works.

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.
- To perform the functions assigned to it by the Act.

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

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 elections are free and fair.
- To perform the functions assigned to it by the Act.

The Chief Electoral Officer of the Commission 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 erstwhile Department of Finance.

The functions of 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.
- 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 Director-General of Home Affairs was the accounting officer in terms of section 36(3) of the PMFA of 1999 for the 2007/08 financial year.

Programme Performance



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INTRODUCTION

VOTED FUNDS

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount R'000	Over/(Under) Expenditure R'000
		3 314 589	3 520 898	3 241 727
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 protect and regulate the interests of the inhabitants of the Republic of South Africa, in respect of their individual status, identity and specific rights and powers, and to promote a supporting service to this.

Key Measurable Objectives, Programmes and Achievements

Programmes

The departmental budget is structured into three programmes: Administration, Civic and Immigration Services and Transfers to Agencies.

Programme 1: Administration

Purpose: Administration conducts the overall management of the Department and provides centralised support services.

Programme 2: Civic and Immigration Services

Measurable objective: Grant specified rights and citizenship to eligible members of the population by issuing valid documents within the targeted delivery period, and control the immigration of various categories of foreigners into and out of the country within prescribed delivery targets.

Subprogramme	Output	Measure / Indicator	Target
Provincial Co-ordination	Basic standards implemented at all service outlets, such as frontline offices	Percentage compliance with key standards by provincial offices	80% compliance by all provincial offices
Services to Citizens:			
Population Register	New recordings on population register (issued birth, marriage and death certificates)	Percentage of recording requests correctly processed within targeted delivery period	95% correctly processed within 1 day

Subprogramme	Output	Measure / Indicator	Target
Travel Documents and Citizenship	Passports and other travel documents and emergency documents issued	Percentage of requested documents correctly issued within targeted delivery period	80% of passports and travel documents issued within 6 weeks
			95% of all temporary passports issued within 1 week
			All emergency travel certificates issued on the spot
	Citizenship granted	Percentage of applications correctly finalised within targeted delivery period	80% of applications finalised within 8 weeks
	Identification or verification of fingerprints	Percentage of fingerprints identified or verified within the targeted delivery period	80% of full fingerprint searches conducted within 3 days
			80% of fingerprint verifications conducted within 1 day
	Identity documents issued	Percentage of requested documents correctly issued within targeted delivery period	80% of identity documents correctly issued, within 1 month for a permanent document and 7 days for a temporary document
Immigration Services:			
Admissions	Permanent and temporary residence permits issued	Percentage of permanent and temporary residence permits correctly issued within targeted delivery period	100% of temporary and permanent residence permits correctly issued within:
			6-8 weeks for a temporary residence permit application

Subprogramme	Output	Measure / Indicator	Target
			8 months for a permanent residence application
	Visas issued	Percentage of visas correctly issued within targeted delivery period	95% of visas correctly issued within 5 days
Immigration Control	Illegal foreigners deported	Percentage of illegal foreigners deported within targeted delivery period	90% of detained illegal foreigners successfully deported within 30 days from date of arrest, or 90 days with a court warrant
Refugee Affairs	Asylum granted to refugees	Percentage of requests processed and certificates issued within targeted delivery period	80% of asylum applications processed within 3 months and a further 3 months for appeals
	Appeals processed	Percentage of applications correctly processed within targeted delivery period	99% of applications processed within the targeted delivery period finalised

Programme 3: Transfers to Agencies

The main function of Transfers to Agencies is to provide funding and support to the Film and Publication Board, the Government Printing Works and the Electoral Commission through its three subprogrammes of the same names.

Programme purpose and measurable objective

Programme 1: Administration

Purpose: Administration conducts the overall management of the Department and provides centralised support services.

The sub-programme **Management Services** includes:

Strategic and Executive Support Services (SESS), which aims to provide a professional, evaluative,

planning and co-ordinating capacity to the Director-General, in order to enhance effective and efficient management of the diverse and specialist line function entities of the Department, in the context of policy requirements.

Communication Services is responsible for the management of communication within the Department. It is responsible for media liaison, corporate communications, internal communication and media production.

Counter Corruption and Security aims to ensure efficient counter corruption measures and the management of security in the Department.

Internal Audit provides an audit assurance and consulting service to the Department.

Governance Relations manages international affairs, intra-governmental relations and co-ordination of foreign offices.

The sub-programme **Corporate Services** includes Human Resources, Information Services, Legal Services, Labour Relations and Finance and Supply Chain Management.

Human Resources provides human resource services to the total personnel corps at all levels of the Department. The service includes human resources development, human resources management, employee wellness as well as employee relations services.

Information Services enables the Department, through optimal utilisation of information technology, to address the service delivery requirements within the different business areas. One of the main strategic focus areas of the Department of Home Affairs is the deployment of information technology and systems to improve service delivery to all stakeholders.

Legal Services provides legal services to the Department, including the rendering of legal opinions, drafting and amending legislation and dealing with litigation and contracts.

Labour Relations is responsible for ensuring that sound labour relations are practiced in the Department through the investigation of all labour related cases; administering of all collective employee related matters with the Department's recognised trade unions; administering of all individual employee disputes; and the administering of all misconduct cases.

Finance and Supply Chain Management is responsible for the management of integrated financial services and ensuring that the Department has a sound supply chain management system.

Programme 2: Civic and Immigration Services

Civic and Immigration Services grants rights and powers to members of the population, and deals with travel and passport matters, citizenship, and population registration. It also controls immigration according to South Africa's skill and investment needs, and controls visitors who enter the country temporarily.

There are three sub-programmes:

- *Provincial Co-ordination* provides for the delivery of the full range of departmental civic and immigration services within the provinces as well as necessary support functions.

- *Services to Citizens* carries out a wide range of civic services. These include: status services (maintaining a register of citizens and immigrants who have acquired the right to permanent residence, as well as registers of births, deaths and marriages; issuing passports and other travel documents; providing financial assistance to citizens abroad, and determining and granting citizenship); identification (determining identity by means of fingerprints, photographs and identity documents through recording personal particulars in the population register for issuing identity documents); and the HANIS project (mainly involving the automated fingerprint identification systems, which enables the delivery of civic services).
- *Immigration Services* carries out a range of services related to immigration. These include: admissions (issues temporary and permanent residence permits); immigration control (dealing with tracing, detention and deportation of illegal immigrants) and refugee affairs (administering refugee and asylum applications and considering appeals against the decisions of the Standing Committee for Refugee Affairs).

Programme 3: Transfers to Agencies

The main function of *Transfers to Agencies* is to provide funding and support to the Film and Publication Board, the Government Printing Works and the Electoral Commission through its three subprogrammes of the same names. The three entities are reported on under the "Transfer to Agencies" section.

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

Achievements and Challenges

PROGRAMME 1: ADMINISTRATION

Some of the main achievements for business units under Programme 1 include:

Finance and Risk

- All six previous audit reports were categorized and key risks and issues prioritized
- The Rosslyn Document Archive Depot was identified as the biggest risk and a long-term strategy was developed to fix it
- A process to gather revenue information was implemented
- A cash machine pilot was implemented in four offices. Within the first month, revenue collection at these sites had already increased by 20%
- A new lease was negotiated with the Rosslyn landlord
- A clean up of HR and Asset Management audit issues was launched

Information Services

- Business cases for top 15 IT projects were developed
- IT projects and the architecture to support the new operating model requirements was agreed to
- DHA IT organisation baselined
- Track and trace system and online verification were developed and implemented
- Upgrade of HANIS (Home Affairs National Identification System) to new technology (HANIS Tech Refresh)
- New refugee system rolled out to refugee reception centres
- Master Information Systems Plan and Enterprise Architecture updated
- Risk management and quality management implemented
- Service Management component established

Communication Services

- Sustained effective outreach and Izimbizo programme conducted
- Produced braille and multilingual products
- Mobilised stakeholders around asylum, refugee issues and foreign business investment
- Aggressively communicated DHA zero-tolerance approach to corruption
- Revamped the Ikhaya magazine and enhanced internal communication channels

Corporate Services

Human Resources

- Performance agreements improved and aligned with the turnaround
- 67% of management positions filled
- 70% functionality of Persal achieved to ensure improvement on turnaround time in processing certain HR transactions
- Litigation trends monitored and analysed

Employee Relations

- Meetings with union leadership were held and by the end of the year a joint statement of shared intent as well as a turnaround accord were on the table.

Contracts

- A baseline spend analysis by supplier and category was conducted
- New and improved SLAs were negotiated with key suppliers like Sita, Telkom, Lindela, XPS, Skynet and GPW
- A single courier pick up and delivery service for IDs and applications between central ID production facility and front offices was put in place
- Cost savings of R68m on the remainder of the Lindela (Deportation Centre) contract was negotiated
- Further potential cost savings of up to R40m with other key suppliers were identified.
- Information requests to the top 50 suppliers, to determine payment schedules and contractuals, were sent out

Governance Relations

- Improved co-ordination and interaction with external stakeholders
- Turnaround presentation to G&A and Social Sector Clusters conducted
- Compliance to bi-monthly reporting to all clusters and other critical areas, e.g. on Apex priorities
- Started consultation process with Traditional Leadership on an MOU between the two parties
- MOU on visa waiver for diplomatic and official passport holders signed with India, Tanzania and Sudan
- Training provided for immigration officials from Rwanda and DRC through SAMP (South African Migration Project) and SAMDI
- Foreign office in Mexico opened
- Pool of officials trained to perform relief duty in Foreign Offices

Internal Audit

- Audit charters approved
- Comprehensive internal audit procedure manual adopted
- Co-sourcing agreement in place to increase audit scope and coverage
- Enterprise-wide risk management facilitated
- Risk assessment conducted
- Top ten risks prioritised and management strategies developed

Strategic and Executive Support Services (SESS)

- Improved planning and reporting processes implemented
- Broad organisational model approved

Governance and Operations Management

- New committee structure (Ministerial Executive Committee, Executive Committee, Ethics and Standards, Audit Committee, Operations Committee, Policy Committee) was recommended
- Operations Management Committee, to monitor operational performance of the Department, was established
- Development of a delegation of authority document was initiated

Strategic Initiative Governance

- Business cases for 13 key business projects were developed
- New project prioritization and approval process was developed
- Need for an Enterprise Programme Management Office (EPMO) was agreed

Counter Corruption and Security (CCS)

- High risk offices identified and 36 offices evaluated
- Joint operations with stakeholders conducted
- Prevention workshops conducted in all provinces
- 53 workshops on security policy conducted nationally
- Pre-employment screening of 490 prospective employees conducted
- Security evaluation conducted on 84 existing accommodation facilities

Vision & Design & Legislative Framework

A blueprint for the New Home Affairs was completed and adopted at the end of 2007. This included a new organisational structure to enable the Department to operate in a more effective and streamlined fashion. It also included key recommendations on how to improve the services of DHA and make them more customer-orientated.

- A nationwide survey of 700+ customers was conducted
- A comprehensive organizational baseline for DHA was developed
- Two visioning workshops were conducted with top management
- Nine key principles and targets of vision were agreed to
- A new operating model design, including footprint recommendations and staff numbers, was developed and agreed to
- A new budget structure was developed and agreed to
- A high level road map to transform the Department in line with the new operating model was developed and agreed to
- A new leadership structure was recommended
- A draft policy and legislative conceptual framework was developed

The **main challenges** faced by the Department were as follows:

Whilst there has been progress – and significant achievements – on every level of Home Affairs since the turnaround started, there were also a number of key challenges which act as a functional constraint on the project. They were:

- A high vacancy rate across the organisation – particularly at a leadership level
- Insufficient skills in many key areas, especially in the information technology environment
- The budget, for some of the consequential spend, not always sufficiently targeted to the time frames in which it is required
- An un-integrated and unstable IT platform
- Slow recruitment processes

PROGRAMME 2

Civic Services Programme Developments

ID Track and Trace

An electronic tracking system for ID applications, Track and Trace, was rolled out in more than 250 offices countrywide and 1249 frontline officials were trained on the new system. The ID track and trace functionality caters for the recording of progress of ID applications from end to end. The rollout of this system was made possible through the development of registration functions on the national population register (NPR), which are activated by officials at the various stages of the production process.



The system enables customers to query the status of their applications through SMS and via the DHA website. In addition, free alerts are sent to customers on receipt of their application, as well as when their application is ready for collection.

Operations Management

The productivity in a key ID process bottleneck area was more than doubled through the application of improved operations management. The turnaround time in the Fingerprint Verification Section was reduced from 27 days to 4. More than 100 managers at the central ID production facility in Pretoria were trained in operations management practices.

A critical path backlog in the Fingerprint Verification section was eliminated. More than 236 000 backlogged records were cleared. Another backlog - in the 1st application fingerprint capturing section at HANIS – was brought down from 495 000 to 97 000 at the end of 2007.

Replacement of old coat of arms in RSA passport

The implementation of the new Coat of Arms in South African passports and travel

documents was finalized during the review period. The rollout started in November 2007 and has been successfully completed.

Client Contact Centre

The Department implemented a new contact centre solution that led to a general improvement in the handling of customer calls to the toll free number. The solution entailed the split of the previous contact centre functions, which required an outsourced first line client interface solution and the creation of a second line case resolution functionality.

The first line client interface solution was outsourced to a private service provider with effect from November 2007. The primary responsibility of the first line client interface is to receive calls from members of the public, answer and finalize routine enquiries from clients that can be resolved on the first call and refer all unresolved enquiries to a second line case resolution centre that is staffed by departmental staff.

The first line client contact centre was initially launched with 51 agents and this figure was increased to 82 by the end of March 2008 due to the increase in demand for services. The second line case resolution centre was launched with 16 permanent departmental employees. The new Client Contact Centre solution resulted in 80% of calls being answered within 20 seconds.

ID Process Transformation

A number of major gains were achieved in ID production:

- The ID process was analysed and quick wins identified
- Four fingerprint scanning machines were added to increase throughput in key bottleneck areas.
- 400 front office staff members were trained on how to use a Q&A checklist to improve quality of applications
- A new postal receipts process was introduced to streamline the flow and monitor the quality of ID applications
- The coding and second scan fingerprint process was eliminated to improve turnaround times
- A single courier service was put in place to pick up and drop off ID applications and completed

ID books between front offices and the central ID production facility in Pretoria

- Four pilot projects, with a redesigned front-end ID process using online fingerprint verification capabilities, were rolled out
- A new end-to-end ID process – with 15 steps instead of more than 80 – was defined

Sorting and indexing of birth, marriage and death records

During 2006/07 a project was launched to sort and index the estimated 25 million records that were stockpiled. The project was challenging due to a lack of accommodation and storage shelves. During the review period, additional accommodation was acquired and new shelves were procured and installed. The total number of records sorted and indexed during the review period increased to 22 million with a balance of approximately 4 million.

National Immigration Branch Programme Developments

Immigration Control and Management

Subject to the provisions of the Immigration Act, 2002 (Act No. 13 of 2002), the Department aims to process and approve immigration applications in the context of South Africa's skills and investment needs, and with due regard to the country's economic, social and cultural interests. The Act prescribes the structure and work of the Immigration Advisory Board, which shall advise the Minister in respect of:

- the contents of regulations that may be made in terms of this Act;
- the formulation of policy pertaining to immigration matters;
- any other matter relating to this act in which the Minister may request / advise.
- the Board also serves as the inter-departmental cooperation forum for all immigration matters.

Besides tracing and removing illegal immigrants, the Department also concentrates on enforcing sanctions against persons who employ, accommodate, or otherwise assist foreigners in contravening the Act. A computerised visa system to track forged South African visas was implemented at most South African missions abroad.

Visas and permits

During 2007/08 a total number of 558 375 visas were issued and 7 578 were refused. 95% of visa applications were processed within the required five day period. Visa agreements were concluded with Korea, Tanzania and Vietnam in respect of diplomatic and official passport holders and with Belarus in respect of ordinary passport holders.

Transit visas were abolished in order to conduct a scientific study on countries to be subjected to transit visas. The IOM (International Organisation for Migration) was contracted to conduct the study and a report in this regard was received. The IOM report evaluates specific data to determine whether transit visas should be re-instated and, if so, which countries should be subjected to transit visas. This will be done in conjunction with stakeholders such as the National Intelligence Agency.

Deportation of prohibited persons

Deportation volumes have grown, with an average increase of 18% over the past five years. The 2007/08 financial year showed an increase of 25%. Projections for deportees for 2008 have increased from 312 000 to 370 000.

80% of deportees were transported directly from the provinces, with 84% deported directly from three of those provinces. DHA inspectorate structures in Gauteng (45%) and North West (35%) provinces transport the majority of the deportees to the deportation holding facility.

The South African Police Service (SAPS) contributes to 54% of the deportees that are brought to Lindela. 97.8% of deportees from Lindela are transported through 3 land border posts and one airport.

Transformation of Immigration

The migration from the old NIB structure to the new one is in progress. The review of business processes, aiming at enhancing efficiency, was finalised. The implementation of these business processes is in progress.

Immigration Legislation

The Department is responsible for leading the process of drafting legislation addressing smuggling of migrants in compliance with the Protocol on Smuggling of Migrants (UN Convention

Against Transnational Crime). One project was implemented and two others are in the planning stages.

The strategic goal of the Chief Directorate: Inspectorate is to reduce the size and annual growth of illegal migration. To achieve this goal and in preparation for 2010, the Chief Directorate is in the process of developing a Law Enforcement strategy that will focus on identifying and removing illegal migrants, disrupting of organised smuggling operations, taking aggressive steps to deal with fraud and other document abuses, and making a concerted effort to prevent employers from having access to unauthorised workers. It will therefore be necessary to fully capacitate the Inspectorate division with the necessary skills and competencies to carry out its mandate. This however remains a big challenge.

FIFA 2010 Soccer World Cup

The Department's plan to deal with the mass influx of visitors over the duration of the event focuses on pre-clearance; admission; sojourn control; and departure. The Department's planning is closely coordinated with the Border Control Operational Coordinating Committee (BCOCC) to ensure the optimal flow of persons at ports of entry.

Investigations into the acquisition of an Advance Passenger Information System (API) were initiated, a proposal based on the Department's specific user requirements was formulated and the BCOCC requirements work-shopped and incorporated.

Refugee Affairs

Refugee Affairs has come a long way in addressing the challenges of the past (lack of capacity at management level and at lower levels, lack of integrated systems, etc).

Management at Director level was appointed at the Asylum Seeker Reception Centres at Marabastad, Crown Mines and Cape Town. Management at Deputy Director level was appointed for the smaller centres in Durban and Port Elizabeth. Refugee Reception Officers and Refugee Status Determination Officers and their managers were also appointed and in total 191 officials were added to the Refugee Affairs establishment in 2008.

The Refugee and Deportation System, which is a biometric integrated system, was rolled out to the

four Asylum Seeker Reception Centres by February 2008, with the roll out to the last Asylum Seeker Reception Centres currently being planned for July 2008. All the permanent Asylum Seeker Reception Centres were relocated to the backlog project sites by April 2008. These sites were better designed and equipped to deal with asylum seekers and refugees in a humane manner. A process study is currently underway in Crown Mines which is aimed at understanding the "as is" processes with a view to improving and standardising processes in all Asylum Seeker Reception Centres to ensure that asylum permits are issued in one day and refugee determination is done within six months.

Border Control

Co-ordination of Ports of Entry operations

The intention is to establish a departmental presence at ports of entry currently staffed by SAPS. A project was registered with the Border Control Operational Coordinating Committee (BCOCC) to provide for office and housing accommodation. The Department of Public Works is attending to the registration of projects to plan for and construct these facilities.

The Department's revised staff establishment provides for the strengthening of capacity at ports of entry in order to deal with the projected volumes of travellers for 2010 and beyond. The Department initiated a project to modernize and integrate its systems, including the Movement Control System (MCS), which is utilized at ports of entry.

Facilitating scarce skills into the country

Ongoing consultation took place with stakeholders such as the Presidency, Department of Labour, Department of Trade and Industry, Department of Minerals and Energy Affairs and the Department of Public Enterprises in order to determine the skills scarcity in the South African economy. During 2007/08, 1 133 quota permits were issued to foreigners with scarce and critical skills as per the Quota List of Scarce and Critical Skills published in the Gazette on 25 April 2007.

Following consultations with the JIPSA Secretariat, the Department established a help desk to concentrate specifically on the issuing of quota work permits, enquiries pertaining to quota work permits and complaints regarding quota work permits. A pamphlet was also developed and distributed to South African

Missions abroad and Regional Offices of the Department to create awareness for quota work permits.

The establishment of a Large Account Unit was approved in order to assist corporate clients such as Eskom, the Gautrain project, Lafarge, etc in securing the employment of foreign labour for specific projects. Four Large Management Accounts were piloted. The Large Account Unit will act in an advisory capacity to corporate clients and will intervene with South African Missions and Regional Offices to facilitate the issuing of work permits to foreign labourers with scarce and critical skills. A scarce skills help desk was operationalised.

Xenophobia

The Counter Xenophobia Unit conducted assessments to determine causes of xenophobia-related violence in Gauteng, North West, Mpumalanga, Western Cape and Eastern Cape in order to develop appropriate intervention strategies. The major sources of violence were identified as lack of service delivery, unemployment, poverty, competition for business and crime.

The Unit was invited to participate in SABC 2/3 on the Take Five and Taxi programmes respectively. These programmes enabled the Unit to better understand the public view on the issue of xenophobia and were used as a platform to raise awareness on xenophobia.

The attacks against Malawian, Zimbabwean and Mozambican nationals in Laudium led to the formation of the task team in which the Unit played a pivotal role in bringing peace in the area.

The Counter Xenophobia Unit was part of the Task Team established by the Minister (DHA) and the City of Tshwane Executive Mayor after the xenophobic attacks in Atteridgeville. The Task Team was mandated to develop a strategy to deal with the displaced persons and to bring peace and stability. The Counter Xenophobia Unit developed "Stop Xenophobia" pamphlets which were distributed during the door to door awareness campaigns in Atteridgeville.

The Counter Xenophobia policy document was developed and Immigration and Policy Directives circulated internally for comments.

Overview of Service Delivery Environment for 2007/08

The mandate of the Department of Home Affairs is to determine the status of persons and issue documents that make it possible for such persons to realise their rights and access benefits and opportunities in both the public and private domains. The Department is also responsible for regulating migration through its permitting regime, at ports of entry and at foreign missions. The Department thus plays a part in facilitating economic development through enabling the importation of scarce skills and tourism. It also makes a contribution to ensuring national security and promoting good international relations.

The most significant feature of the 2007/08 financial year was the turnaround programme. In July 2006, the Minister of Home Affairs, Ms Nosiviwe Mapisa-Nqakula, along with the Ministers of Finance and Public Service and Administration, established a Support Intervention Task Team to investigate what she called "chronic and ongoing non-performance" in the Department of Home Affairs. In March 2007 the Task Team reported back urging immediate and decisive action to fix a "broken Department". The report was taken to Cabinet as well as the Portfolio Committee and in May 2007 the Minister responded by establishing a high-level Turnaround Action Team with the brief to execute one of the most ambitious turnaround projects ever undertaken in SA's public service.

The Turnaround Action Team was established in May 2007. It is made up of private and public sector experts from a number of fields including IT, Finance and Business Process Re-engineering. This core team of consultants was joined by a strong team of Home Affairs officials to drive the process of change within the Department.

The Home Affairs Turnaround Project employs a "partnership methodology" to ensure continuity during the transformation process as well as to ensure the long-term sustainability of the change within the Department.

Explanations for virement between appropriation allocations are as follows:

- Funding of expenditure related to the turnaround initiatives;
- Shifting of funds from current expenditure Goods and Services to Payment for Capital Assets for the purchase of capital related equipment; and
- Shifting of the earmarked funds for the Passport System to Government Printing Works.

Report on rollovers from the previous financial year

Programme 1: Administration – R156.309 million was rolled over for the Repair and Maintenance Programme (RAMP) for the Department's offices (R58.963 million), for paying outstanding claims to the Department of Foreign Affairs for foreign missions (R50.346 million), and for quick win projects, mainly to review existing business processes, as part of the Department's turnaround strategy (R47 million).

Programme 2: Civic and Immigration Services – R50 million was rolled over for HANIS technology rehabilitation.

A list of key services rendered to the public include:

- Issuance of abridged and unabridged birth, marriage and death (BMD) certificates
- Issuance of South African identity and travel documents
- Issuance of citizenship certificates
- Issuance of visas, temporary and permanent residence permits
- Issuance of corporate, general and inter company transfer permits to selected corporate clients
- Issuance of business permits to investors
- Refugee status determination and granting of asylum
- Issuance of section 22 asylum permits and refugee identity and travel documents

Overview of the Organisational Environment for 2007/08

In May 2007 the Turnaround Team started work in the Department of Home Affairs with a thorough analysis and base-lining of all key processes. Phase 1 was a six-month phase from May to December 2007. The aim was to identify and understand the problems and to design responses and solutions. A major focus during Phase 1 was to also design a new operating model for the Department that was service and customer-focused.

A number of "quick win" areas were also identified in Phase 1. These areas were earmarked for immediate action and significant success was achieved in all these key areas.

Whilst Phase 1 was about understanding the problems, Phase 2 of the turnaround, which began in January 2008 and is scheduled to run till the end of 2009, was about the broad-based implementation of change. A third phase, for further focused implementation, and the embedding of changes will follow during 2010 and 2011. The entire Home Affairs Turnaround is conceptualized as a five-year plan.

The objective of the turnaround is to transform the Department into a modern, efficient, cost-effective service organisation, responsive to the needs of South African citizens, residents and visitors. The Turnaround is intended to fundamentally change the Department in four key areas: Service Delivery and Facilities, People and Organisational Structure, Corruption, Security and Risk and Information Technology.

Phase 2 comprises of more than 55 dedicated projects, clustered in eight workstreams, implementing changes within the organisation. The aim is to achieve total transformation within a two-to three-year period. The first three months of 2008 have been largely dedicated to planning and putting in place the required framework to roll out changes across the organisation. A Programme Management Office was established that is responsible for the overall management of the programme.

The reporting period was also characterized by the suspension of several key officials. An acting Chief Financial Officer and two acting Chief Directors in Finance were appointed. The key posts of Deputy Director-General heading the National Immigration Branch (DDG: NIB) and the Head of Information Services (DDG: IS) were filled.

The Department was seriously affected by the national strike that took place during the middle of 2007. The strike had a detrimental impact on service delivery and led to backlogs in the issuance of enabling documents and in particular identity documents. The backlog was however eradicated through measures such as overtime and efficiency gains made through the turnaround programme. An example of the gains was the critical path backlog at fingerprint verification (over 236 000 records) being eradicated. In an operations management pilot there was a gain of almost 300% in productivity in the capturing fingerprint data section.

Strategic Overview and Key Policy Developments for the 2007/08 Financial Year

The challenge of transforming the Department of Home Affairs is essentially to make available to all citizens the quality of service expected in a modern democratic state. Previously, the provision of these services was limited to a few. For the great majority of the population Home Affairs was an instrument of repression and control. Given this legacy, it was determined that the transformed DHA must include the following elements in order to deliver on its mandate and deliver services effectively:

- It must be citizen and client centred, and designed to meet actual needs, as well as address national priorities
- Staff must have the skills, values and environment necessary to manage systems and to deliver services in a manner that is professional and human rights-based
- The operating and organisational model must include the following:
 - Good governance and a management and leadership team that can exercise sufficient oversight and control of all levels of operations
 - The effective management of channels and tiers of service delivery
 - Service delivery that consistently meets acceptable and improving standards, including those set for offices and other infrastructure
 - Efficient and cost effective business processes that are enabled by secure systems and that empower management and staff in general

The Turnaround programme was responsible for the design of this new operating and organisational model, the main features of which will be implemented in Phase 2 of the Turnaround (by December 2009).

Policy Developments and Legislative Changes

With regard to policy and legislation, the South African Citizenship Act (1995) and the Births and Deaths Registration Act (1992) will remain the main pillars underpinning civic services, while the Immigration Act (2002) continues to guide the implementation of immigration policy.

The following Amendment Bill was introduced during 2006 and has been dealt with by the Portfolio Committee on Home Affairs and the Select Committee on Social Services of the National Council of Provinces during the reporting year:

Films and Publications Amendment Bill, 2006 (B27B—2006)

The main objective of the Amendment Bill is to amend the Films and Publications Act, 1996 (Act No. 65 of 1996), so as to insert, amend and delete certain definitions; to establish and provide for the functions and powers of a Council; to provide for the appointment and powers of compliance officers; to provide for the composition, functions, powers and management of the Board; and to repeal the Schedules to the Act.

The Amendment Bill seeks to ensure that all publications, films and games that are distributed in the Republic, regardless of the medium or format of such distribution, would be subject to the same principles and guidelines to serve the core objective of protecting children from exposure to disturbing and harmful materials in publications, films, games, mobile cellular telephones and on the internet.

The Amendment Bill further seeks to provide for the appointment of compliance officers to monitor compliance with the provisions of the Act. The Amendment Bill empowers compliance officers to instruct that films, games and publications being offered for sale or hire that do not comply either with the requirements of this Act or any decision of the Board with regard to the distribution of that film, game or publications, be removed from any display or offer for sale or hire until such products comply with the requirements of this Act or any decision of the Board with regard to their distribution.

The Amendment Bill was adopted by the National Assembly during 2007 and forwarded to the Select Committee on Social Services of the National Council of Provinces. The Amendment Bill is currently still at the Select Committee for further deliberation and concurrence.

The following piece of legislation was introduced and subsequently forwarded to the Portfolio Committee for consideration during the reporting year:

Immigration Amendment Act, 2007 (Act No. 3 of 2007)

The main objective of the Amendment Act is to amend the Immigration Amendment Act, 2002 (Act No. 13 of 2002), in order to provide for the clarification and revision of procedures and permits with regard to admissions to, residence in and departure from the Republic, and to effect certain technical corrections.

The Amendment Act seeks to amend the Act so as to include cross-border and transit permits (section 24 of the Act) as temporary residence permits referred to in section 10 of the Act. The Amendment Act further seeks to increase the period for which an intra-company transfer work permit (section 19 of the Act) may be issued.

The Amendment Act also seeks to provide for the issuing of an appropriate permit to the spouse and dependent children accompanying the holder of a retired person permit. The Amendment Act further provides for the withdrawal of a residence permit if the holder thereof has been convicted of an offence in terms of the Act. Furthermore, the Amendment Act seeks to provide for certain technical corrections to the Act.

Departmental Revenue, Expenditure and Other

1. Collection of Departmental Revenue

Income is generated mainly from the issuing of passports, identity, travel and other official documents.

Economic classification	Revenue outcome			Target 2007/08 R'000	Actual 2007/08 R'000	% Deviation from target
	Audited 2004/05 R'000	Audited 2005/06 R'000	Audited 2006/07 R'000			
Tax Revenue	–	–	–	–	–	–
Non-tax Revenue	301 674	237 680	463 956	249 565	400 043	160,3
Sales of goods and services produced by department (excl. capital assets)	295 416	225 273	445 766	236 537	369 472	156,2
Fines, penalties and forfeits	6 257	12 235	18 036	12 847	28 788	224,1
Interest, dividends and rent on land	1	172	154	181	1 783	985,1
Sales of other capital assets	497	26	1	–	–	
Financial transactions in assets and liabilities	-76	-138	4 282	–	21 080	
Total receipts	302 095	237 568	468 239	249 565	421 123	168,7

2. Departmental expenditure

Summary of expenditure estimates by programmes	Appropriation 2007/08 R'000	Roll-overs and adjustments R'000	Virement R'000	Final appropriation R'000	Actual payments R'000	Variance R'000
1. Administration	1 052 588	170 783	-45 948	1 177 423	1 090 502	86 921
2. Civil and Immigration Services	1 757 333	-74 474	45 948	1 728 807	1 536 557	192 250
3. Transfers to Agencies	504 668	110 000	–	614 668	614 668	–
Total	3 314 589	206 309	–	3 520 898	3 241 727	279 171

3. Transfer payments

Name of Institution	Amount Transferred R'000	Estimate Expenditure R'000
1. Municipalities	452	452
2. Film and Publication Board	19 206	19 206
3. Government Printing Works	110 212	110 212
4. Electoral Commission	485 250	485 250

- i) *Municipalities* for licensing of vehicles.
- ii) *Film and Publication Board* funds the classification work of the Film and Publication Board and the Film and Publication Review Board.
- iii) *Government Printing Works* provides for the augmentation of the Government Printing Works Trading Account for supplying printing and stationery to Government.
- iv) *Electoral Commission* is a state institution established under Chapter 9 of the Constitution of the Republic of South Africa, 1996. Funds allocated by Parliament for the Commission are formally shown on the Department of Home Affairs' vote as an amount for transfer to the Commission. The Commission is accountable to the National Assembly and must report on its activities, its financial affairs and the performance of its functions to the National Assembly at least once a year.

4. Conditional grants and earmarked funds

None

Capital Investment, Maintenance and Asset Management Plan

Capital Investment Plan

Introduction

The budget allocation for 2007/2008 on Capital Works was R53,5 million. The amount of R58,693 million was an additional amount that was rolled over to 2007/2008. The total budget allocated increased to R112,463 million. An amount of R61,440 million was spent on the Repair and Maintenance Programme (RAMP) during 2007/2008.

The Repair and Maintenance Programme Group 1 (RAMP) facilities:

The offices below are covered by a Maintenance Programme over a period of 36 months.

PROVINCE	OFFICE
Gauteng	Marabastad
	New Co-operation Building
	Nigel
	Springs
Limpopo	Phalaborwa
	Giyani
	Mhala
Eastern Cape	Mtata
	Engcobo
	Nggeleni
North West	Atemalang
	Pampierstad
	Molopo
	Mankwe

The Repair and Maintenance Programme Group 2 (RAMP) facilities:

The facilities (Group 2) due for repair and maintenance over a period of six months are:

PROVINCE	OFFICE
Gauteng	Harrison Street - Johannesburg
	Heidelberg
	Market Street - Johannesburg
	Krugersdorp
Eastern Cape	Zwelitsha
	Butterworth
Western Cape	Khayelitsha
Mpumalanga	Witbank
	Lydenburg
	Barberton
KwaZulu-Natal	Tongaat
North West	Garankuwa
	Lichtenburg
	Potchefstroom

The three facilities below were withdrawn from the RAMP for the reasons given below:

PROVINCE	OFFICE	COMMENTS
Gauteng	Market Street Office	The office is to be closed down and relocated to Harrison Street Regional Office
North West	Potchefstroom	The Department of Public Works assessed the building and recommended to discontinue the RAMP
Eastern Cape	Butterworth	The building was declared as a Heritage Building

Refurbishment of Asylum Seekers' Offices

The Department of Home Affairs processes all asylum seekers entering the country seeking refugee status. The main challenge was to establish centres where asylum seekers will be interviewed, status determined and thereafter issued with enabling documents. The Refugee Backlog offices were integrated into the permanent offices. The greater influx of asylum seekers led to an increase in the demand for office space. Three asylum seekers' offices, i.e Marabastad, Crown Mines and Durban, were refurbished to accommodate the influx.

Devolution of Funds

The devolution of the budget amounting to R103 173 million was allocated for the 2007/2008 financial year of which R89 174 million was paid on state and private leased facilities while R18 999 million was spent on municipal services.

New Leased Holds

The Department acquired the following office accommodation through leasing during 2007/2008:

PROVINCE	OFFICE
Free State	Sasolburg
Free State	Ladybrand
Free State	Kroonstad
Free State	Koffiefontein
Free State	Bultfontein
Free State	Vredendal
KwaZulu-Natal	Newcastle
KwaZulu-Natal	Hluhluwe
KwaZulu-Natal	Greytown
KwaZulu-Natal	Pinetown
KwaZulu-Natal	Ladysmith
KwaZulu-Natal	Richards Bay - Area Manager North
KwaZulu-Natal	La Lucia - Provincial Office
Gauteng	Vereeniging
Gauteng	Braamfontein - Provincial Manager's Office
Northern Cape	Upington
Northern Cape	Kuruman
Northern Cape	Springbok
Northern Cape	Kimberley
Northern Cape	Middelburg
Northern Cape	Fort Beaufort
Northern Cape	Keiskamma Hoek
Eastern Cape	Graaff Reinett
Eastern Cape	Cradock
Eastern Cape	Lusikisiki
Eastern Cape	Ngqamakwe
Eastern Cape	Flagstaff
Eastern Cape	Cala
Eastern Cape	Mthatha - Area Manager's Office
Eastern Cape	Tsolo
Eastern Cape	Mount Frere
Eastern Cape	Port St Johns
Limpopo	Polokwane - Provincial Manager's Office
Mpumalanga	Daantjie
Mpumalanga	Sabie
Mpumalanga	Mgobodzi
Mpumalanga	Msogwaba

Construction of new offices

The Department is currently constructing new model offices in Taung, Sebokeng and Phuthaditjaba. Office design and site clearance have been completed. A project manager has been appointed to commence with implementation.

Installation of Generators and Uninterrupted Power Supply

Due to chronic power failures emanating from load shedding, the Department embarked on a process to provide a source of power supply to all offices likely to be affected by power outages. The Department has installed generators and uninterrupted power supply (Genset) in most of the revamped DHA offices. The need for Genset to be installed has been added as part of the Tenants Installation (TI) prerequisite.

Management of Assets

Introduction

The Department has to comply with the Public Finance Management Act, 1999, as amended, with regard to control over assets acquired by the Department.

Control over Asset

The departmental Asset Management Policy and Procedure, guided by National Treasury guidelines and the PFMA, prescribes the terms and conditions on how the Department should account for its assets. The verification of movable assets was conducted at all Home Affairs offices and ports of entry, excluding foreign missions. The Department verified a total of 109 009 assets, of which 1 785 were new additions acquired in 2007/2008.

Auxiliary Services: Cellular phones services

The departmental cellular policy was reviewed and amended. The intention was to adopt a method that will be cost effective while reducing abuse and administrative work. The policy allows officials to sign contracts with any service provider of choice. All qualifying officials have been allocated with limited amounts (depending on the nature of work and the level) and are responsible and accountable for the usage of their cellular phones. Officials are responsible for settling accounts where the prescribed limits are exceeded.

Summary of Programmes

The departmental budget is structured into three programmes

PROGRAMME 1: ADMINISTRATION

Purpose: Administration conducts the overall management of the Department and provides centralised support services.

CORPORATE SERVICES		
PROGRAMME 1: ADMINISTRATION		
SUB-PROGRAMME: CORPORATE SERVICES		
MTSF Priority: Alignment of departmental planning with objectives of Government's Programme of Action (POA) and the electoral mandate by improving the capacity of the state to deliver		
DHA Strategic Objective: Improving the capacity of the DHA, and the state, to deliver quality services and expand access to those services by: <ul style="list-style-type: none"> • Ensuring sufficient staff is in place with the requisite skills; • Improved internal and external communication and the involvement of all levels of staff in the change process; • Strengthening management and leadership; • Implementing a new organisational model; • Putting in place IT-enabled systems; and • Improved infrastructure and expansion of service delivery points 		
Branch Objective: To develop and implement an integrated HR strategy		
Measurable Output: Integrated HR plan developed and implemented		
Output breakdown for 2007/08: Integrated sourcing plan developed and implemented		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Needs analysis conducted to determine capacity requirements for the Department (supply, demand and methodology/ approach)	Capacity requirements determined and methodology approved	Partly Achieved. Limited needs analysis conducted due to turnaround process
Multi-faceted core team appointed (CoS, Finance, SESS, Civic Services, NIB & IT)	Fully functional team in place	Achieved. Appointment letters issued to core team members
Relevant stakeholders consulted for validation of the plan	Validation approved and integrated plan developed	Achieved. Core business was consulted through a workshop to update inputs to be included in the plan
Plan developed	Improved recruitment and retention plans in place	Partly Achieved. Draft IHR plan developed (Integrated HR plan)
Plan implemented	Fully integrated plan in place	Not Achieved. Draft IHR plan developed. To be reviewed in light of turnaround process
Output breakdown for 2007/08: HR service standards and service delivery model implemented		
HR standard operating procedures developed and implemented	Improved understanding of roles and responsibilities	Partly Achieved. Draft HR guidelines developed. Implementation pending approval of HR policies

CORPORATE SERVICES		
Milestone(s)	Performance indicator per milestone	Actual progress against target
HR service standards and service delivery model communicated and marketed	Fair and consistent application of HR work procedures	Achieved. HR service standards reviewed
Measurable Output: Integrated HR plan developed and implemented		
Output breakdown for 2007/08: Reviewed HR delegations devolved to provinces		
Phased plan to implement the HR delegations devised and implemented	Phased plan in place	Partly Achieved. Phased plan developed. Implementation subject to approval of delegations. HR practitioners are continuously trained on the transactional activities to support decentralised and delegated functions and responsibilities
Support plan for provinces developed and implemented	Support plan approved and implemented Improved turnaround time for all HR matters	Not Achieved. Support plan developed but not implemented. Lack of adequate capacity in provinces delayed the implementation of the plan
Measurable Output: HR infrastructure improved to enable efficient and effective management of HR		
Output breakdown for 2007/08: PERSAL verified and rectified to reflect alignment with approved structure		
Service provider appointed to assist with the process	Service provider appointed	Achieved. (PWC & Ngubane) Verification and validation of Persal information was conducted and physical head count is currently underway
Multi-faceted task team appointed to work on the project	Fully functional multi-faceted team appointed. Improved reliability of and consistent HR information available	Achieved. External service provider was supported by practitioners from HR and financial administrators
MTSF Priority: Alignment of departmental planning with objectives of Government's Programme of Action (POA) with the electoral mandate by improving the capacity of the state to deliver		
DHA Strategic Objective: Improving the capacity of the DHA, and the state, to deliver quality services and expand access to those services by:		
<ul style="list-style-type: none"> • Ensuring sufficient staff is in place with the requisite skills; • Improved internal and external communication and the involvement of all levels of staff in the change process; • Strengthening management and leadership; • Implementing a new organisational model; • Putting in place IT-enabled systems; and • Improved infrastructure and expansion of service delivery points. 		

CORPORATE SERVICES		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Branch Objective: To provide an efficient legal support service to the Ministry and Department		
Measurable Output: Legal support provided through legislative drafting, litigation management and general legal advice		
Output breakdown for 2007/08: International agreements		
International agreements drafted	Agreements signed	Achieved. Agreement between the Government of the RSA and the Government of the Republic of Tanzania on the Waiver of Visa Requirements for Holders of Diplomatic and Service or Official Passports. Agreement between the Government of the RSA and the Government of the Republic of Tanzania on Cooperation in Areas of Migration. Agreement between the Governments of the RSA and the Socialist Republic of Vietnam on the Waiver of Visa Requirements for Holders of Diplomatic and Official Passports. Agreement between the Government of the RSA and the Government of the Kingdom of Lesotho on the Facilitation of Cross Border Movement of Citizens of the RSA and the Kingdom of Lesotho
Output breakdown for 2007/08: Litigation process enhanced through effective management and better co-ordination with stakeholders		
Litigation trends monitored and analysed	Litigation minimised	Achieved. Litigation trends are analysed on a continuous basis and new trends (such as the registration of customary marriages in the Venda area of the Limpopo Province and the non-issuance of identity documents to applicants throughout the Republic) are included in Litigation Strategy
Stakeholders consulted and informed on litigation trends	Litigation minimised	Achieved. Internal stakeholders (line function) are consulted on a regular basis and informed when new trends emerge. External stakeholders (State Attorneys and Counsels representing the Department in Court) are also consulted and informed when new trends emerge
Compliance with legislation monitored	Litigation minimised	Achieved. No more High Court applications challenging the Department's implementation of section 8, 34 and 41 of the Immigration Act, as Immigration Officials are fully informed on the implementation thereof
Branch Objective: To develop and implement gender mainstreaming and equity		
Measurable Output: Gender and equity policies mainstreamed		
Output breakdown for 2007/08: Gender enabling environment created by means of: Gender support structure established		
Gender structures in the provinces established	Structure in provinces in place	Achieved.

CORPORATE SERVICES		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Gender awareness programme developed and implemented	Quarterly progress report on awareness programmes submitted	Achieved. Sexual harassment awareness and training rolled-out in all 9 provinces for provincial management including regional managers and supervisors
Workshop on establishment of men's forums	Workshop resolutions approved	Achieved. Resolutions were made for development of programme of action on establishing the men's forum. Workshop and summit conducted. Formal structure still pending
Gender sensitivity training for leadership conducted	Training conducted	Achieved. Gender Audit Project Workshop conducted, questionnaire was developed, distributed and returned to the consultants
Output breakdown for 2007/08: Gender Equity Plan developed		
Training for provincial gender representatives conducted on gender equity plan and use of manuals	Gender manuals developed Increased level of awareness	Achieved. Basic gender equality understanding training conducted in all provincial offices, manuals developed and distributed
Output breakdown for 2007/08: Gender audit conducted and results presented to management		
Internal assessment of systems, statistics and policies done and findings presented to management	Audit report approved	Not Achieved. Gender audit not completed
Output breakdown for 2007/08: Gender audit and information sharing workshops conducted		
External consultation with identified institutions and study reports	Workshop findings documented	Not Achieved. Consultation with stakeholders to be conducted in conjunction with the roll-out program. Audit report not finished
Output breakdown for 2007/08: Department aligned to Government National Programme		
Final report prepared and submitted to top management	Findings with recommendations tabled to the top management for adoption and implementation	Not Achieved. Gender audit report not finished
Recommendations implemented in order to align the Department to Government National Programme	Implementation progress report submitted	In Progress. National Government policies still under review. Alignment of programmes with National Policy Framework in progress
Output breakdown for 2007/08: Employment trends based on gender disaggregate assessed		
Assessment tool developed	Assessment tool in place	Not Achieved. Gender audit report and recommendations to be customised
Assessment report on senior positions occupied by women submitted	50% women at decision making level	Not Achieved. Process affected by new structure for DHA. SMS migration process will address matter
Consolidated report presented to the top management with recommendations for adoption	Consolidated report approved Partnership with unions enhanced to promote gender awareness	Not Achieved. Gender audit still in process
Output breakdown for 2007/08: Gender integrated in diversity and men involvement in gender transformation		
Evaluating systems and tools developed	Assessment tool in place	Not Achieved. M&E and audit recommendations being reviewed

CORPORATE SERVICES		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Output breakdown for 2007/08: Gender integrated in diversity and men involvement in gender transformation		
Clear target with a mechanism (quota) to address the imbalances identified	Revised equity plans with clear gender targets	Not Achieved. Audit report pending
Recommendation on the Gender Equity plan adopted	Recommendations towards the Employment Equity Report	Not Achieved. New structure to give direction in this regard
Communication and marketing strategy developed	Percentage / number of men participating in gender activities	Not Achieved. Gender awareness for men raised through workshop and summit
Measurable Output: Gender and equity policies mainstreamed		
Output breakdown for 2007/08: Youth Development Programme (YDP) in place		
Evaluation tools developed to determine the extent of DHA initiatives in respect of Youth Development Programme	Evaluation tool in place	Not Achieved. National Youth Development Framework Policy presented to the cabinet for adoption. DHA to customize the policy framework
Impact on the National Youth Service and Outreach programme evaluated	Youth and Democracy Plan implemented through Youth Institutions	Not Achieved.
Review of DHA YDP initiatives and alignment with Government Youth Programme	Alignment with the Government Youth Programme	Not Achieved.
Output breakdown for 2007/08: Disability status in the Department determined		
Disability audit conducted and recommendations adopted	Equity Plan revised with clear targets on disability	Achieved. Disability dialogue conducted during 16 Days of Activism and a Steering Committee formed to work towards the Disability Conference in March 2008
	Alignment with Government Disability Programme	Achieved. Alignment of DHA policy/programmes pending review of National Government legislation
Output breakdown for 2007/08: Accessibility for the disabled ensured		
Plan based on an infrastructural study compiled and implemented	Building accessible Availing required equipment for both employees and clients	Not Achieved. Referred to turnaround project processes
Branch Objective: To implement an organisational model that ensures that the Department has people in the correct places, with the requisite capacity and capabilities, to enable it to meet its mandate		
Measurable Output: Payroll Verification and PERSAL Correction Project completed		
Output breakdown for 2007/08: Service provider contracted		
Project charter in place	Project charter signed off	Achieved. Price Waterhouse Coopers (PWC) appointed
Output breakdown for 2007/08: Phase 1 completed (payroll verification)		
Report submitted	Report approved	Achieved. Report approved by Project Steerco
Output breakdown for 2007/08: Phase 2 completed (correction of PERSAL)		
Logical structure of PERSAL improved and in place	Report submitted and approved	Achieved. PERSAL and 2006 organisational structure aligned
Output breakdown for 2007/08: Measures in place to maintain improved system		
Plan and recommendations submitted	Plan and recommendations approved	Achieved. Plan approved by Project Steerco

CORPORATE SERVICES

<p>MTSF priority: Alignment of departmental planning with objectives of Government's Programme of Action (POA) and with the electoral mandate by improving the capacity of the state to deliver</p> <p>DHA Strategic Objective: Improving the capacity of the DHA, and the state, to deliver quality services and expand access to those services by:</p> <ul style="list-style-type: none"> • Ensuring sufficient staff is in place with the requisite skills; • Improved internal and external communication and the involvement of all levels of staff in the change process; • Strengthening management and leadership; • Implementing a new organisational model; • Putting in place IT-enabled systems; and • Improved infrastructure and expansion of service delivery points. <p>Branch Objective: To inculcate a culture of zero tolerance to corruption and improve organizational conduct and a strong work ethic</p> <p>Measurable Output: Sound labour practices institutionalised</p>		
<p>Output breakdown for 2007/08: Plan for reducing misconduct developed and implemented</p>		
Milestone(s)	Performance indicator per milestone	Actual progress against target
All SMS members provided with Labour Relations policy manual and guidelines	Awareness raised in terms of labour relations matters	Achieved. Awareness raised through provision of policy manuals and guidelines
Analytical misconduct status report prepared and presented to SMS members to prevent the re-occurrence of misconduct trends	Reduction in re-occurring types of misconduct	Not Achieved. To be addressed in 2008/09
Plan compiled and implemented	Plan approved and implemented	Not Achieved. To be addressed in 2008/09
<p>Output breakdown for 2007/08: SMS members trained in dealing with misconduct and corruption</p>		
Analytical unfair labour practice report produced	Report tabled at relevant meetings	Not Achieved. To be addressed in 2008/09
Managers and employees trained on labour relations matters	Reduction in number of unfair labour practice cases	Achieved. Training provided (Bargaining Council)
Plan to reduce unfair labour practices developed and implemented	Plan approved	Not Achieved. To be addressed in 2008/09
<p>Output breakdown for 2007/08: Strong internal communication plan in place</p>		
Strong internal communication plan developed and implemented	All employees aware of implications of participation in corrupt practices Plan approved and implemented	Not Achieved. To be addressed in 2008/09
<p>Output breakdown for 2007/08: Ethics training conducted in respect of employer and employees</p>		
Draft manual and schedule for training compiled	Manual and schedule in place	Achieved.
Training conducted	Training accomplished as per schedule	Achieved. Training provided (Bargaining Council)

FINANCE AND SUPPLY CHAIN MANAGEMENT	
PROGRAMME 1: ADMINISTRATION	
SUB-PROGRAMME: FINANCIAL SERVICES	
<p>MTSF Priority: Alignment of departmental planning with objectives of Government's Programme of Action (POA) and with the electoral mandate by improving the capacity of the state to deliver</p> <p>DHA Strategic Objective: Improving the capacity of the DHA, and the state, to deliver quality services and expand access to those services by:</p> <ul style="list-style-type: none"> • Ensuring sufficient staff is in place with the requisite skills; • Improved internal and external communication and the involvement of all levels of staff in the change process; • Strengthening management and leadership; • Implementing a new organisational model; • Putting in place IT-enabled systems; and • Improved infrastructure and expansion of service delivery points <p>Branch objective: To improve financial management and Supply Chain Management (SCM) through provision of support to line and other support functions</p> <p>Measurable output: Capacitating Finance and Supply Chain Management (SCM) to provide effective and efficient support to other branches</p>	
Output breakdown for 2007/08: Provincial structure developed to facilitate devolution of functions	
Milestone(s)	Performance indicator per milestone
Management services requested to investigate and recommend proposed functional structure and determine post establishment	Consensus reached with CFO on draft proposal
Approval for proposed functional structure obtained	Proposed establishment proposals approved by Minister
Funding requirements addressed	Funding request submitted to Treasury (MTEF)
Ensure that establishment changes are included in HR plan for filling of posts	Revised HR plan received from HR
	Actual progress against target
	Achieved.
	Achieved as part of turnaround project
	Achieved. MTEF compiled
	Not Achieved.

FINANCE AND SUPPLY CHAIN MANAGEMENT		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Output breakdown for 2007/08: Procurement, finance and asset management functions devolved to all identified offices for the year		
Provincial readiness to accept devolution determined	Degree of readiness determined in provinces to accept and execute devolved functions (report and recommendations approved by CFO) Number of identified offices to which the function has been devolved	Not Achieved.
Bridging support over a set period provided	Report on support initiatives submitted to CFO	Not Achieved. 2 Chief Directors appointed in Scaffolding Workstream
Monitoring and evaluation of provincial progress conducted	M&E reports submitted to CFO	Not Achieved.
MTSF Priority: Alignment of departmental planning with objectives of Government's Programme of Action (POA) and with the electoral mandate by improving the capacity of the state to deliver		
DHA Strategic Objective: Improving the capacity of the DHA, and the state, to deliver quality services and expand access to those services by: <ul style="list-style-type: none"> • Ensuring sufficient staff is in place with the requisite skills; • Improved internal and external communication and the involvement of all levels of staff in the change process; • Strengthening management and leadership; • Implementing a new organisational model; • Putting in place IT-enabled systems; and • Improved infrastructure and expansion of service delivery points. 		
Branch Objective: To improve financial management and Supply Chain Management (SCM) through provision of support to line and other support functions		
Measurable Output: Internal finance and SCM skills level within DHA improved		
Output breakdown for 2007/08: Officials at Head Office and in Provinces trained in Budgeting and Financial Administration and SCM		
Training capacity created and preparatory work done (needs analysis/scope of intended training programme, manuals, etc)	Training programme implemented Level of impact on service delivery Capacity in place Proof of preparations submitted	Achieved.
One branch trained at head office and three provinces in budgeting (reconciliation), financial administration (quality of status of clearing accounts) and SCM (procurement, systems and asset management)	Training targets as per programme met (numbers, content, quality and impact) Report on trainees' work performance improvement	Not Achieved.
Training programme conducted in a further branch and 3 provinces (Quarter 3)	Training targets as per programme met: Numbers, content, quality and impact)	Not Achieved.
Training programme conducted in a further branch and 3 provinces (Quarter 4)	Training targets as per programme met: Numbers, content, quality and impact)	Not Achieved.

FINANCE AND SUPPLY CHAIN MANAGEMENT		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Branch Objective: To improve financial management and SCM through provision of support to line and other support functions		
Measurable Output: Effective and efficient financial and procurement systems in DHA maintained		
Output breakdown for 2007/08: BAS, Safety Net, LOGIS, Pro quote and asset management system rolled out: Roll out of BAS to 30 additional offices		
Roll out of BAS to 30 additional offices: identify and install	Number of additional offices provided with BAS as per target of 30 offices	Not Achieved. BAS rolled out to 7 offices
Training and bridging support provided	Report on support initiatives provided to CFO	Achieved. BAS rolled out to 7 offices, training conducted and reported on
Monitoring and evaluation (M&E) conducted	M&E reports submitted to CFO	Not Achieved.
Output breakdown for 2007/08: LOGIS and Pro quote rolled out and functional in identified offices as per available infrastructure and capacity		
Roll out LOGIS and Pro quote to identified offices - identify and install	Identified offices provided with LOGIS and Pro quote	Not Achieved.
Training and bridging support provided	Report on support initiatives provided to CFO	Not Achieved.
Monitoring and evaluation (M&E)	M&E reports submitted to CFO	Not Achieved.
Output breakdown for 2007/08: Safety Net rolled out to identified offices		
Safety Net rolled out to identified offices	Identified offices provided with Safety Net	Not Achieved.
Training and bridging support provided	Report on support initiatives submitted to CFO	Not Achieved.
Output breakdown for 2007/08: Electronic Asset Management System rolled out		
Roll out to 44 offices in phases	44 offices provided with Electronic Asset Management System (11 per quarter)	Not Achieved.
Training and bridging support provided	Report on support initiatives provided to CFO	Not Achieved.
Monitoring and evaluation conducted	M&E reports submitted to CFO	Not Achieved.
Branch objective: To improve customer coverage by increasing and upgrading DHA infrastructure access/delivery points		
Measurable Output: Sustainable office expansion plan in line with CSIR and HSRC survey needs implemented (Sub-programme: Property Management)		
Output breakdown for 2007/08: Infrastructure plan implemented in phases through provision of access points linked to the MTEF allocations		
New leases for 30 offices secured/negotiated	Number of new buildings occupied (30)	Achieved. New leases for 32 offices secured/negotiated within allocated budget
14 sites upgraded as per RAMP programme	Status report submitted on a monthly basis	Achieved. Status report submitted monthly
Site clearance for three offices finalised	Site registered	Not Achieved.
Planning phase for the construction of 3 new offices/facilities for DHA in line with office expansion plan completed	Plans approved	Not Achieved.

INFORMATION SERVICES

PROGRAMME 1: ADMINISTRATION

MTSF Priority: Alignment of departmental planning with objectives of Government's Programme of Action (POA) and the electoral mandate by improving the capacity of the state to deliver

DHA Strategic Objective: Improving the capacity of the DHA, and the state, to deliver quality services and expand access to those services by:

- Ensuring sufficient staff is in place with the requisite skills;
- Improved internal and external communication and the involvement of all levels of staff in the change process;
- Strengthening management and leadership;
- Implementing a new organisational model;
- Putting in place IT-enabled systems; and
- Improved infrastructure and expansion of service delivery points

Branch Objective: To implement integrated systems

Measurable Output: All offices connected via a stable network and computerised in respect of health facilities, MPCCs and service points (**Sub-programme: Transversal IT projects**)

Output breakdown for 2007/08: Connectivity and computerisation in the remainder of identified offices increased by 50%

Milestone(s)	Performance indicator per milestone	Actual progress against target
Offices identified per province, connected and computerised	Number of offices identified complying with the IS determined connectivity and computerisation standards as per target	Not Achieved. New Service Management directorate was established to ensure achievement of targets in 2008/09
Output breakdown for 2007/08: Network upgraded to increase the capacity on the network		
Network upgraded	Network infrastructure security, stability and speed increased	Not Achieved.
Servers relocated to stable and secure environment	Network infrastructure security, stability and speed increased	Not Achieved.
Output breakdown for 2007/08: System security increased to ensure integrity of systems		
Information systems security training conducted	Officials knowledgeable on information system security and usage thereof	Achieved. Information systems security training has been successfully conducted
Trust Centre and KPI introduced	Information security infrastructure in place	Not Achieved. Not yet introduced
MTSF Priority: Entrenchment and deepening of democracy and nation building by transforming our country into a non-racial and non-sexist society and countering corruption and promoting security including social security		
DHA Strategic Objective: Extend citizenship rights to all South Africans by expanding access to DHA services by efficient determination of status and provision of secure enabling documents and by ensuring the integrity and security of the national population register and related records as well as countering corruption and promoting security		
Branch Objective: To manage and maintain records		

INFORMATION SERVICES		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Measurable Output: IEDMS and effective record management policy approved and plan implemented (for manual and electronic records) (Sub-programme: Transversal IT projects)		
Output breakdown for 2007/08: Phase 1 - Civic Services documents digitised		
EDMS storage infrastructure upgraded and data migrated	EDMS system fully operational	Not Achieved. Storage infrastructure has not been upgraded (budgetary constraints)
Scanning site prepared	Scanning bureau ready for scanning	Not Achieved. Storage infrastructure has not been upgraded (budgetary constraints)
Identified records digitised	Identified Civic Services records available for retrieval	Not Achieved. Still being piloted
Output breakdown for 2007/08: Record management policy approved, implemented and monitored		
Awareness workshops at head office conducted	Awareness at head office created	Achieved. DHA staff members at Head Office are aware of the Records Management policy and how to manage the records they created and those created by the public
Departmental File Plan compiled and submitted for approval	Records managed according to approved File Plan	Achieved. DHA has a filing system and awaiting approval by the National Archives to implement it
10% NIB records categorised and indexed electronically	Electronic Record Management System populated as per targets	Not Achieved. Lack of capacity
Implementation of policy monitored in provinces and head office	Standardised records management	Partly Achieved. Head Office completed
MTSF Priority: Entrenchment and deepening of democracy and nation building by transforming our country into a non-racial and non-sexist society and countering corruption and promoting security including social security		
DHA Strategic Objective: Extend citizenship rights to all South Africans by expanding access to DHA services by efficient determination of status and provision of secure enabling documents and by ensuring the integrity and security of the national population register and related records as well as countering corruption and promoting security		
Output breakdown for 2007/08: To provide access to information		
Measurable Output: Relevant information and knowledge shared to ensure capacitation of staff and accessibility to accurate information and knowledge (Sub-programme: Information Services)		
Output breakdown for 2007/08: Knowledge base developed and updated		
Knowledge audit finalised	Audit report approved	Achieved. Knowledge audit was finalised at Head Office (NIB and Civic Services)
Knowledge base designed and populated	Departmental knowledge base available	Not Achieved. Staff resignations
Output breakdown for 2007/2008: Information centres established in four provinces and one at head office with necessary capacity		
Implementation plan compiled and submitted for approval	Implementation plan approved	Achieved. Implementation plan was approved
Information centres established in four provinces and one at head offices	Information centres established as per identified offices and DHA information accessible	Partly Achieved. Information Centre at Head Office is fully functional with capacity and material. Four offices were identified and information centres could not be established due to financial constraints

STRATEGIC & EXECUTIVE SUPPORT SERVICES

PROGRAMME 1: ADMINISTRATION

SUB-PROGRAMME: MANAGEMENT

(RESPONSIBILITY: SESS)

MTSF Priority: Alignment of departmental planning with objectives of Government's Programme of Action (POA) and with the electoral mandate by improving the capacity of the state to deliver

DHA Strategic Objective: Improving the capacity of the DHA, and the state, to deliver quality services and expand access to those services by:

- Ensuring sufficient staff is in place with the requisite skills;
- Improved internal and external communication and the involvement of all levels of staff in the change process;
- Strengthening management and leadership;
- Implementing a new organisational model;
- Putting in place IT-enabled systems; and
- Improved infrastructure and expansion of service delivery points.

Branch Objective: To implement an organisational model that ensures that the Department has people in the correct places, with the requisite capacity and capabilities, to enable it to meet its mandate

Measurable Output: A new effective system for monitoring and evaluation (M&E) developed and introduced

Output breakdown for 2007/08: Basic online monthly and quarterly reporting M&E system developed and introduced

Milestone(s)	Performance indicator per milestone	Actual progress against target
Service provider secured	Service provider appointed	Not Achieved. User requirement defined and request for quotations obtained. New M&E chief directorate to drive the process
Norms and standards for monthly and quarterly reporting developed and approved	Norms and standards signed off by business units	Not Achieved. Dependent on above
On-line monthly reporting system activated and introduced	Fit for purpose and policy 100% compliance in terms of reporting	Not Achieved. Draft guidelines for monthly reporting developed but not implemented. To be revised by turnaround team
Output breakdown for 2007/08: Comprehensive electronic M&E system developed and piloted		
System design and integration finalized	Required specifications met	Not Achieved. High level M&E design was conducted. Ownership now with CD:M&E
Training and change management conducted	Reporting requirements adhered to Buy in secured	Not Achieved. Dependent on the achievement of the above
System piloted	Fit for purpose	Not Achieved. Dependent on the achievement of the above
Measurable Output: Support for the development of effective business processes and uniform standard operating procedures (SOPs)		
Output breakdown for 2007/08: Reviewed processes and uniform SOPs signed off by business units		
SOPs drafted	Formal signing off of SOPs	Achieved. SOPs developed, submitted and signed off (NIB)
Output breakdown for 2007/08: Business processes monitoring plan for quality management approved by DG		

STRATEGIC & EXECUTIVE SUPPORT SERVICES		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Draft business process monitoring plan completed	Plan approved	Not Achieved. In the new model the business process monitoring plan will be moved to business and also be part of DHA M&E
Measurable Output: Service standards and quality assurance (QA) measures established		
Output breakdown for 2007/08: Unit established that can quality manage and register service standards		
Structure and functions established	Formal approval given	Not Achieved. The activation of the Sub-directorate: Service Standards Management was put on hold and is not yet operational. The process involves engaging with the turnaround action work streams
Output breakdown for 2007/08: Policy and systems for quality management and registration of service standards developed and approved		
Policy and system document drafted	Draft document approved	Not Achieved. Incorporated into turnaround projects
Measurable Output: Provide an organizational and functional advisory service, including organisational structure		
Output breakdown for 2007/08: Policy, protocols and standards in place for providing strategic guidance and advice in respect of the organizational structure		
Document drafted for providing strategic guidance and advice in respect of the organizational structure	Document submitted to relevant structure for approval	Achieved. SESS played a key role in finalising an organisational structure and negotiations with DPSA
Output breakdown for 2007/08: Strategic guidance and advice given in respect of organizational structure		
Formal advice submitted	Record of submissions	Achieved. Documentation available that indicates inputs were made on various levels

COMMUNICATION SERVICES	
PROGRAMME 1: ADMINISTRATION	
SUB-PROGRAMME: MANAGEMENT	
(RESPONSIBILITY: COMMUNICATION)	
MTSF Priority: Building an effective and caring Government by serving with humility and professionalism	
DHA Strategic Objective: Establish a culture of Batho Pele and appropriate service delivery standards	
Chief Directorate Objective: Develop and implement a comprehensive communications strategy that is aligned to overall departmental needs and the needs of citizens	
Measurable Output: Position the DHA as caring, compassionate and responsive to the media and the public	
Output breakdown for 2007/08: Interactive and effective Public Education Strategy implemented	
Milestone(s)	Actual progress against target
Imbizo programme coordinated	Achieved. 18 Izimbizo conducted as planned
Outreach and public participation programmes coordinated	Achieved. Rollout of programme in Limpopo (Eldorado), Free State (Thaba Nchu, Zastron and Bultfontein) and Mpumalanga
Public awareness campaigns developed and implemented	Achieved. Intervention team report, ongoing profiling, counter corruption measures, Budget Vote, Special Assignment, DG interviews. Rollout of Track & Trace communication and Know Your Home Affairs Services brochure reviewed and produced. Supported the 16 Days of Activism
Stakeholder Management Strategy developed	Achieved. Formalised partnership with key stakeholders such as the SABC, IEC, Department of Education and Youth Commission. A comprehensive database of DHA stakeholders developed
Language and Braille services provided	Achieved. Produced Braille and multi-lingual products for Know Your Home Affairs Services brochures
MTSF Priority: Building an effective and caring Government by serving with humility and professionalism	
DHA Strategic Objective: Establish a culture of Batho Pele and appropriate service delivery standards	
Chief Directorate Objective: Develop and implement a comprehensive communications strategy that is aligned to overall departmental needs and the needs of citizens	
Measurable Output: Position the DHA as caring, compassionate and responsive to the media and the public	
Output breakdown for 2007/08: Effective media strategy developed and implemented	
Departmental success stories and achievements positioned	Achieved. Intervention team report, ongoing profiling of counter corruption measures, Budget Vote, Special Assignment, DG interviews. Introduction of turnaround action, new DG's appointment and 100 Days in Office media briefing. Ongoing profiling of counter corruption measures. Positioning of the DG. Mass scale media advertising on amnesty period for Refugees and Asylum Seekers and the introduction of passports with new Coat of Arms
Positive media and public perceptions about Home Affairs created and sustained	Achieved. Improved publicity with pockets of negative reporting. Communication on suspended officials. Positioned DHA as an improving service delivery machinery. Ongoing media monitoring and assessment. Ongoing provincial media support. Zero tolerance message on corruption with leadership in the forefront helping to change perceptions. Sustained crack-down on corruption since the arrival of the DG
DHA brand strategically positioned in the public's mind	Achieved. Grace period for asylum seekers. Introduction of the passport with new Coat of Arms

COMMUNICATION SERVICES	
MTSF Priority: Building an effective and caring Government by serving with humility and professionalism	
DHA Strategic Objective: Establish a culture of Batho Pele and appropriate service delivery standards	
Chief Directorate Objective: Develop and implement a comprehensive communications strategy that is aligned to overall departmental needs and the needs of citizens	
Measurable Output: Position the DHA as caring, compassionate and responsive to the media and the public	
Output breakdown for 2007/08: Effective media strategy developed and implemented	
Milestone(s)	Performance indicator per milestone
Key messengers (Minister, Deputy Minister & DG) profiled	Increased public visibility of executives of DHA
Output breakdown for 2007/08: Effective internal communication strategy developed and implemented	
Cadre of informed and empowered public servants developed	Staff knowledgeable and empowered about departmental interventions Programme ownership Improved customer relations and handling of public enquiries, improved service delivery
Internal newsletter (Ikhaya) produced and effectively distributed to staff	DHA officials better informed
Plasma screens set-up in regional and district offices	DHA officials better informed
Departmental events coverage and profiled	DHA officials better informed
Interactive platform between staff and leadership created and sustained to bridge the communication gap	Staff morale improved Positive staff perceptions about the Department restored
Communication landscape scientifically assessed (public information needs and communication preferences)	Innovative communication strategies
Internal communication audit conducted	Innovative internal communication strategies
DHA brand popularized	Increased visibility and impact
	Achieved. Positive feedback from media monitoring and analysis
	Achieved. Track & Trace communiqué, Candle Light Memorial, Family Day, Budget Vote and DG's welcoming event: Choir competitions, Heritage Month, National Service Delivery Awards, turnaround developments, Staff communication on DG's 100 Days in Office
	Achieved. Revamped publication and production of Ikhaya
	Not Achieved.
	Achieved. UNHCR Commissioner's visit, Women's Month, Pretoria Show, DG's provincial visits to North West, Limpopo, Free State and Northern Cape. Choir competitions, Heritage Month, National Service Delivery Awards, turnaround workstream developments, improvements at Marabastad
	Achieved. 3 Internal izimbizo conducted. DG's provincial management briefings to North West, Limpopo, Free State and Northern Cape
	Achieved. Questionnaires developed for gov-wide tracker research; commissioning of media perception survey; my questions project; pre-outreach environmental scans
	Achieved. Audit on staff access to email and intranet conducted. Updating of telephone list finalised. Website audit completed. Staff profiles updated as part of secondary audit research. "My questions" mechanism established. Environmental scanning for all the internal and external events conducted
	Achieved. Brand popularised during Pretoria Show. Media briefings, internal and external izimbizo and intergovernmental izimbizo

GOVERNANCE RELATIONS		
PROGRAMME 1: ADMINISTRATION		
SUB-PROGRAMME: MANAGEMENT		
(RESPONSIBILITY: GOVERNANCE RELATIONS)		
MTSF Priority: Building an effective and caring Government by serving with humility and professionalism		
DHA Strategic Objective: Establish a culture of Batho Pele and appropriate service delivery standards		
Chief Directorate Objective: To effectively contribute to intergovernmental and international initiatives in pursuit of national objectives as well as with other institutions of interests		
Measurable Output: Strategic partnerships with relevant stakeholders across sectors built and sustained		
Output breakdown for 2007/08: Departmental participation coordinated in Interdepartmental task team/cluster meetings as led by DFA and DoD; for participation in bilateral/multilateral engagements		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Relevant cluster decisions implemented	Progress reports submitted regularly	Achieved. Clusters : Bi-monthly reports submitted to the following clusters: JCPS, G&A, IRPS and Social Cluster. Participation in cluster committees improved e.g. Economic Sector Skills focus group with quota skills finalised
Output breakdown for 2007/08: Departmental compliance co-ordinated with reporting and/or participation requests by the DFA and DoD in relevant international structures		
Departmental participation and reporting compliance monitored	Progress reports submitted regularly	Achieved. Submitted to Minister and DG after every cluster meeting
Measurable Output: Departmental international programmes co-ordinated in line with country's foreign policy (including management of bilateral co-operation)		
Output breakdown for 2007/08: Implementation of signed agreements regarding post-conflict assistance co-ordinated: Rwanda, DRC, Sudan, Tanzania		
Coherent plans developed in line with agreed projects between cooperating countries	Assessment on identified projects conducted	Achieved. Agreement with DRC on training for Immigration Officers implemented
Post election strategy on DRC developed	Assessment of identified projects conducted	Achieved. Agreement with DRC on training for Immigration Officers implemented
Output breakdown for 2007/08: Key deliverables of current MOUs (Rwanda, DRC, Sudan, Tanzania) monitored for relevance and way forward		
MOUs signed and agreements concluded	Bilateral agreements with role players implemented	Achieved. MoU signed with Tanzania and Sudan
Achievements of set objectives monitored and evaluated	Bilateral agreements with role players implemented	Achieved. MoU signed with Tanzania and Sudan

GOVERNANCE RELATIONS		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Output breakdown for 2007/08: Engagement facilitated with other countries of strategic importance to DHA: China, Pakistan and India	Partnership plans developed into bilateral agreements	Achieved. Bilateral meetings held
Measurable Output: DHA foreign missions deployment plan rolled out	Missions opened according to priority for 2007/08	(Responsibility: Foreign Offices Co-ordination) Not Achieved. Due to internal and external processes
Deployment at missions abroad where DHA is not represented: Riyadh; Jeddah; Mexico; Brazzaville (DRC); Abidjan; Tehran; Amman; Kigali; Tripoli; Lima	Number of missions opened in 2007/08	

COUNTER CORRUPTION AND SECURITY		
PROGRAMME 1: ADMINISTRATION		
SUB-PROGRAMME: MANAGEMENT		
(RESPONSIBILITY: COUNTER CORRUPTION AND SECURITY)		
MTSF Priority: Entrenchment and deepening of democracy and nation building by transforming our country into a non-racial and non-sexist society and countering corruption and promoting security including social security		
DHA Strategic Objective: Extend citizenship rights to all South Africans by expanding access to DHA services; by efficient and secure determination of status and provision of enabling documents; and by ensuring the integrity and security of the national population register and related records as well as countering corruption and promoting security		
Chief Directorate Objective: To eradicate and combat corruption to protect and promote the integrity of the Department		
Measurable Output: Integrated counter corruption strategy and mechanisms implemented, that constantly adapt to new requirements		
Output breakdown for 2007/08: Corruption related risks in the Department evaluated		
	Performance indicator per milestone	Actual progress against target
<u>Counter Corruption:</u> Processes and offices to be evaluated identified	National risk profile document approved	Achieved. High-risk offices and processes were identified. Programme in place to visit the offices and evaluate the processes
Identified offices / processes evaluated	Evaluation report submitted and recommendations approved	Achieved. 36 offices were evaluated. The following processes were interrogated: ID documents, Late Registration of Birth, temporary permits and deportations
Output breakdown for 2007/08: Integrated Counter Corruption and Security strategy implemented, monitored and reviewed		
Presentations conducted on the identified corruption and security risks and advice on mitigating strategies given	Presentations conducted on corruption and security risks (quarterly)	Achieved. Prevention workshops in provinces conducted, including drafting of provincial corruption prevention plans and presentations on corruption and security risks. Strategic analysis for security and counter corruption for 2007/08 and 2008/09 conducted
Output breakdown for 2007/08: All reported cases investigated in line with recommendations of Support Intervention Team (SIT)		
<u>Investigations:</u> All reported cases investigated	Reports submitted on all received cases	Achieved. All reported 42 cases have been investigated and reports submitted
Output breakdown for 2007/08: Partnerships (including MOU's) established/strengthened with relevant role players (internal and external)		
Strengthened multi-agency system: Internal and external stakeholders identified	Number of stakeholders identified	Achieved. Meetings held with provincial management and various stakeholders on matters of mutual interest, including SABRIC and major banks. Corruption awareness training was also conducted to the BCOC at the following ports of entry: Maseru Bridge, Ficksburg Bridge, Caledonspoor and Van Rooyenshek, as well as to trainee Immigration Officers at Ficksburg Bridge. Joint operation held with SAPS regarding marriage scams

COUNTER CORRUPTION AND SECURITY		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Negotiations and agreement with stakeholders	Number of practical and implementable MOU's and SLA's agreed upon	Not Achieved. This activity only takes place as and when the need arises
MOU's and SLA's drafted and concluded	Number of MOU's and SLA's approved by DG	Not Achieved. This activity only takes place as and when the need arises
Joint operations / projects conducted, as and when required	Feedback reports submitted	Achieved. Joint operations held with the following stakeholders: SAPS and DSO. Security project by NIA and DHA
Effective and consistent sharing of information with stakeholders ensured (including training based on needs analysis)	MOU complied with	Achieved. Information is shared on a regular basis. Stakeholders such as High Commissions, SAPS, NIA and DSO are provided with information when required. 225 requests received. Training is also conducted for the Department of Justice for prosecutors and magistrates. 14 DHA officials received basic training on analysis from SANAI. MoU with SABRIC in place
Output breakdown for 2007/08: Corruption reporting policies and mechanisms improved / maintained		
<u>Corruption Prevention:</u> Whistle-blowing policy reviewed in respect of the Protected Disclosures Act, and updated if necessary	Corruption reporting policies and mechanisms reviewed / maintained	Not Achieved. The policy is being maintained. Provincial prevention workshops are also aimed at the ultimate review of the policy
Regular testing of internal hotline to ensure functionality	Internal whistle-blowing hotline fully functional	Achieved. The line has been tested on a regular basis and found to be functional. Function transferred to Client Service Centre
National corruption / fraud prevention plan implemented on branch / provincial level	Effective and consistent implementation of corruption / fraud prevention plan All branch / provincial workshops held by December 2007 (reports)	Achieved. Prevention workshops were conducted (15)
M&E compliance	Feedback on quarterly basis	Achieved. As part of the prevention workshops, a monitoring mechanism was established in 7 provinces
Output breakdown for 2007/08: Internal security policy implemented		
Security: Workshops on security policy conducted	9 workshops conducted per quarter	Achieved. 53 workshops conducted
Monitoring compliance	25 offices monitored for compliance quarterly Monitoring reports and recommendations submitted to CD:CCS on regular basis	Achieved. 101 offices monitored, reports submitted to provincial managers
Policy reviewed	Fit for purpose and policy	No changes required
Output breakdown for 2007/08: Integrity of all employees / service providers ensured		
Pre-employment screening of all prospective employees conducted	100% compliance	Achieved. 490 screenings: Confirmation letters issued

COUNTER CORRUPTION AND SECURITY		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Security screening of all service providers prior to appointment conducted	100% compliance	Achieved. 7 companies screened. Confirmation letters issued
Security screening of current service providers conducted	100% compliance	Achieved. 1 service provider. 52 employees. Confirmation letters issued
All employees vetted	48 vetting investigations conducted per quarter	Not Achieved. 83 investigations conducted for year
Output breakdown for 2007/08: Physical security at all offices improved		
Security involved in the procurement process for accommodation	Preliminary physical security evaluation conducted before new accommodation is acquired	Achieved. 14 evaluations conducted
Security evaluation conducted on all existing accommodation	Physical evaluation conducted in 25 offices per quarter	Not Achieved. 84 offices evaluated
Output breakdown for 2007/08: Information security improved		
Security awareness, presentations and briefings conducted	Awareness programmes conducted in 25 offices per quarter	Not Achieved. 36 awareness presentation and briefings conducted
Security threats and risk assessment conducted	Security threats and risk assessment conducted in 5 offices per year	Achieved. Assessments conducted in Limpopo, Eastern Cape, Mpumalanga, KZN and ID factory
Information security audits conducted	Information security audits conducted in 9 offices per year	Achieved.

INTERNAL AUDIT AND RISK MANAGEMENT SERVICES		
PROGRAMME 1: ADMINISTRATION		
SUB-PROGRAMME: MANAGEMENT (RESPONSIBILITY: INTERNAL AUDIT)		
MTSF Priority: Alignment of departmental planning with objectives of Government's Programme of Action (POA) and with the electoral mandate by improving the capacity of the state to deliver		
DHA Strategic Objective: Improving the capacity of the DHA to deliver quality services efficiently through better organisation, management and leadership and by improving policies, infrastructure and human resource		
Chief Directorate Objective: To ensure an adequate system of risk management, internal control and governance processes and to improve the effectiveness and efficiency of operations of DHA		
Measurable Output: Effective internal audit reviews (assurance and consulting) conducted		
Output breakdown for 2007/08: Regular and periodic reviews of high risk areas increased and the quality of reports improved		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Execution of risk based audit projects in the annual coverage plan and follow-up reviews conducted	Number (percentage) of project reviews finalised against set target	Not Achieved. Internal audit annual coverage plan for projects to be undertaken during the year was submitted to Audit Committee for review on 7 December 2007. The plan was not approved. 14 audits conducted
Project turnaround time improved and timeous audit reports issued	Number (percentage) of reports/reviews issued within set timeframe	Not Achieved. 14 audits were conducted
Output breakdown for 2007/08: Compliance with prescripts governing the profession of internal auditing		
Charters approved	Charters signed off by Accounting Officer and Audit Committee	Achieved. Reference: Audit Committee minutes of 7 December 2007
Internal audit plans approved	Plans signed off by Audit Committee	Partly Achieved. Annual coverage plan was drafted on 26-27 March 2008 for 2008/2009 period which includes projects planned for 2007
Quarterly reports submitted to the Audit Committee	Reports submitted as prescribed	Achieved. 4 Audit Committee meetings were held during 2007/2008 and on each occasion quarterly reports were submitted to Audit Committee
Comprehensive internal audit procedure manual approved	Manual approved	Achieved. Audit methodology adopted during planning session held on 26-27 March 2008
Output breakdown for 2007/08: Adequate, sustained and responsive internal audit capacity built		
Effective internal audit structure in place	Co-sourcing agreement in place	Achieved. Agreement signed on 2 November 2007
	Post of Chief Audit Executive (CAE) filled	Not Achieved. Recruitment process not finalised
Knowledge, skills and other competencies and capabilities enhanced	Number of hours of professional development 20 hours by Q2 40 hours by Q4	Achieved. 40 hours professional development completed

PROGRAMME 2: CIVIC AND IMMIGRATION SERVICES

Civic Services

Measurable objective: Grant specified rights and citizenship to eligible members of the population by issuing valid documents within the targeted delivery period, and control the immigration of various categories of foreigners into and out of the country within prescribed delivery targets.

Service delivery objectives and indicators

Subprogramme	Output	Measure / Indicator	Target	Progress
Provincial Co-ordination	Basic standards implemented at all service outlets, such as frontline offices	Percentage compliance with key standards by provincial offices	80% compliance by all provincial offices	Not achieved. Service standards are in process of being reviewed as part of the turnaround
Services to Citizens:				
Population Register	New recordings on population register (issued birth, marriage and death certificates)	Percentage of recording requests correctly processed within targeted delivery period	95% correctly processed within 1 day	Achieved
Travel Documents and Citizenship	Passports and other travel documents and emergency documents issued	Percentage of requested documents correctly issued within targeted delivery period	80% of passports and travel documents issued within 6 weeks	Achieved
			95% of all temporary passports issued within 1 week	Achieved
			All emergency travel certificates issued on the spot	Achieved
	Citizenship granted	Percentage of applications correctly finalised within targeted delivery period	80% of applications finalised within 8 weeks	Not achieved. Delays in retrieving case files. Average time frame is 6 months
	Identification or verification of fingerprints	Percentage of fingerprints identified or verified within the targeted delivery period	80% of full fingerprint searches conducted within 3 days	Achieved
			80% of fingerprint verifications conducted within 1 day	Achieved
	Identity documents issued	Percentage of requested documents correctly issued within targeted delivery period	80% of identity documents correctly issued, within 1 month for a permanent document and 7 days for a temporary document	Not achieved

Statistical Information

Sub-programme	Outputs	Performance measures / service delivery indicators	Annual Performance / Quality
Passports & Travel Documents	Issue passports	Number of passports issued: - Tourist passports - Child passports - Official passports - Document for travel purposes - Diplomatic passports - Temporary passports - Emergency passports - Crew member certificates - Maxi passports	645 175 164 220 10 938 286 1 779 151 312 88 942 71 19 048
Citizenship	Process citizenship applications	Number of: - Naturalizations - Renunciations - Deprivations - Resumptions - Citizen by descent registrations - Retentions - Restorations	9 346 1 518 6 644 10 055 6 630 1 167
Population registration	Births, marriages & deaths: Register births, marriages and deaths; issue relevant certificates; process applications for amendments; solemnize marriages; designate marriage officer and appoint registering officers	Number of registrations: - Births (under 15 years) - Marriages Civil Customary Civil Union - Deaths Number of certificates issued: - Births Abridged Unabridged - Marriages Abridged Unabridged - Deaths Abridged Unabridged Number of personal amendments processed - Surnames: Majors - Surnames: Minors - Forenames: Majors - Forenames: Minors - Insertion of surnames - Dates of birth - Re-registration - Adoptions - General Number of divorces recorded	1 279 828 215 103 20 851 243 720 571 2 154 567 128 275 120 651 14 439 748 885 2 603 42 188 31 150 19 277 18 439 89 15 185 89 396 2 572 35 958 55 490

Sub-programme	Outputs	Performance measures / service delivery indicators	Annual Performance / Quality
Population registration	Births, marriages & deaths: Register births, marriages and deaths; issue relevant certificates; process applications for amendments; solemnize marriages; designate marriage officer and appoint registering officers	Number of marriage officers designated - Church - Department	1 929 383
		Number of registering officers appointed for customary marriages	0
		Fraudulent marriages resolved	1 635
	Identity documents: Issuing of identity documents to all South African citizens and persons to whom permanent residence was granted	Number of identity documents issued in terms of the Department's Statement of Standards	2 054 272
		New recordings (16 years and older)	277 542
	Maintaining a fingerprint identification system	Number of fingerprints: - Compared and searched - Evidence provided in court cases - Filed in addition to existing records (this includes foreigners and first time applicants only) - Fingerprints of foreign contract workers from neighbouring countries that were processed - Fingerprints of refugees searched - Total number of fingerprints on record	23 569 33 0 2 505 27 274 47 689 538
Automated Fingerprint Identification System (AFIS)	Updating the database, system usability and rollout of online verification to DHA offices	AFIS productivity - ID applications (first time on AFIS) - 10 print searches - Hardcopy records verified (ADHOC) - Electronic records verified (CLW)	1 545 605 707 843 2 413 007 168 259
		Rollout of online verification to DHA offices - DHA offices with online verification - Public entities with online verification - Private entities with online verification Total number of records on the AFIS database - Case files - ID holders	40 0 0 1 779 728 234 123 1 545 605

Service Delivery Achievements

CIVIC SERVICES	
PROGRAMME 2: CIVIC AND IMMIGRATION SERVICES	
SUB-PROGRAMME: SERVICES TO CITIZENS	
MTSF Priority: Alignment of departmental planning with objectives of Government's Programme of Action (POA) and with the electoral mandate by improving the capacity of the state to deliver	
DHA Strategic Objective: Improving the capacity of the DHA, and the state, to deliver quality services and expand access to those services by: <ul style="list-style-type: none"> • Ensuring sufficient staff is in place with the requisite skills; • Improved internal and external communication and the involvement of all levels of staff in the change process; • Strengthening management and leadership; • Implementing a new organisational model; • Putting in place IT-enabled systems; and • Improved infrastructure and expansion of service delivery points 	
Branch Objective: To improve delivery on mandate by developing and implementing integrated systems	
Measurable Output: New passport system introduced to meet required specifications (Sub-sub programme: Status Services)	
Output breakdown for 2007/08: Integrated development plan developed and implemented in phases: New passport system procured and tested	
Milestone(s)	Performance indicator per milestone Actual progress against target
Integrated development plan drafted	Integrated development plan approved Not Achieved. A new passport printing system has been procured by Government Printing Works (GPW). GPW also confirmed that the delivery of the new passport printing system is scheduled for May / June 2008 and commissioning is expected by December 2008. A project team and a steering committee has been appointed
New passport system procured	Tender process finalised and service provider appointed Achieved. The blank document manufacturing machine was procured by GPW
New passport system tested	System signed off Not Achieved.
MTSF Priority: Entrenchment and deepening of democracy and nation building by transforming our country into a non-racial and non-sexist society and countering corruption and promoting security include social security	
DHA Strategic Objective: Extend citizenship rights to all South Africans by expanding access to DHA services by efficient determination of status and provision of secure enabling documents and by ensuring the integrity and security of the national population register and related records, as well as countering corruption and promoting security	
Branch Objective: To manage and maintain the integrity and security of the National Population Register (NPR)	
Measurable Output: NPR data cleaned up and updated (Sub-sub programme: Status Services)	
Output breakdown for 2007/08: Audit of the NPR commissioned and conducted	
Business requirements defined	Business requirements document signed off Achieved. Business requirements were drafted. This initiative has since been included as one of the 55 strategic projects for 2008/09
Investigation conducted	Audit report with recommendations finalised Not Achieved. The initiative forms part of the 55 approved DHA projects for 2008/09
Output breakdown for 2007/08: NPR cleaned of inactive or incorrect data (outdated country codes or dormant reference book numbers)	
Audit report recommendations and findings implemented	All inactive / incorrect data eliminated (improved integrity and accuracy of the NPR) Not Achieved. Business requirements defined and business case developed. Became part of IS Projects for 2008/09

CIVIC SERVICES		
Milestone(s)	Performance indicator per milestone	Actual progress against target
<p>MTSF Priority: Entrenchment and deepening of democracy and nation building by transforming our country into a non-racial and non-sexist society and countering corruption and promoting security including social security</p> <p>DHA Strategic Objective: Extend citizenship rights to all South Africans by expanding access to DHA services by efficient determination of status and provision of secure enabling documents and by ensuring the integrity and security of the national population register and related records, as well as countering corruption and promoting security</p> <p>Branch Objective: To manage and maintain the integrity of the National Population Register (NPR)</p> <p>Measurable Output: NPR data cleaned up and updated (Sub-sub programme: Status Services)</p> <p>Output breakdown for 2007/08: Identified duplicates rectified (two or more persons with one ID number)</p>		
Rectification processes defined and implemented	Existing duplicates rectified and eliminated (15% rectified)	Achieved. Since inception 5 109 out of 20 037 duplicates were rectified - 25% complete
Public awareness campaign launched	Successful communication of rectification process	Not Achieved. Proposals in relation to a public awareness campaign were developed but have not been implemented
<p>MTSF Priority: Entrenchment and deepening of democracy and nation building by transforming our country into a non-racial and non-sexist society and countering corruption and promoting security including social security</p> <p>DHA Strategic Objective: Extend citizenship rights to all South Africans by expanding access to DHA services by efficient determination of status and provision of secure enabling documents and by ensuring the integrity and security of the national population register and related records, as well as countering corruption and promoting security</p> <p>Branch objective: To introduce a unique ID number / identifier</p> <p>Measurable Output: Identification Act amended to facilitate the introduction of a unique ID number / identifier (Sub-sub programme: Identification)</p> <p>Output breakdown for 2007/08: Implementation of CSIR report on generation of unique ID number revisited</p>		
CSIR report revisited	New recommendations made	Achieved. The impact of the proposed unique ID number is significant to both public and private sector and it will be costly to implement. A proposal in this regard will be submitted for consideration
Recommendations in respect of proposed Identification Act amendments drafted and forwarded to Legal Services	Draft recommendations included in 2008/09 legislative programme	Achieved. A consolidated request for amendments to CS legislation was submitted to Legal Services for inclusion in the legislative programme

CIVIC SERVICES		
Milestone(s)	Performance indicator per milestone	Actual progress against target
<p>MTSF Priority: Building an effective and caring Government by serving with humility and professionalism</p> <p>DHA Strategic Objective: Establish a culture of Batho Pele and appropriate service delivery standards and service delivery plan with effective structures and measures in place to manage, co-ordinate and monitor service delivery and combat corruption as well as to address backlogs and shortcomings systematically</p> <p>Branch Objective: To issue enabling documents and provide core services according to specific timeframes (service standards) as captured in the Estimates of National Expenditure in line with departmental mandate of granting specific rights and citizenship to eligible people by issuing valid documents within targeted delivery periods</p> <p>Measurable Output: Passports and other travel documents issued within 6 weeks (Sub-sub programme: Status Services)</p> <p>Output breakdown for 2007/08: 90% of all passports and travel documents correctly processed within 6 weeks</p>		
Random sampling testing strategy developed	90% of passports and travel documents correctly processed within target date (6 weeks)	Achieved. Manual random sampling was implemented
Random sampling testing implemented	90% of passports and travel documents correctly processed within target date (6 weeks)	Achieved. Manual random sampling was implemented by extracting batches of passports from the printing queue at the passport factory and the average timeframe from application to issuance was 23 working days (which translates to approximately 5 weeks)
<p>Measurable Output: Emergency travel documents issued within 1 week (Sub-sub programme: Status Services)</p> <p>Output breakdown for 2007/08: 95% of all emergency passports issued within one week</p>		
Random sampling testing strategy developed	95% of all emergency passports issued within 1 week	Achieved. Prescripts allow for the issuance of emergency passports without fingerprint identification in the case of persons 16 years and older, subject to positive identification provided by DHA
Random sampling testing implemented	95% of all emergency passports issued within 1 week	Achieved.
<p>Measurable Output: Citizenship certificates granted within 12 weeks (Sub-sub programme: Status Services)</p>		

CIVIC SERVICES		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Output breakdown for 2007/08: 95% of all citizenship applications finalised within 12 weeks		
Random sampling testing strategy developed	Sampling testing strategy in place	Achieved. A monitoring tool is in use
Random sampling testing implemented	95% of all citizenship applications correctly finalised within 12 weeks	Not Achieved. It takes an average of 6 months to issue a naturalization certificate
MTSF Priority: Building an effective and caring Government by serving with humility and professionalism		
DHA Strategic Objective: Establish a culture of Batho Pele and appropriate service delivery standards and service delivery plan with effective structures and measures in place to manage, co-ordinate and monitor service delivery and combat corruption as well as to address backlogs and shortcomings systematically		
Branch Objective: To issue enabling documents and provide core services according to specific timeframes (service standards) as captured in the Estimates of National Expenditure in line with departmental mandate of granting specific rights and citizenship to eligible people by issuing valid documents within targeted delivery periods		
Measurable output: Population register – New recordings on / updating of population register (issued birth, marriage and death certificates) (Sub-sub programme: Status Services)		
Output breakdown for 2007/08: 99% of all requests for recordings correctly processed within 1 day (abridged certificates)		
Random sampling testing strategy developed	Improved service delivery in respect of recordings	Achieved. Teams were deployed to provinces to conduct the sampling
Random sampling testing implemented	99% of new recordings accomplished correctly within 1 day	Achieved. Provinces issued abridged certificates on the same day (after registration)
Output breakdown: 95% of all applications for full certificates correctly processed within 6 to 8 weeks		
Random sampling testing strategy developed	95% of full certificates processed correctly within 6 to 8 weeks	Achieved. Strategy in place
Random sampling testing implemented	95% of full certificates processed correctly within 6 to 8 weeks	Achieved. Records captured on EDMS can be issued within 6 to 8 weeks. Those not on EDMS take an average of 12 weeks

NATIONAL IMMIGRATION BRANCH

Service Delivery objectives and indicators

Subprogramme	Output	Measure / Indicator	Target	Progress
Immigration Services:				
Admissions	Permanent and temporary residence permits issued	Percentage of permanent and temporary residence permits correctly issued within targeted delivery period	100% of temporary and permanent residence permits correctly issued within:	
			6-8 weeks for a temporary residence permit application	Achieved
			8 months for a permanent residence application	Achieved
	Visas issued	Percentage of visas correctly issued within targeted delivery period	95% of visas correctly issued within 5 days	Achieved
Immigration Control	Illegal foreigners deported	Percentage of illegal foreigners deported within targeted delivery period	90% of detained illegal foreigners successfully deported within 30 days from date of arrest, or 90 days with a court warrant	Achieved
Refugee Affairs	Asylum granted to refugees	Percentage of requests processed and certificates issued within targeted delivery period	80% of asylum applications processed within 3 months and a further 3 months for appeals	Achieved
	Appeals processed	Percentage of applications correctly processed within targeted delivery period	99% of applications processed within the targeted delivery period finalised	Achieved
		Percentage of appeal cases finalised by the end of March 2008	90% of cases	Not Achieved

Statistical Information

Sub-programme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
Permanent & Temporary Residence		Number of permits issued in terms of the Statement of Standards set by the Minister:	
		– Permanent residence permits	3 817
		– Work permits	32 344
		– Study permits	13 005
		– Visitor's permits	63 460
		Number of:	
		– Ministerial enquiries	36
		– Director-General submissions	33
Visa Control	Processing of applications for visas	Number of visas issued	558 375
Immigration Control	Clearance of persons at ports of entry	Number of persons cleared:	
		– Arrivals	14 598 553
		– Departures	12 939 627
Deportations	Removal of illegal foreigners	Number of illegal foreigners deported nationally	312 733
		Deportation facility	75 701
		Warrant issued to Correctional Services in respect of convicted foreigners	2 778
Refugee Affairs	Consideration of asylum applications	Number of asylum seekers permits issued	58 584
		Number of approved cases	9 727
		Number of rejected cases	41 684
	Issuance of refugee identity documents	Number of refugee identity documents issued	8 322
	Issuance of United Nations Convention Travel Documents (UNCTD)	Number of United Nations Convention Travel Documents (UNCTD's) issued in collaboration with the UNHCR	1 117
Refugee Appeal Board	Consideration of asylum appeals	Number of asylum appeals finalised	2 394
Standing Committee On Refugees	Review and consider cases	Review of manifestly unfounded cases:	
		– Approved	1 347
		– Rejected	481
		– Considered	1 828
		Consideration of applications for certification of status:	
		– Upheld	2 076
		– Referred	0
		– Considered	2 178

NATIONAL IMMIGRATION BRANCH	
PROGRAMME 2: CIVIC AND IMMIGRATION SERVICES	
SUB-PROGRAMME: IMMIGRATION SERVICES	
MTSF Priority: Building an effective and caring Government by serving with humility and professionalism	
DHA Strategic Objective: Establish a culture of Batho Pele and appropriate service delivery standards and service delivery plan with effective structures and measures in place to manage, coordinate and monitor service delivery and combat corruption; as well as address blockages and shortcomings systematically	
Branch Objective: To issue enabling documents and provide core services according to specific time frames (service standards) as captured in the Estimates of National Expenditure	
Measurable Output: Issuance of enabling documents (temporary and permanent residence permits and visas) in accordance with set standards (Sub-programme: Immigration Services; Sub-sub programme: Admissions)	
Output breakdown for 2007/08: 100% of temporary and permanent residence permits correctly issued within the service delivery period: 6 to 8 weeks for a temporary residence permit application; 8 months for a permanent residence application; 95% of visas issued correctly within 5 days	
Milestone(s)	Performance indicator per milestone
	Actual progress against target
Business processes and Standard Operating Procedures (SOPs) submitted for approval	Not Achieved. Revised SOP's were not signed off by business units as some processes were changed by the work streams and therefore had to be incorporated
Service standards set	Achieved. Service standards has been set and included in ENE
Immigration Officers trained	Not Achieved. No appointments made
Measurable Output: Asylum granted to refugees (Sub-sub programme: Refugee Affairs)	
Output breakdown for 2007/08: 80% of all applications received for asylum processed within the targeted delivery period (3 months for initial processing and a further 3 months for appeal in terms of the Refugee Act (1998))	
Section 22 permits issued to asylum seekers in line with Refugees Act	Achieved. 22 592 section 22 permits issued
Refugee status granted to asylum seekers within 180 days	Not Achieved. Period of 180 days remains a challenge due to problems with systems, capacity, office space and the appeal process (RAB)
Translating service provider appointed	Not Achieved. The recommended service provider withdrew the bid and there was no second best bidder
MTSF Priority: Building an effective and caring Government by serving with humility and professionalism	
DHA Strategic Objective: Establish a culture of Batho Pele and appropriate service delivery standards and service delivery plan with effective structures and measures in place to manage, coordinate and monitor service delivery and combat corruption; as well as address blockages and shortcomings systematically	
Branch Objective: To issue enabling documents and provide core services according to specific time frames (service standards) as captured in the Estimates of National Expenditure	
Measurable Output: Refugees provided with ID, UNCTD (United Nations Convention Travel Document) and Child Certificates (Sub-sub programme: Refugee Affairs)	
Output breakdown for 2007/08: 80% of all applications received for enabling documents finalized within the targeted period	

NATIONAL IMMIGRATION BRANCH		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Applications received for enabling documents finalized within 3 months	90% of all refugees provided with ID's within 3 months	Not Achieved. 50% of refugee ID applications are not finalized within 3 months, due to a delay in fingerprint verification
	90% of all refugees provided with UNCTD within 3 months	Achieved.
	80% child certificates issued to refugee children within 3 months	Not Achieved. Processes put in place to enable issuing of child certificates
Measurable Output: Capacity of NIB enhanced (Sub-sub programme: Immigration Control)		
Output breakdown for 2007/08: Capacity needs in terms of human capital, skills, competencies, systems and processes addressed		
Identified critical posts advertised and filled at head office	Posts filled	Achieved - 116 critical posts have been identified but only 24 filled due to the process of translation of ranks not finalized. 176 posts were filled in Refugee Affairs
SOP's finalised and rolled out	Signing off of SOP's Implementation of SOP's Roll out continued	Not Achieved. SOP's were not signed off by business units
Uniforms for Admissions, Inspectorate and Refugee Affairs rolled out	Uniforms rolled out	Achieved. Refugee and Inspectorate uniforms delivered to all provinces
MTSF Priority: Ensuring faster economic growth and development by facilitating the harnessing of scarce skills and job creation through short and medium term strategies (e.g. JIPSA and ASGISA)		
DHA Strategic Objective: Develop, implement and manage migration and border control policies and systems so as to ensure national security and to facilitate economic development (including through ASGISA/ JIPSA); and to ensure that refugees are accorded appropriate rights and treated humanely		
Branch Objective: To manage Permitting in support of ASGISA / JIPSA and enhance the management of migration		
Measurable Output: Business and quota work permits issued (Sub-sub programme: Admissions)		
Output breakdown for 2007/08: Business permits issued within 6 to 8 weeks, Process of determining the categories of scarce skills facilitated, Quotas of scarce skills determined		
Immigration legislation reviewed	Amended Immigration legislation implemented	Not Achieved. New Immigration Advisory Board not appointed
Immigration Regulations reviewed	Amended Immigration Regulations promulgated and implemented	Not Achieved. Subject to implementation of legislation
Scarce and critical skills list adopted and published	Permits granted according to skills list	Achieved. Immigration Regulations and Delegations drafted in respect of scarce skills. Advised DTI and DoL on trends with regard to permits issued in respect of scarce skills. Creating a dedicated help desk to support the Special Skills Quotas Initiative and facilitate all permitting aspects of the initiative

NATIONAL IMMIGRATION BRANCH		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Measurable Output: Transit visa policy reviewed (Sub-sub programme: Admissions)		
Output breakdown for 2007/08: Approval obtained for draft proposal on SA transit visa regime		
Transit visa policy drafted, submitted and approved	Transit visa policy approved by Ministry	Not Achieved.
Transit visa policy adopted and implemented	Transit visa policy approved by Ministry	Not Achieved.
Measurable Output: Airline Liaison Officer (ALO) network in place to reduce the travelling and entry of undesirable / prohibited persons (Sub-sub programme: Admissions)		
Output breakdown for 2007/08: Threat assessment conducted to guide deployment of ALOs		
Analysis of statistical data finalised	Assessment approved	Achieved. Analysis of statistical data finalized and approved
Output breakdown for 2007/08: Roll out plan developed and ALO's deployed at 5 priority airports		
Head Office component capacitated	Capacity in place	Not Achieved. Job evaluation finalised and Deputy Director interview conducted
Development guide for ALO's compiled	Scope of functions determined	Not Achieved. SOP's (guideline material) in draft format
Creation of overseas posts investigated	Posts approved	Not Achieved. Advertisements withdrawn
ALO's rolled out at priority airports	5 ALOs appointed and placed at priority airports	Not Achieved. Revisiting the requirements for countries where ALO's should be rolled out
MTSF Priority: Ensuring faster economic growth and development by facilitating the harnessing of scarce skills and job creation through short and medium term strategies (e.g. JIPSA and ASGISA)		
DHA Strategic Objective: Develop, implement and manage migration and border control policies and systems so as to ensure national security and to facilitate economic development (including through ASGISA/ JIPSA); and to ensure that refugees are accorded appropriate rights and treated humanely		
Branch Objective: To manage Permitting in support of ASGISA/ JIPSA and enhance the management of migration		
Measurable Output: Effective strategic participation of National Border Priorities(NBP) in the BCOC ensured (Sub-sub programme: Admissions)		
Output breakdown for 2007/08: NBP co-ordinated and operational plan implemented		
Draft operational plan of action regarding effective BCOC participation and accommodation needs at POEs approved	Draft plan approved	Not Achieved. Chairmanship transferred to SARS. DHA to revisit its mandate
Output breakdown for 2007/08: 80% of capacity required provided		
80% of NBP capacity required at head office approved	80% of NBP capacity required at head office approved	Not Achieved. Dependent on above
50% of administrative and co-ordination support at local, provincial and national levels established	Capacity created at all BCOC levels (50%)	Not Achieved. Dependent on above

NATIONAL IMMIGRATION BRANCH		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Measurable Output: Integrated IT systems developed and implemented (Sub-sub programme: Immigration Control)		
Output breakdown for 2007/08: User requirements provided		
User requirements provided to information Services (IS) with regard to the following systems: <ul style="list-style-type: none"> • Interface between Refugee and MCS mainframe systems • Case management system • Incident reporting system • Integrated and upgraded refugee system 	Document on business requirements signed off	Achieved. User requirements provided
Branch Objective: To manage Permitting in support of ASGISA / JIPSA and enhance the management of migration		
Measurable Output: Deportation processes of illegal foreigners within the country and SA citizens returned to SA managed effectively (Sub-sub programme: Immigration Control)		
Output breakdown for 2007/08: New deportation transport system implemented		
Approval for outsourcing of deportation transport and security staff (escort) obtained	Recommendations drafted and forwarded for approval	Achieved. Recommendation for outsourcing of deportation transport and security staff approved
Invitations for tender for transport and security staff finalised	Tender specifications developed	Achieved. Tender specifications finalized and approved
	Tender adjudicated	Not Achieved. Re-advertisement of tender on advice of National Treasury
Output breakdown for 2007/08: Strategy developed and implemented for citizens deported to SA		
Service provider appointed	Tender finalised	Not Achieved.
Information management and reporting programmes to monitor South Africa deportees implemented	Information management and reporting programmes developed	Not Achieved. Delay in acquiring IT systems
	Provincial workshops conducted	Not Achieved.
Output breakdown for 2007/08: Planning for additional deportation holding facilities concluded		
Planning for additional deportation holding facilities finalised	Plan approved	Not Achieved. Study to be conducted in line with the law enforcement strategy. Additional deportation holding facilities were not approved
Measurable Output: Counter xenophobia strategy implemented to promote human rights culture		
Output breakdown for 2007/08: Counter xenophobia strategy and public awareness programmes sustained		
Strategy implemented and monitored	Counter xenophobia strategy launched	Not Achieved. Funds not available for promotional materials and launch
Partnership with external and internal stakeholders established	Regular meetings conducted according to schedule and implementation of decisions taken	Achieved. Regular meetings with different stakeholders conducted. Participating in social cluster meetings

NATIONAL IMMIGRATION BRANCH		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Relationship established with media to develop common strategy to raise awareness of counter xenophobia and other related intolerances	Relationship with media established Number of initiatives conducted to raise awareness	Not Achieved. Entered into discussions with SABC and agreements were reached. Process has been shelved due to unavailability of funds
Branch Objective: To ensure effective law enforcement		
Measurable Output: Integrated immigration law enforcement strategy reviewed and implemented (including issues relating to counter terrorism, human trafficking and other cross border issues) (Sub-sub programme: Immigration Control)		
Output breakdown for 2007/08: Law Enforcement Strategy reviewed and adopted		
Primary research of the Law Enforcement Strategy finalised	Research findings submitted	Not Achieved.
Dissemination and advocacy	Findings published on the ISS (Institute for Security Studies) website	Not Achieved.
MTSF priority: Ensuring faster economic growth and development by facilitating the harnessing of scarce skills and job creation through short and medium term strategies		
DHA Strategic Objective: Develop, implement and manage migration and border control policies and systems so as to ensure national security and to facilitate economic development (including through ASGISA/ JIPSA); and to ensure that refugees are accorded appropriate rights and treated humanely		
Branch Objective: To manage the Immigration function at ports of entry and participate in protecting the integrity of South Africa's borders (internally and at ports of entry)		
Measurable Output: SADC Protocol on the facilitation of movement of persons supported (Sub-sub programme: Admissions)		
Output breakdown for 2007/08: Risk assessment and cost-benefit analysis in respect of granting visa exemptions conducted and negotiations initiated where required.		
Research in respect of visa exemptions for SADC members finalized	Research findings approved by Minister	Achieved. The SADC Protocol on the Facilitation of Movement of Persons was endorsed by the Portfolio Committee and submitted to Parliament
Negotiations process initiated regarding visa exemption with SADC members	Agreements concluded with relevant countries	Achieved.
Measurable Output: Single integrated government facilities at ports of entry (one-stop border posts) established (Sub programme: Admissions)		
Output breakdown for 2007/08: Integrated management system developed and implemented at ports of entry in collaboration with stakeholders		
An integrated border management model for facilities developed	Model approved	Not Achieved.
Output breakdown for 2007/08: Phase 1 (35%) of implementation plan completed		
First phase facilities implemented	Scheduled integrated facilities erected	Not Achieved.
Measurable Output: Feasibility study on transit visa facility conducted		
Output breakdown: Recommendation on feasibility study by DHA/IOM approval		
Recommendation on feasibility study finalised	Recommendation on feasibility study approved	Not Achieved. Input from relevant stakeholders obtained
Implementation plan drafted	Plan approved	Not Achieved.

NATIONAL IMMIGRATION BRANCH		
Milestone(s)	Performance indicator per milestone	Actual progress against target
MTSF Priority: Improving South Africa's global relations for development		
DHA Strategic Objective: Responding to strategic intergovernmental and international priorities, including the FIFA world cup, through the planned and appropriate commitment of DHA management capacity, systems and other resources		
Branch Objective: To effectively contribute to intergovernmental and international initiatives in pursuit of national objectives as well as with other institutions of interests		
Measurable Output: Departmental Project Plan to deal with FIFA 2010 SA World Cup challenges/guarantees developed, implemented and monitored (Sub-sub programme: Admissions - party)		
Output breakdown for 2007/08: 2010 Project Plan implemented		
Corporate Services: 2010 HR Strategy completed	Monthly report (progress against set targets)	Not Achieved. Activities were taken over by turnaround project
40% of 2010 capacity deployed at 19 key land ports of entry	Monthly report (progress against set targets)	Not Achieved. Activities were taken over by turnaround project
40% of 2010 capacity deployed at 10 airports and 8 sea ports	Monthly report (progress against set targets)	Not Achieved. Activities were taken over by turnaround project
40% of 2010 capacity deployed at 10 permitting offices	Monthly report (progress against set targets)	Not Achieved. Activities were taken over by turnaround project
40% of 2010 capacity deployed at 50 missions abroad	Monthly report (progress against set targets)	Not Achieved. Activities were taken over by turnaround project
GITO: Equipment and technology required at land ports of entry (19), airports (10) and sea ports (8) determined	Monthly report (progress against set targets)	Not Achieved. Activities were taken over by turnaround project
NIB: Requisite infrastructure including additional deportation centre determined	Monthly report (progress against set targets)	Not Achieved. Activities were taken over by turnaround project

SERVICE DELIVERY	
PROGRAMME 2: CIVIC AND IMMIGRATION SERVICES	
SUB-PROGRAMME: PROVINCIAL CO-ORDINATION	
MTSF Priority: Building an effective and caring Government by serving with humility and professionalism	
DHA Strategic Objective: Establish a culture of Batho Pele and appropriate service delivery standards (e.g. turnaround times for enabling documents) and service delivery plan with effective structures and measures in place to manage, coordinate and monitor service delivery and combat corruption; as well as address blockages and shortcomings systematically	
Branch Objective: To develop and implement a turnaround strategy for frontline services	
Measurable Output: Departmental programme for the institutionalization of Batho Pele implemented	
Output breakdown for 2007/08: Departmental programme to improve customer care according to set standards implemented	
Milestone(s)	Performance indicator per milestone Actual progress against target
Service Delivery Improvement Plan standards that are reviewed and approved by Head Office implemented throughout the Department	Survey results to indicate how far standards are being applied Achieved. Review of Service Delivery Improvement Plan (SDIP) is being done as part of vision and design work
Measurable Output: Provincial system for monitoring quality of processing of Civic Services and NIB applications developed	
Output breakdown for 2007/08: Evidence of quality gathered through a survey of sample of applications that are sent to relevant Head Office sections	
Survey Conducted	Survey conducted annually in a representative number of district and regional offices and at least one sample of other types of service points per province Achieved. Through track and trace reports
Measurable Output: Departmental Service Charter developed and approved that defines expectations and values	
Output breakdown for 2007/08: Dissemination and awareness campaign by all business units on departmental service charter	
Approved charter disseminated to all business units	Signed declaration by business unit heads that document has been disseminated to all staff in their units and is visible to the public Not Achieved. Charter is being modified in line with work of vision and design on SDIP review
Branch Objective: To mobilise provincial participation in counter xenophobia	
Measurable Output: Provincial programme for counter xenophobia strategy developed in line with the NIB – led departmental strategy	
Output breakdown for 2007/08: Appropriate forums establish with relevant stakeholders	
Identification of relevant role-players /stakeholders conducted	Database of stakeholders available Achieved. Each Province has identified stakeholders in line with current counter xenophobia strategy.
Forums initiated at inaugural meeting	Minutes of inaugural meeting available Not Achieved. To form part of Counter Xenophobia unit in 2008/09 by NIB (Immigration Services)

SERVICE DELIVERY		
Milestone(s)	Performance indicator per milestone	Actual progress against target
Branch Objective: To create effective management systems in provinces		
Measurable Output: Provincial management system strengthened in line with approved operational model, including structures and levels, clear responsibilities and reporting lines and intensive training, especially of middle management and supervisors		
Output breakdown for 2007/08: Provincial programme rolled out as adapted by each province; with clear standards to achieve for each phase of the roll out per district, region and province as defined in the best practice handbook		
Provincial programme on training of regional and district managers approved and implemented in phases	Quarterly performance reviews of PMDS indicates an improvement in management culture and practices	Not Achieved. PMDS taking place. Does not directly measure improvement of management culture in all instances. 'Face of the Front' discussion document adopted by Strategic Management Committee (SMC). Track and Trace training completed by frontline staff, office, district, regional and provincial managers. Service delivery training in Public Service completed by Provincial Managers (PM)
Branch objective: To increase access to DHA Services and improving quality of existing accommodation		
Measurable Output: Provinces participate in roll out of office expansion project and Repair and Maintenance Programme (RAMP) and Head Office plans in respect of specifying the minimum norms and standards for an office (facilities, staffing, location, etc)		
Output breakdown for 2007/08: Evidence-based needs analysis within national planning framework completed to re-assess provincial priorities		
Provincial infrastructure priorities identified	Report on priorities approved and forwarded to the CFO's branch	Not Achieved. Part of Centres of Excellence and Footprint workstreams done by Civic Services
Output breakdown for 2007/08: Maximum utilisation of existing resources (e.g. mobile units, MPCCs, hospitals, model offices, etc)		
Posts filled strategically to enhance utilization	Posts filled according to utilization priorities	Not Achieved. Due to several changes leading to moratoria and/or reprioritisation at different times during financial year
Output breakdown for 2007/08: Monitoring and evaluating of rollout of office expansion plan in each province		
Quarterly reporting of progress against office expansion project plan by each province	Quarterly reports	Not Achieved. Provinces have infrastructure plans for office needs but these are not standardised as there is yet to be norms and standards for an office (office prototype) from CFO Branch which ought to be part of the DHA office expansion plan. This is now part of the Footprint project under Civic Services



Part 2

Turnaround Deliverables



Annual Report

Building the New Home Affairs

2007/2008



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA



		Phase 1 Turnaround Projects						Phase 2 Turnaround Projects																					
2007/08 Measurable Output	Branch Output Breakdown	Branch Milestone	Progress	Track and Trace	Permits & Refugees	ID Process	SLA Review	Contract Management	IT & IM Projects	Risk Assessment	Governance and Operations Management	Strategic Initiative Governance	Planning and Reporting	Vision and Design	Security and Counter Corruption/Fraud	Organisational Implementation	Revenue Management	Policy and Legislative Framework	Online Verification Rollout	Late Registration Rollout	Memory ID Card	Contact Centre Ramp-up	ID Process Transformation	WC 2010	Permits Transformation	Communications	EPMO	Government Relations	
New DHA organisational structure and personnel numbers approved	Current DHA organisational structure and FTE (full time employees) identified	Organisational structure and full time employees baseline conducted	Achieved: Baseline DHA organisation structure and FTE numbers established											■															
	New organisational structure designed	Competencies designed	Continuous process throughout turnaround programme											■															
		Internal optimisation analysed	Continuous process throughout turnaround programme											■															
		External optimisation analysed	Continuous process throughout turnaround programme											■															
	New organisational structure and FTE numbers proposed	New organisational structure and FTE numbers finalised	Achieved: New DHA organisational structure and FTE numbers developed and submitted for approval											■															
		New DHA organisational structure approved by governing parties	Achieved: New DHA organisational structure approved by top management, DG, Minister and DPSA											■															

	Phase 1 Turnaround Projects	Phase 2 Turnaround Projects		
2007/08 Measurable Output	Branch Output Breakdown	Pilot revenue collection improvement implemented		
	Branch Milestone	Revenue collection process defined		
	Progress	Achieved: Implemented a process to gather revenue information	■	■
	Track and Trace			
	Permits & Refugees			
	ID Process			
	SLA Review			
	Contract Management			
	IT & IM Projects			
	Risk Assessment			■
	Governance and Operations Management			
	Strategic Initiative Governance			
	Planning and Reporting			
	Vision and Design			
	Security and Counter Corruption/Fraud			
	Organisational Implementation			
	Revenue Management		■	■
	Policy and Legislative Framework			
	Online Verification Rollout			
	Late Registration Rollout			
	Memory ID Card			
	Contact Centre Ramp-up			
	ID Process Transformation			
	WC 2010			
	Permits Transformation			
	Communications			
	EPMO			
	Government Relations			

	Phase 1 Turnaround Projects	Phase 2 Turnaround Projects
2007/08 Measurable Output	Branch Output Breakdown	Branch Milestone
	MOU and SLA's with identified stakeholders drafted, improved, negotiated and concluded	Physical storage space contracted in compliance with archiving requirements
	Formalised business relationship with identified stakeholders established and improved (e.g. Foreign Affairs, Public Works and National Treasury)	Internal and external stakeholders identified
		Category and supplier spend analysis conducted
	Track and Trace	
	Permits & Refugees	
	ID Process	
	SLA Review	
	Contract Management	
	IT & IM Projects	
	Risk Assessment	
	Governance and Operations Management	
	Strategic Initiative Governance	
	Planning and Reporting	
	Vision and Design	
	Security and Counter Corruption/Fraud	
	Organisational Implementation	
	Revenue Management	
	Policy and Legislative Framework	
	Online Verification Rollout	
	Late Registration Rollout	
	Memory ID Card	
	Contact Centre Ramp-up	
	ID Process Transformation	
	WC 2010	
	Permits Transformation	
	Communications	
	EPMO	
	Government Relations	

2007/08 Measurable Output	Branch Output Breakdown	Branch Milestone	Progress	Phase 1 Turnaround Projects		Phase 2 Turnaround Projects	
				Track and Trace			
				Permits & Refugees			
				ID Process			
			■	SLA Review			
			■	Contract Management			
				IT & IM Projects			
				Risk Assessment			
				Governance and Operations Management			
				Strategic Initiative Governance			
				Planning and Reporting			
				Vision and Design			
				Security and Counter Corruption/Fraud			
				Organisational Implementation			
				Revenue Management			
				Policy and Legislative Framework			
				Online Verification Rollout			
				Late Registration Rollout			
				Memory ID Card			
				Contact Centre Ramp-up			
				ID Process Transformation			
				WC 2010			
				Permits Transformation			
				Communications			
				EPMO			
				Government Relations			

2007/08 Measurable Output	Branch Output Breakdown	Branch Milestone	Progress	Phase 1 Turnaround Projects	Phase 2 Turnaround Projects
	Interim electronic Track and trace system fully implemented for ID applications	Interim track and trace rolled out to provinces in phases to targeted offices	Achieved: Track and trace system together with special scanners and receipt slip printers rolled out to 254 offices in South Africa	Track and Trace	
	On-line verification enabled	On-line verification, rolled out in phases, piloted	Achieved: Online verification system rolled out to 4 pilot sites as part of the redesigned front-end ID pilot process	Permits & Refugees	
	Physical storage for archives identified and customised according to archival standards	Specifications submitted for approval	Not Achieved: Work could not commence as physical storage space could not be identified	IT & IM Projects	
				Contract Management	
				SLA Review	
				ID Process	
				Permits & Refugees	
				Contract Management	
				IT & IM Projects	
				Risk Assessment	
				Governance and Operations Management	
				Strategic Initiative Governance	
				Planning and Reporting	
				Vision and Design	
				Security and Counter Corruption/Fraud	
				Organisational Implementation	
				Revenue Management	
				Policy and Legislative Framework	
				Online Verification Rollout	
				Late Registration Rollout	
				Memory ID Card	
				Contact Centre Ramp-up	
				ID Process Transformation	
				WC 2010	
				Permits Transformation	
				Communications	
				EPMO	
				Government Relations	

		Phase 1 Turnaround Projects				Phase 2 Turnaround Projects																									
2007/08 Measurable Output	Departmental Service Delivery Improvement Plan in place	Customer service delivery needs identified	Customer service delivery needs surveyed	Progress	Track and Trace	Permits & Refugees	ID Process	SLA Review	Contract Management	IT & IM Projects	Risk Assessment	Governance and Operations Management	Strategic Initiative Governance	Planning and Reporting	Vision and Design	Security and Counter Corruption/Fraud	Organisational Implementation	Revenue Management	Policy and Legislative Framework	Online Verification Rollout	Late Registration Rollout	Memory ID Card	Contact Centre Ramp-up	ID Process Transformation	WC 2010	Permits Transformation	Communications	EPMO	Government Relations		
		DHA service standards established in terms of best practices	Best practice service standards established and benchmarked	Achieved: Current DHA services were benchmarked against best practices																											
		Service standards improvements planned	Service standards improvements targets agreed	Achieved: DHA agreed the service improvement standard targets for year 1, year 3, and year 5																											
		Customer satisfaction survey conducted	Customer satisfaction survey shows that service standards have improved	Not Achieved: Snap surveys to be conducted on an ongoing basis after post implementation of key processes																											

	Phase 1 Turnaround Projects	Phase 2 Turnaround Projects
2007/08 Measurable Output	Branch Output Breakdown All office managers to set written standards for the general maintenance of their offices with national guidelines	Branch Milestone Written standards for each office submitted, approved and monitored
	Three year departmental devolution plan developed by relevant head office business units	Functions for devolution selected
	Plan for devolution of selected function to provinces approved and implemented to speed up delivery and enhance accountability	Partly Achieved. Part of processes running concurrently. Decentralisation is a pillar of decisions related to vision and design processes
	Progress Not Achieved. Part of Centres of Excellence that will be addressed in 2008/09	■
	Track and Trace Permits & Refugees ID Process SLA Review Contract Management IT & IM Projects Risk Assessment Governance and Operations Management Strategic Initiative Governance Planning and Reporting Vision and Design	Late Registration Rollout Online Verification Rollout Memory ID Card Contact Centre Ramp-up ID Process Transformation WC 2010 Permits Transformation Communications EPMO Government Relations

	Phase 1 Turnaround Projects	Phase 2 Turnaround Projects
2007/08 Measurable Output	Track and Trace	Government Relations
Branch Output Breakdown	Permits & Refugees	EPMO
Branch Milestone	Permits & Refugees	Communications
Progress	Permits & Refugees	Permits Transformation
	SLA Review	WC 2010
	Contract Management	ID Process Transformation
	IT & IM Projects	Contact Centre Ramp-up
	Risk Assessment	Memory ID Card
	Governance and Operations Management	Late Registration Rollout
	Strategic Initiative Governance	Online Verification Rollout
	Planning and Reporting	Policy and Legislative Framework
	Security and Counter Corruption/Fraud	Revenue Management
	Organisational Implementation	
	Revenue Management	
	Security and Counter Corruption/Fraud	
	Organisational Implementation	
	Revenue Management	
	Policy and Legislative Framework	

2007/08 Measurable Output	Branch Output Breakdown	Branch Milestone	Progress	Track and Trace	
				Permits & Refugees	
				ID Process	
				SLA Review	
				Contract Management	
				IT & IM Projects	
				Risk Assessment	
				Governance and Operations Management	
				Strategic Initiative Governance	
				Planning and Reporting	■
				Vision and Design	■
				Security and Counter Corruption/Fraud	
				Organisational Implementation	
				Revenue Management	
				Policy and Legislative Framework	
				Online Verification Rollout	
				Late Registration Rollout	
				Memory ID Card	
				Contact Centre Ramp-up	
				ID Process Transformation	
WC 2010					
Permits Transformation					
Communications					
EPMO					
Government Relations					

	Phase 1 Turnaround Projects	Phase 2 Turnaround Projects
2007/08 Measurable Output Communications transformed to proactively and clearly communicate internally and externally	Branch Output Breakdown Reengineering of business processes, policies, staffing norms, infrastructure blueprint, and ICT optimization commenced	
	Branch Milestone Communications consultant appointed	
	Progress Achieved. Communications consultant to support the DHA transformation programme appointed	
	Track and Trace Permits & Refugees ID Process SLA Review Contract Management IT & IM Projects Risk Assessment Governance and Operations Management Strategic Initiative Governance Planning and Reporting Vision and Design Security and Counter Corruption/Fraud Organisational Implementation Revenue Management Policy and Legislative Framework Online Verification Rollout Late Registration Rollout Memory ID Card Contact Centre Ramp-up ID Process Transformation WC 2010 Permits Transformation Communications EPMO Government Relations	

	Phase 1 Turnaround Projects				Phase 2 Turnaround Projects																											
2007/08 Measurable Output New integrated counter corruption and security (CCS) and investigative strategy and structures developed	Branch Output Breakdown	Current CCS and investigation processes, procedures and structures identified	Branch Milestone	Baseline of current CCS and investigation processes, procedures and structures developed	Track and Trace	Permits & Refugees	ID Process	SLA Review	Contract Management	IT & IM Projects	Risk Assessment	Governance and Operations Management	Strategic Initiative Governance	Planning and Reporting	Vision and Design	Security and Counter Corruption/Fraud	Organisational Implementation	Revenue Management	Policy and Legislative Framework	Online Verification Rollout	Late Registration Rollout	Memory ID Card	Contact Centre Ramp-up	ID Process Transformation	WC 2010	Permits Transformation	Communications	EPMO	Government Relations			
	Branch Output Breakdown	Current CCS and investigation processes, procedures and structures identified	Branch Milestone	Baseline of current CCS and investigation processes, procedures and structures developed													■	■	■	■												
	Branch Output Breakdown	Current CCS and investigation processes, procedures and structures identified	Branch Milestone	Baseline of current CCS and investigation processes, procedures and structures developed																												
	Branch Output Breakdown	Current CCS and investigation processes, procedures and structures identified	Branch Milestone	Baseline of current CCS and investigation processes, procedures and structures developed																												
		Recommendation on new fraud and corruption prevention and management work plan	Assessment and recommendations submitted	Recommendations provided to design team																												
		Partnerships (including MOU's) established / strengthened with relevant role players (internal and external)	Strengthened multi-agency system: internal and external stakeholders identified and recommendations provided	Recommendations provided on terms of MOU's and SLA's with DSO, SAPS, NIA and other service providers																												

PROGRAMME 3:

Transfers to Agencies

Aim:

The main function of Transfers to Agencies is to fund the Film and Publication Board, the Government Printing Works and the Electoral Commission. Expenditure for departmental vehicles and capital works is also included in this programme.

- Film and Publication Board funds the classification work of the Film and Publication Board and the Film and Publication Review Board.
- Government Printing Works provides high security printing of face value documents (passports, identity documents, birth and death certificates, examinations, etc) and also supplies stationery to government departments and makes government publications available for sale to the public.
- Government Motor Transport funds the purchase of vehicles for departmental use, as well as allocations under the subsidised motor transport scheme.
- Electoral Commission Acts provides for the establishment and composition of the Electoral Commission to manage elections and referendums and makes provision for the establishment of an Electoral Court in terms of the Electoral Commission Act (1996).
- Property Management manages the properties occupied by the Department.

PROGRAMME POLICY DEVELOPMENTS

The Electoral Commission

The Electoral Commission is a constitutional institution reporting directly to Parliament. It's vision is to strengthen constitutional democracy through the delivery of free and fair elections.

It is estimated that approximately 20 000 voting districts and stations will be delimited for the 2009 national and provincial elections – showing a 6% increase from the 18 873 voting districts and stations used in the 2006 municipal elections. The increase in the number of voting stations is in part due to the increase in the number of registered voters, but is also aimed at facilitating broader participation by voters. This applies particularly to rural areas where voters initially had to travel long distances, but is as applicable in the many rapidly expanding informal settlements in urban areas.

The Commission received R485.250 million for the year under review by way of a Parliamentary grant.

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

Transfer payments

Name of Institution	Amount Transferred R'000	Estimated Expenditure R'000
Film and Publication Board	19 206	19 206
Government Printing Works	110 212	110 212
Electoral Commission	485 250	485 250

The Film and Publication Board (the "Board")

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 (the "Act"), 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 Board also contributes to the effective achievement of the Act's objectives to make the use of children in pornographic films or publications or the internet punishable by working closely with police, prosecutors and other organizations involved in the welfare and protection of children. In addition, the Board has established an internet hotline (www.fbbprochild.org.za) to encourage the public to report internet websites which contain child pornography so that the Board, in collaboration with the police and internet service providers, may take appropriate action to have such websites blocked or removed.

For the year 2007/08, operating with a grant of R19 million, supplemented by R8 million generated by regulation fees, the Board examined and classified a total of 7 097 products, as compared to 6 260

products for the 2006/07 financial year.

The Board submits its own, separate audited financial statements and annual report to Parliament through the Minister of Home Affairs. It also submits, in accordance with the requirements of the Public Finance Management Act, monthly and quarterly reports to its Executive Authority through the Director-General of Home Affairs.

The Government Printing Works (GPW)

The Government Printing Works operates a Trade Account and consequently must be run on purely business principles, involving amongst others, prompt decision making governed by market forces. The GPW 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 relationships with clientele.

Though the institution has an autonomous structure and mandate, final decision-making on most crucial administrative issues does not reside within the organisation; making the administrative process at times not only cumbersome but also lengthy as final authority to carry out certain functions must come

from the Department of Home Affairs. This situation invariably impacts negatively on service delivery.

The principal clientele of the GPW are state departments and their statutory bodies. It provides services to them on a cost recoverable basis. However, 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. Furthermore, the situation is compounded by the absence of any compulsion for government departments to use the Government Printing Works to meet their printing and allied needs as hitherto prevailed until the advent of the PFMA.

The following statistics reflect the activities of the Printing Branch of the Government Printing Works for 2007/08:

Production Statistics

Product	2006/07	2007/08	% Variance
Passports (books)	1 041 478	1 131 578	8.7
Identity Documents (books)	2 078 114	2 181 271	5.0
Examinations (books)	12 596 471	23 197 867*	84.2
Government Gazettes (copies)	3 211 405	3 568 228	10.0
Revenue Stamps (Number of Sheets)	48 100	41 400	-14.0

Transformation of the Government Printing Works (GPW)

Corporatisation

The Government Printing Works (GPW) was founded in 1888 for the purpose of rendering security printing related services to the Government of South Africa and was established as a Trading Account within the Department of Home Affairs (DHA) in 1976. GPW had to operate on business principles and as a financially viable and sustainable business entity but within the realms and control of Government. Cabinet took an in principle decision in 2000 that GPW should provide possible solutions and alternatives for restructuring its business model to be able to operate more efficiently and effectively as the South African Government's security printer. The processes have not been finalised yet.

The original business case (2007) to convert GPW into a Schedule 3 (b) Public Entity was not feasible and several concerns were raised as to the viability and sustainability thereof. A business case was prepared

but not finalised and this business case (2008) has therefore been prepared in consultation with the Department of Home Affairs, GPW and its executives and other key stakeholders (National Treasury and Department of Public Service and Administration) and has sought to assess the feasibility of the business, identify possible alternatives and make recommendations about:

- a. The legislative and regulatory environment;
- b. Its internal and external operations, capabilities and markets/customers;
- c. The current state and future requirements for infrastructure and equipment and related expenditure;
- d. The actions which have to be taken to achieve a successful conversion and business transformation and turnaround.

A new form of Public Entity, known as the Government Component, came into operation on 1 April 2008, and this business plan focuses on the conversion of GPW from a Trading Account to a Government Component, a more feasible and practical option.

**These figures include Malawian national examinations*

In essence, and based on the current non-sustainable life-cycle of GPW, the restructuring into a Government Component will permit it to operate effectively in South Africa's growing printing industry and will encourage the adoption of more efficient, customer-focused and process oriented business practices, with the potential to grow into other markets.

This preliminary analysis therefore indicates that a feasible business case can be made for the conversion of GPW to a Government Component Business Entity. The proposed budget demonstrates this across the business over a five year period. There are, however, a number of critical success factors, assumptions and risks associated with the implementation of the proposed solution that must be mitigated for a sustainable business to exist.

In the shorter term GPW needs assistance in the conversion process to become a Government Component. The medium-term focus will be the restructuring and stabilising of its internal operations and to become an efficient and effective security printing service provider for government departments within South Africa. Once stabilised, GPW must focus on the longer term goals and expand its operations into the SADC market and/or international markets.

Finally, the conversion into the Government Component, has the support of the Minister of Home Affairs, the DHA Executive Committee and the GPW management.

Technological Upgrading

Over the past few years the print industry has changed substantially - it has become more high-tech, online, automated and multi-disciplined. Major international changes over the past 10 years have occurred due to the fact that end-user demands on printing are changing and becoming more sophisticated. Printers are being forced to change and transform or run the risk of takeovers or business closures.

For many years GPW has experienced capital stripping and lack of investment in new technologies, both in ICT and in new equipment

and machinery. Funds have been made available via the MTEF process, a sum of R110million was transferred by DHA to GPW to invest in new technology for the production of all face value documents and catapult the GPW into a new theatre of operations. A state of the art passport machine was procured in September 2007 and is due for delivery in August 2008. Funds are available for the 2008/09 financial year for the modernisation process within GPW.

Production Process Optimization – New Factory

The move or relocation to a new plant or factory that will ensure a healthier working environment and increase the operational effectiveness is critical. However, this process has been very slow and painful due to a lack of response from the Department of Public Works on the project that was initiated as early as 2005. Towards the second quarter of the year under review, GPW identified the "Old Mint" as the alternative temporary accommodation for its new passport machine. Towards the end of the financial year permission was granted and contractors appointed to refurbish one of the pavilions.

Funds for the move have been approved and are contained in the 2008/09 Medium Term Expenditure Framework, Infrastructure and Capital project budget for the New Accommodation Facility for GPW.

Marketing Effectiveness and Alignment

An effective and aggressive marketing strategy is required that will ensure that GPW **retain** high value customers but also grow its customer base to match the increased production capacity.



Part 3

Statutory Requirements



Annual Report

Building the New Home Affairs

2007/2008



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA



THE DEPARTMENT OF HOME AFFAIRS
Report of the Audit Committee
for the year ended 31 March 2008

The Audit Committee is pleased to present its report in respect of the financial year ended 31 March 2008 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.

1. 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 Department reviewed the composition of the Audit Committee during the financial year as the contracts of the members had expired and after the review exercise, the Audit Committee comprised of three (3) members of which the majority, two (2), were from outside the public service and the other member was from the public service, being the Director-General as an ex-officio.

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 (4) meetings in respect of the financial year ended and these were attended as follows:

Name of member	Number of meetings
Ms LBR Mthembu (New chairperson w.e.f. March 2007)	4
Mr N Russouw	4
Director-General, Mavuso Msimang Ex officio member	3

The Chairperson of the Audit Committee met individually, with the Director-General and on several occasions with the Director: Internal Audit (Chief Audit Executive), who was the head of the unit at that time.

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 2003 adopted 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 systems of internal control were evaluated by both Internal Audit and Auditor-General (external audit). Minimal improvements has been noted in the implementation of and compliance with the system of internal controls and more work still needs to be done in order to ensure a significant improvement in the quality of the implementation and execution of adequate control and work procedures. This is evident from:

- reported instances by the Office of the Auditor-General of non-conformity with prescribed internal control and best practice;
- the results of the Auditor-General following the expression of the disclaimer of opinion on the Department's audit report in respect of the financial year ended 31 March 2007; and
- the suspensions of senior officials of the Department by the new Director-General, as contained in the report of the Accounting Officer.

THE DEPARTMENT OF HOME AFFAIRS
Report of the Audit Committee
for the year ended 31 March 2008

The Audit Committee also noted 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 noted the delay in the finalization of the audit of the Department in respect of the financial year ended 31 March 2008. In the ensuing 2008/2009 financial year, the Audit Committee will develop comprehensive and integrated intervention programmes to focus more attention on the areas as audited by Auditor-General. It is envisaged that the Audit Committee will monitor progress and the results of such programmes will be visible during the latter part of the 2008/2009 financial year.

Such intervention programmes will include, but not limited, to the following:

- The reporting of Performance Information as required by National Treasury and the Office of the Auditor-General;
- Encourage and motivate a culture of zero tolerance towards fraud, corruption and inefficiencies;
- The establishment of Enterprise-Wide Risk management approach in motivating and encouraging the culture of risk management in compliance with best practice;
- The improvement of safe record keeping capacity, policies and procedures in compliance with the prescripts in archiving;
- The enhancement and further development of the Human Resources Business Unit. In this regard the Audit Committee will monitor the development of a single strategic plan for the Human Capital Management Branch, the development of its business strategy and the formulation of business plans for the branch as well as business units and directorates;
- Close scrutiny, monitoring and control of all the financial management activities, including the clearing of the suspense accounts, management of revenue, accounts payables and receivables, asset management, etc.

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

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

6. INTERNAL AUDIT FUNCTION

The Audit Committee appreciates that the internal audit function plays an important role in the corporate governance mechanism. It has also noted the identified areas as relating to the matters of governance and the internal audit function of the Department, which impacted on the effectiveness of the internal audit unit and indicated a weakness in the Department's risk management strategy and the functioning of the audit committee.

Furthermore in the ensuing 2008/2009 financial year, the Audit Committee has also noted the following efforts made by the Department:

- the co-sourcing arrangement in order to strengthen and improve the lack of capacity within the internal audit function;
- the engagement of the consultants to review the audit universe; and
- the risk assessment exercise to assist the Department identify and prioritise key strategic and operational risks.

THE DEPARTMENT OF HOME AFFAIRS
Report of the Audit Committee
for the year ended 31 March 2008

It is envisaged that the Audit Committee will closely monitor the progress and the results of these efforts.

The individual Audit Committee members received Internal Audit periodical reports, even though not all of these were discussed and formally adopted at the Audit Committee meetings. A detailed risk assessment exercise was undertaken, with the support of the Turnaround Team, Risk Management work-stream, from which a detailed annual execution plan was developed.

7. EVALUATION OF ANNUAL FINANCIAL STATEMENT

The Audit Committee has:

- reviewed and discussed with the Auditor-General and the Accounting Officer the audited financial statements to be included in the report;
- reviewed the Auditor-General's management letter and management's responses;
- reviewed changes in accounting policies and practices; and
- reviewed significant adjustments resulting from the audit.

8. TURNAROUND PROGRAMME

The Audit Committee notes the progress made by the turnaround programme and although the finance turnaround, which began in November 2008, had an impact on the annual financial statements it was not sufficient to move the Department from a disclaimed opinion. It is envisaged that the full effect of the financial turnaround will be felt in future years.

9. AUDITOR-GENERAL'S REPORT

The Audit Committee concurs 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.



Ms Londiwe Mthembu
Chairperson of the Audit Committee
26 September 2008

THE GOVERNMENT PRINTING WORKS
Report of the Audit Committee
for the year ended 31 March 2008

AUDIT COMMITTEE'S REPORT ON THE FINANCIAL STATEMENTS OF THE GOVERNMENT PRINTING WORKS FOR THE YEAR ENDED 31 MARCH 2008

This report was prepared as per the Treasury Regulations Paragraphs 3.1.13 and 27.1.7, and Section 38(1)(a) of the Public Finance Management Act (PFMA), 1999, as amended by Act 29 of 1999.

The audit committee comprised of the following members during the 2008 financial year:

<u>Member</u>	<u>No. of meetings attended</u>
S Masuku (Chairperson)	4
A Keyser	5
Ms T Moja	4
D Braithwaite	3

The committee met 5 times during the financial year. It operates in accordance with the terms of its charter and is satisfied that it has discharged its responsibilities in terms of that charter.

Annual Audit of the Government Printing Works

2008 has again been a challenging year for the Government Printing Works (GPW), due to the transition stage it finds itself in, in the light of the impending corporatisation. The year under review has also been characterised by vacancies of key financial posts, including that of the Chief Financial Officer, which was filled towards the end of the calendar year, but the incumbent lasted only for two months. Notwithstanding this, there were notable improvements in the filling of vacancies through the secondment of the Acting Chief Financial Officer by the Department of Home Affairs post in the financial year. The new Acting Chief Financial Officer has already started a process of identifying and clearing the weaknesses identified by the Office of the Auditor-General in their 2008 audit report. This clearing of weaknesses will be a long and challenging process due to the nature of the GPW. The corporatisation process will also go a long way in enabling the GPW to overcome its financial/audit challenges.

The Office of the Auditor-General again issued an adverse opinion on the financial statements of GPW this year. The basis of this opinion was explained to the Audit Committee in detail at its 26 July 2008 meeting, and management and the Committee accepted such an opinion based on the weaknesses found by the Auditor-General during the conduct of their audit. The Chief Executive Officer, in his report, has explained in detail the kind of action plans that have already been implemented to reverse the adverse opinion going forward.

The audit committee thus accepts the findings, and is convinced that the 2009 financial year will see a marked improvement from 2008, now that the GPW has the requisite skills and people to fulfil key financial functions.

Effectiveness of Internal Controls

The adverse opinion of the Office of the Auditor-General is an indication of the internal control weaknesses in GPW as reported in our report last year. Management is already clearing some of the key weaknesses identified by the external auditors.

Internal Audit Function

Internal Audit function improved during the current year, but additional capacity will make the function even more effective in supporting the GPW going forward.

THE GOVERNMENT PRINTING WORKS
Report of the Audit Committee
for the year ended 31 March 2008

The Quality of In Year Management Reports

The Audit Committee reviewed all the quarterly reports that were presented at all audit committee meetings during the year, and is satisfied with the reasonableness thereof.

The Annual Financial Statements

The annual financial statements were reviewed and discussed by the Audit Committee prior to submission thereof for audit. The Audit Committee accepts that the financial statements as presented give a reasonable reflection of GPW's activities. Certain adjustments were made to the financial statements after they had been submitted to the Auditor-General, and the committee reviewed those adjustments.

Auditor-General's Report

The Audit Committee accepts the adverse audit opinion of the Auditor-General on GPW's financial statements.

Appreciation

The Audit Committee wishes to thank the Office of the Auditor-General, the Chief Executive Officer of GPW, and the finance staff, and in particular Ms Amanda Pretorius who was the caretaker of the finance department for much of the year.

My sincere appreciation to my fellow Audit Committee members for their dedication and commitment in ensuring the proper functioning of the Committee during the year.



Sakhile Masuku
Chairperson of the Audit Committee

31 July 2008

Annual Financial Statements

Department of Home Affairs



Annual Report

Building the New Home Affairs

2007/2008



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF HOME AFFAIRS
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ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

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**DEPARTMENT OF HOME AFFAIRS
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008**

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

1. Strategic Overview

a. Period Under Review

It is important when reviewing the performance and results of the Department to place the reporting period in perspective.

- There was a lack of leadership at the most senior levels for several months leading up to the 2007/8 financial year, and for a number of months during the year, in particular the posts of Director General, Chief Financial Officer, Chief Information Officer and Deputy Director General: Immigration Services.
- Several officials in the Finance Branch were suspended, placing great pressure on the control environment and staff morale.
- There is a legacy of poor infrastructure, particularly with regard to effective and integrated information systems, and the quality of frontline and back offices.
- As detailed in the 2006/07 Annual Report the Minister initiated a Support Intervention Process with oversight by a Joint Committee comprising the Ministers of Finance and Public Service and Administration to assess the nature and depth of systemic problems.

The Joint Committee formed a team from the Department of Public Service and Administration (DPSA), the Office of Public Service Commission and the National Treasury, that was led by the Director General of the Office of the Public Service Commission and by the Accountant General from a financial aspect. The team worked with the Department from June to December 2006, with the main objective of assessing the nature and depth of systemic problems and addressing certain urgent matters, mainly related to governance, management and control.

A number of reports were submitted by the team to the Minister in early 2007. Five major issues were identified as being the underlying causes of the poor performance of the Department:

- i. Service delivery;
- ii. Management and control systems;
- iii. Primary processes;
- iv. Secondary processes and systems; and
- v. Organisational structure and people.

It was clear from the reports that a Turnaround Programme for the radical transformation of the Department of Home Affairs was needed that went far beyond previous attempts to improve service delivery.

Based on the feedback from the Joint Committee, one of the first steps taken by the Minister was to fill the post of Director General, and I was appointed in May 2007. Further to the reports of the team the Minister, in June 2007, appointed FeverTree, the local partner of AT Kearney to determine the scope of the turnaround, given the problems identified in the Support Intervention Report. FeverTree identified a comprehensive set of transformation projects for the Department, which collectively have become known as the Turnaround Programme.

This multi-year programme, that was launched in June 2007 and will continue in its present form until December 2009, has been the context of the strategic and performance initiatives of the Department during the 2007/08 financial year. Although all activities of the Turnaround Programme were planned according to the strategic objectives of the Department as documented in the Strategic Plan, the action plans would change with the launch of the Turnaround Programme as indicated by the Minister in her Budget Speech in June 2007. Accordingly, amendments were made to the 2007/08 Annual Performance Plans to take account of the Turnaround Programme.

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The phases of the Turnaround Programme are depicted in Diagram 1:

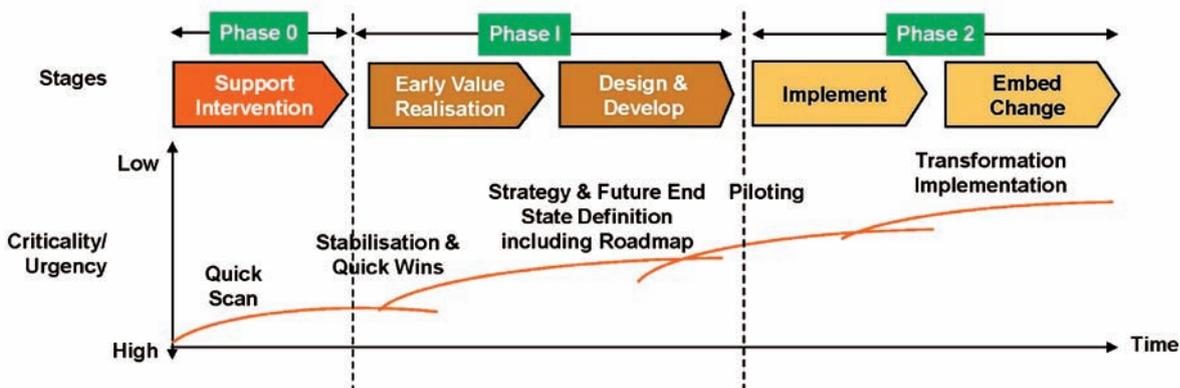


Diagram 1: Phases of the Turnaround Programme.

Phase 1 of the Turnaround Program ran from June 2007 to December 2007, with the major deliverables being; the mobilisation of resources, implementation of quick wins, establishment of governance and management processes as well as the design of the Department's future state operating model.

complex Programme, and to ensure thorough skills transfer and sustainability of the initiative. This structure includes a Programme Steering Committee, chaired by the Minister, and a Project Executive Committee chaired by the Director General.

Four intended outcomes were achieved in Phase 1:

These four outcomes were the result of thirteen Phase 1 work-streams that addressed several critical capacity and service delivery challenges that the Department is facing in order to deliver on its mandate more effectively. The work-streams for Phase 1 were:

- i. A thorough study of all salient problem areas, including the gathering of relevant statistics to make informed decisions, which informed the redesign of core and secondary business processes.
- ii. The design of a new operating model based on appropriate investigation, benchmarking and consultation. The starting point was to look at the services offered, the needs of citizens and other clients and the delivery channels we must develop and manage. Another key principal is to give business the capacity for proper control of the operating environment and processes.
- iii. Transformation projects started in a number of key areas. The projects were designed to produce long term benefits, as well as quick wins that would impact visibly on service delivery and build public and staff confidence.
- iv. A governance structure for the Programme was established to ensure that there is adequate leadership for this large and

- i. Track and trace system
This system is aimed at minimising the delays in the application and production of identity documents by tracking each application and notifying the applicant of the status of their application. Further to the development and rollout of the system, adequate equipment, such as scanners and printers, was installed in the identified offices, a dedicated training programme was rolled out for key officials at various centres in order to operate the system; a call centre was established to deal with enquiries relating to the applications for and delivery of various enabling documents thus improving congestions experienced by offices in this regard.
- ii. Permits and refugees project
This project dealt with the clean up of refugee data, the clean up of the Marabastad district

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008**

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| <p>office, as well as the move of the Rosettenville office to the Crown Mines refugee centre in order to process applications according to the Geneva and other conventions.</p> <p>The refugee backlog project was concluded and the processing of applications in this regard, as well as the status determination of asylum seekers, improved with turn-around times for processing applications being reduced to approximately two days. The establishment of Refugee Affairs was enhanced by the appointment of additional contract and permanent staff members at all Refugee Reception Centres.</p> <p>A study on human trafficking and a baseline study on migration policy were initiated and the necessary procurement processes are scheduled for conclusion during the 2008-09 financial year.</p> <p>iii. Identity document process and employee relation project</p> <p>Within this stream the Department aims to reduce the time delay between application and delivery of identity documents by eliminating duplications in the production process. A quality assurance checklist was developed and rolled out and the courier services operations were streamlined.</p> <p>Labour unions' leadership and representatives were briefed about the Turnaround Programme.</p> <p>iv. Contract and Service Level Agreement review</p> <p>This review includes the optimisation of the supplier database, and negotiations with existing suppliers in order to achieve cost savings and improve relationships.</p> <p>v. Finance and risk management</p> <p>Based on the continuous negative and undesirable audit opinions, this work stream had to deal with the risk assessment and finance as well a supply chain management redesign to address the shortcomings identified in the Auditor General's report and operational and financial management performance of the Department. Risk assessment was performed and the top fifty risks facing the Department were identified for mitigation by appointed risk officers.</p> | <p>vi. Information technology</p> <p>Several challenges in terms of the Department's Information Services Branch impacted negatively on the operations and service delivery of the Department. The stabilisation of this Branch was necessary to address application, information and technology architecture as well as related business processes to improve data integration, build capacity and implement service level management. The Chief Information Officer was appointed during the year and online verification of identity documents was implemented.</p> <p>vii. Governance and operational management</p> <p>The major objective of this work-stream was to ensure rationalised and improved key governance structures, such as the Executive Committee. Another key objective was to pilot the application of operations management principles in areas associated with the production of identity documents.</p> <p>viii. Strategic initiative governance</p> <p>The aim of this work-stream was to analyse existing projects and establish a project governance process to ensure that strategic initiatives are prioritised and authorised appropriately.</p> <p>ix. Planning and reporting</p> <p>The design of a planning and reporting system for the Department based on an analysis of statutory and other requirements was the main focus of this work-stream.</p> <p>x. Vision and design</p> <p>The most important outcome from Phase 1 is the new operating model of Home Affairs that resulted from the work done by the vision and design work-stream. The process included interaction with the DPSA and several other departments and clusters, as well as positioning the Department of Home Affairs in an international context. The model is client-centred (as depicted in Diagram 2) and is geared towards ensuring that set standards of service delivery are met consistently. New business processes are key, including operating, organisational, governance and cultural elements. The National Treasury approved a new budget structure that will support the model, effective from April 2008.</p> |
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REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008

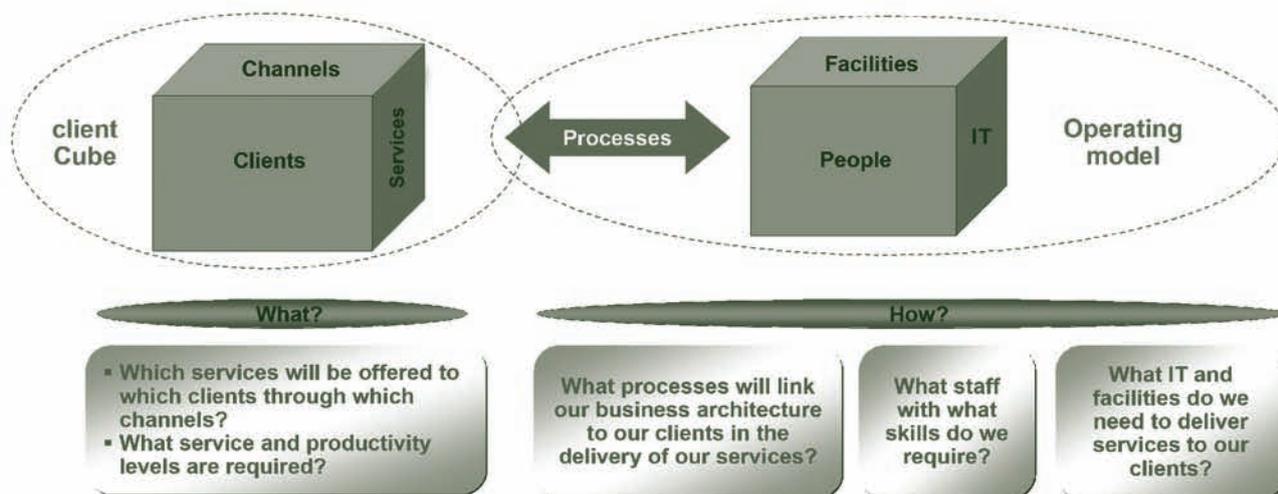


Diagram 2: The Service Delivery Model.

xi. Legislative framework

Closely linked to the vision and design work-stream, this involved establishing a sound policy basis to support the mandate and organisation of the Department.

xii. Communications

The objective was to strengthen internal and external communications with respect to the Turnaround programme, and to provide input into the future role and design of the Communications Unit.

xiii. Late registration of birth

Late registration of birth has been a major source of fraud. The work-stream initiated a study of the problem and steps were taken to improve and implement existing administrative procedures and processes. A significant step was to end the automatic application for an identity document if a late registration application is made.

As is evident, a number of concrete results were delivered by the Turnaround Programme in Phase 1, and many of these initiatives will continue into Phase 2. These results have made a visible and positive impact on the quality of service delivery and hence on people's lives. It is important to note that the Turnaround Programme has been designed to produce these quick wins as part of improving basic processes rather than as once-off gains and this is happening in different degrees depending on the process.

b. Future Developments

Phase 2 of the Turnaround Programme was initiated in January 2008, with the main focus being the implementation of the new operating model for the Department of Home Affairs that was designed in Phase 1 in a way that improves rather than disrupts services and that is sustainable into the future.

The overall Phase 2 transformation programme consists of fifty-four projects clustered in 9 work-streams as depicted in Diagram 3.

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REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008

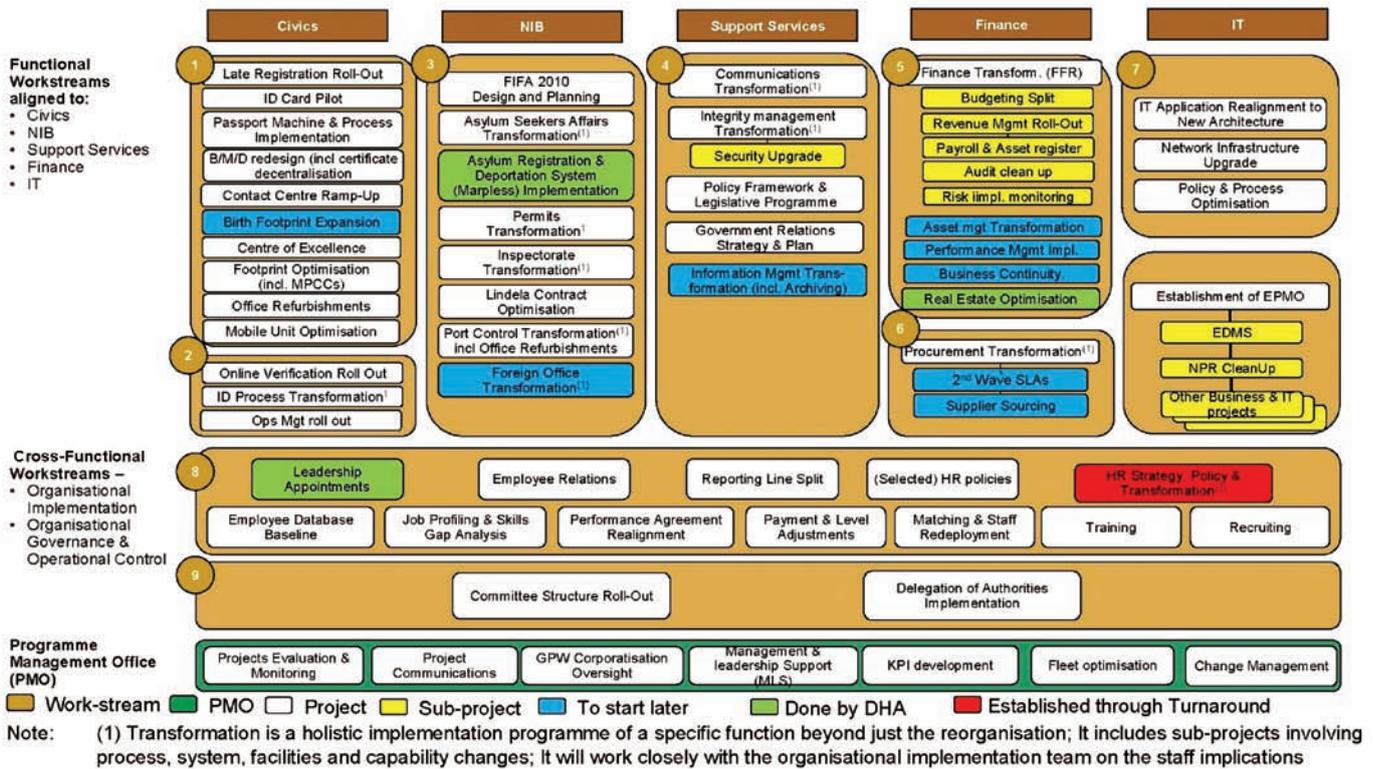


Diagram 3: The Nine Workstreams of Phase 2.

The projects have been clustered according to the organisational structure of the Department, and each work-stream is headed by the relevant Deputy Director General. Some of the projects in the work-streams were started in Phase 1 and others will only start in the 2008/09 financial year. With respect to new projects started in the period January to March 2008, the activities in the main related to detailed planning and mobilisation of human and other resources. Three of the most critical aspects of Phase 2 are:

- Ensuring that the Director General is supported by a strong and coherent management team that can give leadership, manage the process and take control of operations. One of the projects to support this process is Management and Leadership Support (MLS), through which specialists who can provide this support to senior managers can be procured.
- The transformation element, including ensuring the support and participation of all staff, migration to the new organisational structure and appointment of additional staff, establishing at all levels a new culture of

doing business that is aligned to the values expressed in Batho Pele, combined with robust capacity development.

- Ensuring that systems and services are improved to the level required to support the new business processes. The major challenge is inadequate resources available to overcome huge historical problems related to poor information systems and physical infrastructure.

These will be addressed whilst working closely with other Departments through clusters and bilaterally to ensure that the Turnaround Program supports broader Government initiatives, and creates links to build synergies. For example, a key aspect of the new operating model is the proper and informed management of service delivery tiers and channels; talks are under way with the South African Post Office and the Department of Health around potential partnerships in this regard. The JCPS cluster has an important role to play with regard to the upgrading and management of ports of entry.

A number of key deliverables were achieved during the reporting period with regard to improving

**DEPARTMENT OF HOME AFFAIRS
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008**

service delivery in both Civics and Immigration services. These are highlighted in the following table:

Table 1: Service Delivery Improvements

ACHIEVEMENT	IMPACT ON SERVICE DELIVERY
Civic Services	
ID track and trace	ID track and trace was implemented at 259 offices. Progress of all ID applications can be monitored and management information statistics are generated on a weekly basis. The implementation of the SMS notification facility to timeously inform clients to collect their ID's from the office of origin
ID Transformation	The average turnaround time was reduced from 137 days to 75 days by the week ending 26 March 2008. 40% of ID's were issued in less than 60 days. Between January and the end of March 2008, DHA issued 33 433 ID's to learners out of a total of 55 025 received applications
Implementation of the new Coat of Arms in RSA passports	Enhanced image and compliance with corporate identity of the RSA
Sorting and indexing	22 million birth, marriage and death (BMD) records were sorted and indexed
Contact centre	The CSC handles an average of 70000 calls per month. 63% were handled within 23 seconds. Only 10% of calls were abandoned as a result of through clients dropping the phone. Improved service delivery in terms of dealing with customer enquires, including the handling of NIB enquiries.
National Immigration Branch	
Build an effective and efficient Refugee Affairs organisation: <ul style="list-style-type: none"> - Improved overall turnaround times of applications for permits to be issued daily - New premises rolled out in terms of infrastructure - 191 additional staff complement appointed to deliver the required work load - New IT system implemented and staff trained in usage 	Marabastad was relieved of overcrowding and JHB asylum seekers need not travel to PTA for service. <ul style="list-style-type: none"> - Cases will be adjudicated within 180 days, - Asylum seeker permits will be issued on same day, reduce queues and long delays to finalise cases - System will not be clogged by those who abuse the asylum system, address duplicate files and those who were rejected in other offices or previously deported
Large Account Unit established <ul style="list-style-type: none"> - Business requirements were developed. - 4 Pilot Large Accounts were successfully serviced - Ministerial approval was granted for establishing 20 Large Accounts - Gazette with criteria for selection as a Corporate Client was drafted 	Corporate client applications were fast-tracked

**DEPARTMENT OF HOME AFFAIRS
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**REPORT OF THE ACCOUNTING OFFICER
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Lindela Contract - First review of contract was finalized - Next review as specified in contract (September 2008)	Reduction of cost from R7.89 million to R7.2 million
Process of determining the categories of scarce Skills facilitated	JIPSA was supported by issuing 1 133 quota work permits to foreigners with scarce and critical skills compared with 194 issued in previous year

2. General Review of the State of Financial Affairs

on the budget that often results in substantial virements being requested.

a. Budget Allocation

ii. Virement

i. Spending trends

The Department received R3,520 billion for the year under review which represents an increase of 25,7% from the previous year's allocation of R2,800 billion. In addition R15,2 million relating to the prior year's unauthorised expenditure was authorised.

Overall the Department shifted R8,661 million (R6,661 million on Programme 1 and R2 million on Program 2) from compensation of employees, R43 million from goods and services (Programme 2) to capital assets (R44,067 million) to fund other pressing needs of the Department and R7,594 million to transfers and subsidies households. I granted approval for the virement to be done and the Ministry and National Treasury were informed of these virements.

Total under-spending for the year amounted to R279,1 million (7,9%) which is attributed mainly to the non-completion of repairs and maintenance projects, and the planned building of three offices which is still in progress. The delays in the building of these offices are a result of protracted lease negotiations and site clearances for the earmarked offices. To expedite this process meetings have been held with the Accounting Officer of the Department of Public Works to address the delays in the rollout of the Department's repairs and maintenance plan (RAMP) and sourcing of a new head office facility for the Department.

iii. Other material matters

In the current financial year the Department did not draw its full allocation hence the amount disclosed in note 1.1 as actual funds received is equal to actual drawings net of amounts returned to National Treasury.

Several challenges, including high vacancy rates and lack of leadership within the Information Services Branch, also impacted negatively on the capital project spending owing to the concerns raised by the National Treasury regarding compliance with contract management principles. This resulted in parts of the allocated budget being held back and other parts only being approved for spending subsequent to year end. We have as a result established the Enterprise Project Management Office (EPMO) which is responsible for initiating and managing all projects undertaken by the Department. This will ensure that the slow spending on projects will be minimised, reducing the negative impact

As part of the renewed financial discipline within the Department all clearing accounts are being analysed and reconciled, and where supporting documentation is available the amounts are allocated to the appropriate expense item. After careful consideration I have approved the writing off of R26.7million against theft and losses in the current financial year, including amounts dating as far back as the 1999/2000 financial year. The Department has developed a write off policy which has been approved by Exco subsequent to year end.

b. Strategic Issues

The largest part of the consulting, capital and other costs of the Turnaround Programme will be covered by a three-year allocation from National Treasury of R920 million spread over the 2008/09 to 2011/12 financial years. The costs of the

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Turnaround Programme in the 2007/08 financial year, however, were met largely by reprioritising funds allocated in the baseline budget, such as unspent funds for compensation of employees and for existing projects.

We have costed the implementation of the new operating model as discussed above, and are confident that this can be achieved within the current MTEF allocations. However, it is also evident as we begin to implement the Turnaround Programme initiatives that we face a huge challenge in dealing with the historical legacy of poor infrastructure, especially with regard to effective and integrated information systems and with the quality of our frontline and back offices. We must take account of the urgent need for large-scale systems development such as the National Population Register and the related roll-out of a new smart-card identity document with a memory chip. The Department of Home Affairs is not just a producer of enabling documents, but it is the custodian of national records relating to identity and status and it is responsible for managing migration in very challenging circumstances. The quality of its data and systems is crucial to many broader Government priorities and programs, such as the fight against crime and corruption, the need to improve planning, fighting poverty, economic growth and the roll-out of e-government. To fully support these larger objectives the Department of Home Affairs will require additional funding in the medium to longer term. A strategic sourcing agreement has been entered into, however procurement will only be approved on the basis of individually agreed upon work authorisation.

Another factor of strategic importance is that the success of the Turnaround Programme depends, to a large extent, on the Department having leadership and management in place that is equal to the vast challenge posed by the Turnaround Programme. Some progress has been made in this regard, including; the appointment of an acting Chief Financial Officer and two acting Chief Directors in Finance as well as the filling of the critical posts of Deputy Director General: National Immigration Branch (DDG: NIB) and the Chief Information Officer (DDG: IS). In addition several other essential posts at Chief Director and Director levels have also been filled. Many of the existing managers have risen to the challenge very ably. Looking forward, the process of migrating senior managers to the new organisational structure

and making further appointments will occur during the 2008/09 financial year. However, an underlying concern is the salary gap between the actual market for scarce high-level skills in key areas, such as human resources, finance and information systems, and the structure and levels of remuneration that are currently allowed for Government departments. A dispensation for short-term contracts in certain situations will assist in the short term.

A number of key deliverables were achieved over the reporting period with respect to improving service delivery in Civics and Immigration Services. These are highlighted in the table on performance information.

3. Services Rendered by the Department

a. Core Functions

The Department is entrusted with two core functions as part of its mandate to government service. The two main services rendered are Services to Citizens and Immigration. Functions of these main divisions are described below:

- i. Services to Citizens carries out a wide range of civic services. These include: status services (maintaining a register of citizens and immigrants who have acquired the right to permanent residence, as well as registers of births, deaths and marriages; issuing passports and other travel documents; providing financial assistance to citizens abroad, and determining and granting citizenship); identification (determining identity by means of fingerprints, photographs and identity documents through recording personal particulars in the population register for issuing identity documents); and the HANIS project (mainly involving the automated fingerprint identification systems, which enables the delivery of civic services).
- ii. Immigration Services carries out a range of services related to immigration. These include: admissions (issuing temporary and permanent residence permits); immigration control (dealing with tracing, detention and deportation of illegal immigrants) and refugee affairs (administering refugees and asylum applications and considering appeals against the decisions of the Standing Committee for Refugee Affairs).

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b. Tariff Policy

The Department reviews its tariffs annually for the fees charged for enabling documents produced during the financial year. During the year under review National Treasury granted approval for amended tariffs; however the gazetting of the approved tariffs could not take place as legal services had to harmonise various pieces of legislations administered by the Department to ensure their relevance and constitutionality. Gazetting of the revised Civic Services tariffs was done in January 2008. Based on the practicality of the implementation of the revised tariff Executive Committee resolved that the 2007/08 approved tariffs be implemented with effect from 1 April 2008.

c. Free Services

During the year under review, there were no material free services that resulted in the Department waiving the prescribed fees for enabling documents.

Category	Amount	Method of Costing
Controlled stationery	R7 313 483.01	Latest cost

4. Capacity Constraints

At the beginning of the financial year, the Department had a total of 10,247 positions of which 2,599 were vacant, translating into a vacancy rate of 25.4%. All of these vacancies were fully funded.

During the year the Department underwent a complete organisational redesign as part of the Turnaround Program. This redesign was approved by the Department of Public Service & Administration in April 2008 which was subsequent to the year end. The organisational redesign impacted negatively on the filling of posts and resulted in the Department having a total of 10,840 positions of which 3,150 were vacant at year end, translating into a vacancy rate of 29.1%.

The Department received adequate financial resources to fill 1,200 additional positions during the year under review, however, owing to high staff turnover within the Management Services directorate, the job evaluation process could not be finalised in time to allow the accelerated filling of posts.

5. Donor Funding

During the period under review the Department did not receive any donor funds.

6. Trading, Public and Constitutional Entities

a. Trading Entities

i. Government Printing Works

Government Printing Works (GPW) is a self funding trading entity that reports to the Accounting Officer of the Department. GPW is tasked with the rendering of printing and related services to the government departments, provincial departments and local authorities. In 1999, Cabinet resolved that the Government Printing Works (GPW) become a public entity.

Although positioned as the state security printer, a major portion of income is generated from the sale of standard stock to departments.

b. Public Entities

i. Film and Publication Board

The Film and Publication Board (FPB) is a schedule 3A national public entity in terms of the Public Finance Management Act (1999). It was established in terms of the Film and Publication Act (1996), with the Deputy Minister of Home Affairs as its executive authority.

The Board is responsible for implementing the Film and Publication Act, which regulates and controls the creation, production, possession,

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exhibition and distribution of certain films, interactive computer games and publications. The Act also makes the use of children in pornographic films or publications, or on the internet, a punishable offence.

The Board is also responsible for monitoring the business of age restricted adult premises to ensure that they are run in strict compliance with their license and registration terms and conditions.

The Board is funded by a transfer from the Department of Home Affairs as well as by fees generated from its services.

c. Constitutional Entities

i. Independent Electoral Commission

The Electoral Commission is a permanent body created by the Constitution to promote and safeguard democracy in South Africa. Although publicly funded and accountable to Parliament, the Commission is independent of the Government. Its immediate task is the impartial management of free and fair elections at all levels of Government.

7. Organisations To Whom Transfer Payments Have Been Made

The following organisations received transfer payments from the Department:

- i. Government Printing Works (GPW - Trading Entity). Amounts totalling R110.212 million were transferred to GPW representing 100% of the final appropriation.
- ii. Film and Publication Board (FPB - Public Entity). Amounts totalling R19.206 million were transferred to the FPB representing 100% of the final appropriation.
- iii. Independent Electoral Commission (IEC - Constitutional Institution). Amounts totalling R485.250 million were transferred to the IEC representing 100% of the final appropriation.

8. Public Private Partnerships (PPP)

No PPPs as contemplated in the Treasury Regulations were entered into by the Department during the year under review.

9. Corporate Governance Arrangements

The Department continued with its efforts towards compliance with the comprehensive requirements of corporate governance as it regards the ethos and principles of good corporate governance as an effective mechanism for encouraging efficiency in the operations of the Department, prevention of corruption and combating of fraud.

Furthermore, the Department recognizes that the existence of an adequate, effective, efficient system of financial and risk management and internal control is necessary for improving operations. Accordingly, the Department regards the existence of valid and approved policies and procedures that underpin the internal control processes as critical for the promotion of good corporate governance. The Department regards written policies and procedures as critical to help create parameters to authority and responsibility and also provide some scope of precedent for action. Consequently, the Department strives to ensure compliance by its officials with such approved policies and procedures as critical to help create parameters to authority and responsibility and also provide some scope of precedent for action. Consequently, the Department strives to ensure compliance by its officials with such approved policies and procedures. In the year under review these have been implemented for a portion of the year whilst the full effect will be evident in future years.

a. Risk Management

Following the expression of the disclaimer opinion by the Auditor-General on the Department's audit report for the financial year 2006/07 the Department is working with National Treasury to assist in addressing financial management weaknesses in the Department in accordance with the provisions of section 6(2)(d) of the Public Finance Management Act (PFMA), Act No.1 of 1999 as amended. (See also Strategic Overview)

The Risk Management Division within the Office of the Accountant-General in partnership with the Directorate: Internal Audit, within the Chief Directorate in the Department of Home Affairs continued with the implementation of the risk management strategy designed and approved

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in the 2006/07 identification and assessment process. During the year under review this was expanded to a detailed risk register which was further refined by identifying critical risks that may impact on service delivery. The three-year and operational plan for internal audit was based on the risks identified in the risk management strategy.

b. Internal Audit

The Directorate: Internal Audit reviewed and updated the Audit Committee Charter and the Internal Audit Charter and compiled a rolling three year strategic internal audit plan and annual coverage/operational plan. The Office of the Accountant General (OAG) within the National Treasury conducted a review of these documents and they have been endorsed by the Department's Executive Committee (EXCO) and the Audit Committee for implementation in the 2008/09 financial year.

The Audit Committee and EXCO reviewed the annual risk assessment of the Department. The plans of Internal Audit are based on Internal Audit's understanding of operations and management's assessment of key risks. Gaps identified in the plans of the previous year as identified by the Auditor-General and deemed critical by the Public Finance Division within National Treasury are being addressed by ongoing Internal Audit projects.

The Directorate: Internal Audit conducted further special investigations of financial irregularities during the year and offered the management of the Department comprehensive recommendations for improvement where appropriate.

As reported in the previous financial year in response to the resolutions of the Standing Committee on Public Accounts (SCOPA), the Department through the Accounting Officer continued with initiatives to ensure that:

- i. The lack of capacity in the internal audit function is addressed as a matter of urgency;
- ii. There is full compliance with the requirements of the PFMA and Treasury Regulations relating to internal audit ; and

- iii. Internal auditors continue to follow-up on management's action plans in response to the external annual regulatory audit findings as identified by the Auditor General. A policy regarding repeat audit findings is being developed to eliminate repeat audit findings in the Department.

The Department has appointed the Chief Director: Internal Audit Services and continues to fill several posts created in the approved structure. The Department continues to have co-source arrangements with a consortium of professional service providers to augment the internal audit function.

c. Audit Committee

The Department has an established Audit Committee in accordance with the provisions of section 38(1)(a)(ii) and 77(a) of the PFMA. The Department will strengthen the Audit Committee by appointing audit committee members to represent independent legal, information technology, finance and audit disciplines in the Audit Committee.

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 held four meetings during the 2007/08 financial year. The Audit Committee extended the term of the Chairperson during the 2007/08 financial year.

10. Discontinued Activities/Activities to be Discontinued

No activities were discontinued during the reporting year, and the Department does not foresee the discontinuation of any activities going forward.

11. New/Proposed Activities

No new activities were introduced during the year under review, and no new activities are proposed for the foreseeable future.

12. Asset Management

The Asset Management Unit within the Finance Branch is responsible for ensuring that processes and procedures are in place for the effective, efficient, economical and

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transparent use of the Department's assets. This includes implementing preventative mechanisms to eliminate theft, losses, wastage and misuse of assets.

During February 2008 the Turnaround Team at the Department of Home Affairs was tasked to assist with the creation of a Fixed Asset Register for the year ended 31 March 2008.

This exercise involved visiting all Department sites, bar-coding all assets, recording the asset at the historical cost or at fair value. Completeness was ensured through acceptance of each site counted by the relevant office manager.

Concurrent with the verification process a second initiative was embarked on in obtaining financial values of the Department's assets, by analysing BAS payments for the past three years and linking them to invoices and then to the specific asset where possible. In cases where it was not possible to obtain invoices for assets purchased a benchmarked fair value was assigned to the assets in question.

Assets labelled during the verification phase were linked to invoices identified above. Assets that could not be linked to an invoice were valued at fair value.

Owing to the immensity of the exercise the team was unable to successfully complete all of the processes identified above. In particular the analysis of the BAS payments and acquiring the necessary invoices, and matching the labelled assets to the invoices was not completed prior to the audit cut off. In addition the identification and valuation of intangible assets could not be concluded in time for the same reasons.

Subsequent to year end, immense progress has been made with regard to the recording of fixed assets. Disclosure Notes 24 and 25 of the financial statements reflect the updated values and classifications of fixed assets, and the corresponding adjustments thereto.

The above exercise has resulted in adjustments to the prior year balances of Fixed Assets. These adjustments are largely due to the following:

- i. The creation of a fixed asset register;

- ii. Reallocation of transactions from capital expenditure to current expenditure, for example repairs and maintenance; and

- iii. The effect of fair value adjustments that have arisen where the historical cost of the assets on hand could not be determined as a result of individual assets not being linked to invoices.

It is anticipated that the Fixed Asset Register will be fully completed, including matching of outstanding invoices and reconciliation of intangible assets for review during the Interim Audit.

A number of the points raised by the auditors in their report have already received attention, and exceptional progress is being made:

- i. The R 392 million worth of assets which could not be verified have subsequently been analysed and corrected as follows:

- a. R 125 million of Work-in-Progress has been correctly classified

- b. R 11.8 million Internet charges incorrectly allocated to Fixed Assets will be corrected in the 2008/9 financial year.

- c. R 53 million CPI adjustments, foreign exchange adjustments and retention fees on original invoices, which have subsequently been allocated to the original physical asset to which they relate.

- d. R 85 million of IT related invoices have been matched with the physical assets.

- ii. Although, in terms of Treasury Regulations it is acceptable to value assets at fair value, the Department recognises that the original cost price is the most accurate cost, and work continues to match the physically counted assets to the corresponding invoices.

- iii. The vehicles on the Department's asset register have all subsequently been confirmed as belonging to the Department.

The progress made in these areas will be presented to the auditors for review during the interim audit by which time we are confident

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any other issues pertaining to the Fixed Assets Register will have been resolved.

Going forward, the new asset register will be maintained and updated with additions, disposals and transfers and reconciled to the financial system on an ongoing basis. Verification checks and asset counts will be performed bi-annually to ensure the accuracy and completeness of the asset register.

13. Post Balance Sheet Events

There are no post balance sheet events affecting the annual financial statements for the year under review.

a. Previously Reported Matters

i. Turnaround Team

FeverTree/AT Kearney is currently on site busy with Phase 2 of the Turnaround Programme, which is implementation project deliverables. (See Strategic Overview (b) Future Developments)

ii. Suspension of Senior Officials

The hearings for all senior officials referred to in the previous year's Accounting Officer's report are still in progress and at year end were not concluded.

14. Performance Information

In accordance with prescripts stipulating that the Accounting Officer must establish procedures for quarterly reporting to the Executive Authority to facilitate effective performance monitoring, evaluation and corrective action, the Department of Home Affairs has implemented a formal and integrated reporting framework with emphasis on quarterly progress reporting. In the period under review progress was made in this regard. It should be noted that the use of metrics for managing the operational environment is a key principle being implemented across the Department. Another principle is setting performance standards, as indicated in the Estimates of National Expenditure. These will evolve and be refined as new business processes are implemented.

On the level of quarterly reviews the aim is to track progress achieved against strategic objectives in the Annual Performance Plan, report on major service delivery challenges (pressure points) and solutions,

report on the state of expenditure of business units / provinces and enhance accountability and performance management in the Department.

The importance of monitoring and evaluation in the new Home Affairs is furthermore underlined by the establishment of a separate chief directorate solely responsible for monitoring and evaluation, reporting to the Deputy Director General: Strategic Support. This new Chief Directorate will be responsible for the following functions:

- i. Custodian of the organisational performance management system (OPMS).
- ii. Ensure the quality of standards, performance indicators and performance agreements.
- iii. High level reports, annual and in-year reporting (including quarterly reviews).
- iv. Support to executive committees and branches in respect of monitoring and evaluation input.

The Chief Directorate will also be responsible for the design and implementation of an effective system for monitoring and evaluation. The monitoring and evaluation tool will also assist to review the organizational performance of the Department, highlighting areas of poor performance and reinforcing management responsibility.

On the next level an Operations Committee was established to monitor performance of core business on a weekly basis and take corrective action. It is chaired by the Director General and the relevant Deputy Director Generals attend. Data from the Track and Trace system is used to compile an accurate "dashboard" of key statistics regarding the processing of IDs, and this is being extended to cover other civic and immigration functions.

Finally, at the level of production a pilot was used to implement the principles of operations management, which included the use of data to monitor performance on a daily basis. Gains in efficiency of over 250% have been sustained in a critical stage of ID processing and the same principles are being rolled out to other sections.

The development of performance management is ongoing and is dependent on the improvement of business processes, including information systems. A Phase 2 project team is working on a full set of performance indicators for the Department.

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15. SCOPA Resolutions

The Department attended two SCOPA hearings, on held on 20 June 2007 and the other on 20 February 2008.

The Department began renegotiating the Lindela contract with Leading Prospect Trading 111 (Pty) Ltd in December 2007, these negotiations were successfully concluded in January 2008, resulting in direct savings of R 7.7 million per annum, based on improved minimum occupancy rates which are more aligned with the Department's current deportation strategy. Management has also reviewed the financial implications of this contract and is satisfied that it meets the Department's requirements, and that no fruitless and wasteful expenditure is being incurred as a result of the terms of this contract.

Other resolutions are still being addressed systematically by management.

16. Prior Modifications To Audit Report

The following matters have been addressed and resolved;

- Voted funds
- Irregular expenditure
- Fruitless & wasteful expenditure
- Payables - inter-responsibility accounts
- Cashflow statement

Attention is still being given to the following areas:

a. Cash & Cash Equivalents

To facilitate the monthly reconciliation of all cash & cash equivalent accounts, and timeous follow up of reconciling items, the Department is currently involved in a process to clear reconciling items dating back to prior financial years and positive progress has been made in this regard:

- i. The Bank Exception Account has been reduced from R20.9 million at the year end to R10.8 million at the end of August 2008.
- ii. The gross debits of R7.9 million in the Receipt Deposit Control and Deposit Account, have been reduced to R48 000 by end August 2008.

- iii. The Receipt Control Account has been reduced to R7 000 by the end of August 2008, from R 496 000 at the year end. Efforts are ongoing to clear these outstanding balances.

b. Payables

The Department is currently putting measures in place to ensure that payables are recorded on the modified cash basis and that transfers to the Immigration Control Account are paid over timeously (where all vouchers have been received from the Department of Foreign Affairs).

c. Revenue and Receivables

Revenue collection continues to be a challenge in the Department. The cash registers at all our offices are stand alone machines that do not interface with any system as they are not point of sale systems. This challenge is further aggravated by the fact that BAS has not been properly rolled out at all our offices.

Foreign revenue is further impeded by the fact that receipts and/or vouchers substantiating the transaction continue to be remitted on average 6 months after the transaction has taken place by the Department of Foreign Affairs. The Q&A system used to capture the foreign receipts is not aligned with the BAS system structure, which makes reconciliation of the system very difficult. The Department is investigating alternative methods and systems for the recording of these revenue items.

The complete integration of the systems to back office and production line is under investigation by the Turnaround Team. A receipting solution is being tested in our Randburg office.

d. Expenditure

The Department is still in the process of implementing controls to ensure that documentation is administered properly, hence leading to information being on hand for audit purposes. The Department has made significant progress toward addressing the issue of Government Garage expenditure. Thus far we have not found a solution to the issue of petrol slips.

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**17. Exemptions and Deviations Received
from the National Treasury**

The Office of the Accountant General in National Treasury issued a letter directing the Department in the accounting treatment of the Immigration Account. The following is a brief summary:

- i. A separate set of accounts is to be disclosed.
- ii. The Department is to ensure that applicable accounting policies cover all material events, transactions and balances of the Immigration Account.
- iii. Amounts must be recognized to the extent that they are measurable and recoverable.

18. Approval

The Annual Financial Statements set out below from pages 146 to 186 have been approved by the Accounting Officer.



**MAVUSO MSIMANG
DIRECTOR GENERAL
DATE: 31 August 2008**

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 4: THE DEPARTMENT OF HOME AFFAIRS FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the accompanying financial statements of the Department of Home Affairs which comprise the appropriation statement and statement of financial position as at 31 March 2008, 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 notes, as set out on pages 146 to 186.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements, and in the manner required by the Public Finance Management Act, 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
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended, my responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Because of the matters discussed in the Basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis of accounting

4. 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 policy note 1.1 to the financial statements.

**Basis for disclaimer of opinion
Departmental revenue and receivables**

5. I was unable to obtain sufficient and appropriate audit evidence to satisfy myself as to the occurrence, completeness and accuracy of departmental revenue of R421,123 million and the related cash received by the department due to the following:
 - Numerous requested processed application documents and deposit slips could not be obtained from the department. An alternative analytical review procedure was performed by multiplying the number of documents issued with the official tariff for the service; however, due to various concerns regarding the reliability of the statistics received I was unable to quantify the misstatement of revenue.
 - Revenue from foreign missions dating as far back as the 2004-05 financial year were recorded in the current financial year due to delays in the department receiving the supporting vouchers. There was an inadequate audit trail for foreign mission revenue received and recorded from the sub-system utilised by the department to the accounting records of the department and vice versa.
 - At a number of branches visited across the country, it was noticed that it is the practice to void transactions without following the appropriate processes, resulting in circumvention of controls by utilising the void keys or manually adjusting the register slips for voided transactions without the necessary authorisation.
 - During the year the department recorded foreign credit transactions of R9,606 million to departmental revenue. Included in this amount were repatriation deposits received and foreign gains calculated on repatriation refunds, both of which do not belong to the department and should be transferred to the Immigration Control Account. I could not quantify the amount to be transferred to the Immigration Control Account due to the unavailability of information and an appropriate listing to support the R9,606 million.

In the absence of an appropriate listing I could not verify the completeness and accuracy of the R9,606 million recorded to departmental revenue.

- At various branches visited, it was noted that revenue received in the current financial year for goods and services was only recorded and banked in the 2008-09 financial year. Similarly, cash received in the 2006-07 financial year was recorded as revenue in the current financial year. The effect on revenue could not be quantified due to the lack of an integrated cash receipt system.
 - Due to the lack of an audit trail and systems to facilitate the recording of the immigration fines and penalties levied in terms of section 50(1) and 50(3) of the Immigration Act, 2002 by management, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the occurrence, completeness and accuracy of income from immigration fines and penalties amounting to R28,788 million.
6. As evident from the above, the accounting officer did not comply with Treasury Regulation 7.2.1 which requires the accounting officer of an institution to manage revenue efficiently and effectively by developing and implementing appropriate processes that provide for the identification, collection, recording, reconciliation and safeguarding of information about revenue.
7. In prior years the department had accrued for penalties and fines payable to the department by immigrants and airlines for conveying illegal immigrants. As the department is on the modified cash basis and these were accruals, a debit was raised in the debt account and corresponding credit in the debt receivable account. The debt account should correspond with the debt receivable account. However, at year-end the net balance on these accounts reflected a difference of R 14,642 million credit (2007: R12,114 million) which was unresolved and therefore I could not perform any procedures to verify the occurrence, accuracy and completeness of the transactions relating to these differences.

Capital assets

8. I was unable to verify the existence, rights and obligations, valuation and completeness of capital assets of R653,387 million recorded in

note 24 and 25 due to the following:

- Assets amounting to R392,304 million reflected in the asset register could not be verified at various Home Affairs offices across the country.
 - A material number of assets acquired subsequent to 1 April 2002 were not recorded at cost due to the cost not being available as the department had not kept full and proper records as required by section 40(1)(a) of the PFMA and TR 17.2.3. The financial statements are misstated by a material amount which cannot be accurately determined.
 - Vehicles belonging to the Government Garage amounting to R4,437 million were erroneously included in the department's asset register.
 - Assets recorded at cost to the amount of R246,249 million in the asset register, including work-in-progress assets of R125,111 million, were not all supported by appropriate invoices or were supported by invoices which did not agree to the asset cost recorded in the asset register.
 - Internet usage expenses to the value of R11,896 million were incorrectly classified as an asset. Computer hardware assets to the value of R8,831 million were incorrectly recorded as intangible assets. R29,532 million was capitalised to intangible assets; however, the description on the invoice was not sufficient to assess the classification.
 - CPI adjustments, foreign exchange adjustments and retention fees on original invoices to the value of R53,073 million were capitalised to the asset registers as separate assets and not allocated to the respective assets from which the adjustment arose. This would result in duplications where the original assets were recorded in the asset register at fair value or overstatement where the original assets were scrapped, transferred or donated.
9. I was unable to perform satisfactory alternative procedures over capital assets due to an inadequate fixed asset register.

Leases

10. The department could not provide an appropriate list of all leases as recorded in note 21 to the financial statements. There was an unexplained difference of R46,404 million between the list provided for audit and note 21. Contracts with a yearly value of R45,810 million selected from the list provided by

management were not presented for audit. Due to the unavailability of an appropriate list and supporting contracts I was unable to perform alternative procedure to verify the completeness, accuracy, classification and understandability of leases.

Cash and cash equivalents

11. The completeness and valuation of cash and cash equivalents could not be verified due to the following:
 - Various general ledger bank suspense accounts included in the bank reconciliation were not cleared and allocated to the relevant cost centres and reconciled or reported on a monthly basis as per Treasury Regulation 17.1.2 (b) – (d). The accuracy and allocation of amounts included in these bank suspense accounts could not be substantiated and included credits of R20,898 million (2007: R35,594 million) at year-end of which R13,375 million (2007: R17,619 million) arose prior to 1 April 2007, and debits of R7,867 million (2007: R23,599 million) at year-end of which R4,033 million (2007: R11,725 million) related to the period prior to 1 April 2007.

Payables

12. The valuation, existence and completeness of payables could not be verified due to the following:
 - Included in payables at year-end is a credit amount of R5,601 million (2007: R11,752 million debit) for the repatriation deposits suspense account which was not reconciled to a subsidiary listing of individuals from whom the department had received deposits or made refunds to, and where a reference to a journal or payment is indicated, the supporting information is not available. This account was not cleared as per Treasury Regulation 17.1.2. The deposits received and refunds made have not been transferred to the immigration control account as required by PFMA section 13.1(f)(ii) and Treasury Regulation 14.3. I was unable to perform alternative procedure due to inadequate accounting records.

Expenditure

13. Government Garage expenditure incurred by the department is based on invoices provided to the Department of Home Affairs

by the relevant Government Garage. The Department of Home Affairs does not enforce monitoring controls to ensure that the invoices received from the relevant Government Garage are supported by valid expenditure documentation. I was therefore unable to obtain sufficient information to verify the occurrence and accuracy of Government Garage expenditure amounting to R76,790 million (2007: R75,989 million) included in travel and subsistence expenditure in note 4.3. I could not perform alternative procedures due to a lack of supporting documents.

14. As a result of numerous classification errors and unavailability of documentation I was unable to satisfy myself as to the classification, occurrence and accuracy of foreign allowances of R99,415 million included in other non-pensionable allowances of R198,808 million in note 3.1.

Disclaimer of opinion

15. Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Department of Home Affairs. Accordingly, I do not express an opinion on the financial statements.

Emphasis of matters

I draw attention to the following matters:

Highlighting critically important matters presented or disclosed in the financial statements

Unauthorised, irregular or fruitless and wasteful expenditure as well as material losses through criminal conduct

16. As disclosed in note 22 to the financial statements, irregular expenditure to the amount of R614 000 was incurred, primarily because normal procurement procedures had not been followed.

Restatement of corresponding figures

17. Capital assets: The 2006-07 results in note 24 and 25 to the financial statements were

repeated in the current financial statements as a result of the exercise undertaken by the department to create an asset register.

OTHER MATTER(S)

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Internal controls

18. Section 38(1)(a)(i) of the PFMA states that the accounting officer must ensure that the

department has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the [qualified/ adverse/disclaimer of] opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting item	Control environment	Risk assessment	Control activities	Information and communication	Monitoring
Departmental revenue and receivables	X		X		
Capital assets			X		
Leases			X		
Cash and cash equivalents			X		
Payables			X		
Expenditure			X		
Control environment: establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.					
Risk assessment: involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.					
Control activities: policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.					
Information and communication: supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.					
Monitoring: covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.					

Non-compliance with applicable legislation

19. Public Finance Management Act

- The department did not report to the executive authority on the utilisation of savings within seven days of such utilisation, as required by section 43(3) of the PFMA.
- The department did not comply with section 40(4)(c) of the PFMA which requires the accounting officer to submit to the relevant treasury and to the executive authority monthly reports within 15 days of the end of the month.
- The accounting officer did not provide appropriate evidence that the department had complied with section 38(1)(j) of the PFMA which requires that the accounting officer must, before transferring any funds, obtain written assurance from the entity that the entity implements effective, efficient and transparent

financial management and internal control systems.

- The accounting officer did not ensure that the department had and maintained effective, efficient and transparent systems of financial and risk management and internal control as required by section 38 of the PFMA.
- The accounting officer did not In terms of section 38(1)(c) of the PFMA Act take effective and appropriate steps to collect all money due to the department.
- The accounting officer did not comply with section 42 of the PFMA which requires a list to be drawn up of assets transferred to another department, which list must be signed by the accounting officer of both departments.

20. Treasury Regulations

- Bank reconciliations are not performed daily as required by Treasury Regulation 15.10.1.2.

- Payments in excess of R2 000 were not effected electronically or approved by National Treasury as required by Treasury Regulation 15.12.3.
- Amounts included in suspense accounts were not cleared monthly as required by Treasury Regulation 17.1.2 (b).
- No formal banking policy and standard operating procedures are in place as required by Treasury Regulation 15.10.1.1.
- The department did not comply with Treasury Regulation 19.8.1 which requires the accounting officer to include the monthly information required by section 40(4)(b) and (c) of the PFMA in respect of the trading entity in the monthly report of the department.
- The department did not comply with Treasury Regulation 26.1.1 which requires the accounting officer to ensure that the public entity submits quarterly reports to the department within 30 days of the end of each quarter.
- The department did not make all payments due to creditors within 30 days as required by Treasury Regulation 8.2.3.
- As numerous documents were not available for audit the department did not comply with Treasury Regulation 17.1.1 which requires that all transactions of a department be supported by authentic and verifiable source documents, and Regulation 17.2.3 which requires the primary evidence records, vouchers and invoices to be kept for five years.
- The accounting officer did not provide appropriate evidence that the department had complied with Treasury Regulation 8.4.1 which requires that the accounting officer maintain appropriate measures to ensure that transfers to entities are applied for their intended purpose.
- The accounting officer did not take full responsibility for the management of assets and did not ensure that proper control systems exist for assets as required by section 38(1)(d) of the PFMA and Treasury Regulation 10.
- Revenue received by the department in excess of R500 per day was not deposited daily into the Paymaster-General account as required by Treasury Regulation 15.5.1.
- The department did not comply with Treasury Regulation 11.4.2 which requires the accounting officer to ensure that debts are written off in accordance with a debt write-off policy. The department did not have an approved debt write-off policy.
- The accounting office did not, as per Treasury Regulation 10.1.2, ensure that processes (whether manual or electronic) and procedures were in place for the effective, efficient, economical and transparent use of the institution's assets.
- The department did not comply with Treasury Regulation 17.2.2.2 and 17.2.2.3 which requires officials of the department to take all reasonable and appropriate steps to recover outstanding money and where no response is received from debtors to take legal steps.
- The accounting officer did not, as per Treasury Regulation 9.1.1, implement effective, efficient and transparent processes of financial and risk management.
- The department did not comply with Treasury Regulation 6.4.1(c) which requires roll-over of funds to be limited to 5% of goods and services.
- The accounting officer entered into a finance lease agreement as reflected in note 24.1 to the financial statements which was not in accordance with Treasury Regulation 13.2.4 and 13.2.5.

21. Public Service Act

- The department did not comply with section 3(3) of the Public Service Act, 1994, which requires that employees submit medical certificates where they had been absent from work on more than two occasions during their first 36-day sick leave period.
- The department did not comply with the Public Service Regulations 2001, part IV.D.2(d) as numerous employees of the department received payment for overtime in excess of 30% of their basic salary.

Delay in finalisation of the audit report

- 22 The audit was delayed due to a request from the Director General to enable the entity to provide the auditors with part of the outstanding information as requested in order to clarify some of the issues that were included in the draft audit report.

Progress on turnaround strategy

23. The department had embarked on a turnaround strategy to address the key weaknesses as identified from the Support intervention report. The management has progressed in resolving through this process many of the previously

reported items and although these items have not been finalised, significant progress has occurred and this will be subject to review in future audits. The detail on the progress of the turnaround strategy is included in pages xx to xx of the Accounting Officer's report as contained in the annual report.

Matters of governance

24. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The department had an audit committee in operation throughout the financial year.	X	
• The audit committee operates in accordance with approved, written terms of reference.		X
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	X	
Internal audit		
• The department had an internal audit function in operation throughout the financial year.	X	
• The internal audit function operates in terms of an approved internal audit plan.		X
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2/27.2.		X
Other matters of governance		
The annual financial statements were submitted for audit as per the legislated deadlines section 40 of the PFMA for departments.	X	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		X
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.		X
The prior year's external audit recommendations have been substantially implemented.		X
SCOPA resolutions have been substantially implemented.		X

Unaudited supplementary schedules

25. Annexure 1A, Statement of conditional grants paid to municipalities includes a column of amounts spent by the municipality. I have not audited this amount and accordingly I do not express an opinion thereon.

OTHER REPORTING RESPONSIBILITIES REPORT ON PERFORMANCE INFORMATION

26. I have reviewed the performance information as set out on pages 33 to 110.

Responsibility of the accounting officer for the performance information

27. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

28. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.

29. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

30. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

- 31. The strategic plan did not include the requirements of chapter 1, part III B of the Public Service Regulations, 2001, as required by Treasury Regulation 5.2.2 (j).
- 32. The progress in achieving measurable objectives and targets for the Second Quarterly Report did not include the progress of the Branch – Information Service to facilitate effective performance monitoring, evaluation and corrective action, as required by Treasury Regulation 5.3.1.
- 33. The entity has not reported performance against

predetermined objectives for programme 3: Transfers to agencies, in terms of section 40(3) (a) of the PFMA.

Measurable objectives are materially inconsistent between annual report and strategic plan

34. I draw attention to the fact that the measurable objectives reported in the annual report of the Department of Home Affairs are materially inconsistent when compared with the predetermined objectives as per the strategic plan.

The following table reflects the material differences:

Programme	Objectives per strategic plan	Objectives reflected in annual report:
Programme 2: Services to citizens		
Extend citizenship rights to all south Africans by expanding access to DHA services through efficient determination of status and provision of secure enabling documents and by ensuring the integrity of the NPR and related records as well as countering corruption and promoting security	To improve Civic Services operations to ensure efficient and effective service delivery	Not defined

Measurable objectives are materially inconsistent between annual report and budget

35. I draw attention to the fact that the objectives reported in the annual report of the Department of Home Affairs are materially inconsistent when compared with the predetermined objectives as per the budget. The process to align the budget and the strategic plan was implemented retrospectively and has not been completed.

Objectives reported in annual report, but not predetermined as per strategic/corporate/annual performance/integrated development plan and/or budget

- 36. I draw attention to the fact that the following objective is reported in the annual report of the Department of Home Affairs, although they were not included as predetermined objectives in the strategic/corporate/annual performance/integrated development plan and/or the budget:
 - Programme 2: Services to citizens
To issue enabling documents and provide core services according to specific time frames as captured in the Estimates of National Expenditure

Building the New Home Affairs

Lack of sufficient appropriate audit evidence

- 37. I was unable to obtain sufficient appropriate audit evidence in relation to the performance information of the Department of Home Affairs, as I was unable to obtain access to the records pertaining to the outputs for the sub-programmes listed below:
 - Civic Services: Outputs and service delivery trends
 - NIB: Outputs and service delivery trends
- 38. The actual achievement of some measures/indicators/targets for the following programmes could not be substantiated by adequate evidence/source documentation:
 - Programme 1: Administration
 - Programme 2: Delivery of services

Performance information not received in time

39. Performance information was not received in time and consequently the quality of only two programmes of performance information could be verified for audit purposes.

**Changes to planned performance information
not approved**

40. Changes to the outputs/measurements/targets in the current year's annual performance plan were not approved by Parliament. This includes reporting on the strategic outputs and milestones effected by the turnaround programme.

OTHER REPORTS

Investigations

41. The investigations regarding the suspension of senior officials in the prior year are still in progress.

APPRECIATION

42. The assistance rendered by the staff of the Department of Home Affairs during the audit is sincerely appreciated.

Auditor-General

Pretoria
25 September 2008



AUDITOR - GENERAL

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

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 the financial statements

1.1 Basis of preparation

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

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

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

Unexpended appropriated funds are surrendered to the National Revenue Fund, unless approval has been given by the National Treasury to roll over the funds to the subsequent financial year. These approved rollover funds form part of retained funds in the Annual Financial Statements. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the Annual Financial Statements.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the Department in accordance with laws and or regulations (excluding fines, penalties and forfeits).

Tax receipts are recognised in the Statement of Financial Performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

2.2.3 Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the Department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

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

Forex gains are recognised on payment of funds.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the Financial Statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the Financial Statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the Department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognized as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

2.4 CARA Fund assistance

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 current or capital expenditure in the Statement of Financial Performance.

Any unspent CARA funds are transferred to Retained Funds as these funds do not need to be surrendered to the National Revenue Fund.

3. Expenditure**3.1 Compensation of employees**

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the Statement of Financial Performance when the payment is effected on the system (by no later than 31 March 2008). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance¹.

All other payments are classified as current expense.

1. This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects.

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the payment is effected on the system (by no later than 31 March 2008).

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the Statement of Financial Performance when the payment is effected on the system (by no later than 31 March 2008).

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.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the payment is effected on the system (by no later than 31 March 2008).

3.1.2.2 Post employment retirement benefits

The Department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the payment to the fund is effected on the system (by no later than 31 March 2008). 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 Fund and not in the Financial Statements of the employer department.

The Department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the

payment to the fund is effected on the system (by no later than 31 March 2008).

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 a payment is effected on the system (by no later than 31 March 2008). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the payment is effected on the system (by no later than 31 March 2008). 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 amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

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

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the Statement of Financial Performance until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

3.7 Irregular expenditure

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

3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the payment is effected on the system (by no later than 31 March 2008).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when final authorisation for a payment is effected on the system (by no later than 31 March 2008).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the

payments are made.

4.3 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party. Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

Capitalised investments are shown at cost in the Statement of Financial Position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the Statement of Financial Performance when the cash is received.

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

4.5 Loans

Loans are recognised in the Statement of Financial Position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary.

4.6 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.7 Capital assets

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 capital asset may be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 24 and 25 reflect the total movement in the asset register for the current financial year.

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>5. Liabilities</p> | <ul style="list-style-type: none"> • The amount of the obligation cannot be measured with sufficient reliability. |
| <p>5.1 Payables</p> <p>Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.</p> | <p>Contingent liabilities are included in the disclosure notes.</p> |
| <p>5.2 Lease commitments</p> <p>Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.</p> <p>Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the Financial Statements.</p> | <p>5.5 Commitments</p> <p>Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.</p> <p>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.</p> |
| <p>5.3 Accruals</p> <p>Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.</p> <p>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.</p> | <p>6. Net Assets</p> <p>6.1 Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the Statement of Financial Position for the first time in the current reporting period. Amounts are transferred to the National Revenue Fund on disposal, repayment or recovery of such amounts.</p> <p>6.2 Recoverable revenue</p> <p>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.</p> |
| <p>5.4 Contingent liabilities</p> <p>A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Department; or</p> <p>A contingent liability is a present obligation that arises from past events but is not recognised because:</p> <ul style="list-style-type: none"> • It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or | <p>7. Related Party Transactions</p> <p>Related parties are departments that control or significantly influence entities in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.</p> <p>8. Key Management Personnel</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department.</p> |

**DEPARTMENT OF HOME AFFAIRS
VOTE 4****ACCOUNTING POLICIES
for the year ended 31 March 2008**

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

9. Public Private Partnerships

A Public Private Partnership (PPP) is a commercial transaction between the Department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- Acquires the use of state property for its own commercial purposes; and
- Assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- Receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - consideration to be paid by the Department which derives from a Revenue Fund;
 - charging fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

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 4APPROPRIATION STATEMENT
for the year ended 31 March 2008

Appropriation per programme									
	2007/2008							2006/2007	
	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. Programme 1 Administration									
Current payments	965 117	–	(1 661)	963 456	1 009 793	(46 337)	104.8	572 918	548 163
Transfers and subsidies	1 044	–	1 725	2 769	2 762	7	99.7	1 816	1 355
Payment for capital assets	257 210	–	(46 012)	211 198	77 947	133 251	36.9	300 291	221 026
2. Programme 2 Civic and Immigration Services									
Current payments	1 627 417	–	(50 000)	1 577 417	1 385 846	191 571	87.9	1 258 574	1 233 097
Transfers and subsidies	2 811	–	5 869	8 680	8 367	313	96.4	7 160	3 725
Payment for capital assets	52 631	–	90 079	142 710	142 344	366	99.7	296 513	176 417
3. Programme 3 Transfers to Agencies									
Transfers and subsidies	614 668	–	–	614 668	614 668	–	100.0	363 133	363 132
TOTAL	3 520 898	–	–	3 520 898	3 241 727	279 171	92.1	2 800 405	2 546 915
Reconciliation with Statement of Financial Performance									
Add:									
Prior year unauthorised expenditure approved with funding				15 281					
Departmental receipts				421 123				468 239	
Actual amounts per Statements of Financial Performance (Total revenue)				3 957 302				3 268 644	
Add:									
Local and foreign aid assistance									
Prior year unauthorised expenditure approved									
Prior year fruitless and wasteful expenditure authorised					15 281				
Actual amounts per Statements of Financial Performance (Total expenditure)					3 257 008				2 546 915

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2008**

Appropriation per economic classification									
	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	1 133 852	–	(13 661)	1 120 191	1 086 974	33 217	97.0	920 112	844 673
Goods and services	1 458 682	–	(38 000)	1 420 682	1 281 957	138 725	90.2	911 380	926 559
Financial transactions in assets and liabilities	–	–	–	–	26 708	(26 708)	–	–	10 028
Transfers and subsidies									
Provinces and municipalities	–	–	452	452	452	–	100.0	1 896	988
Departmental agencies and accounts	614 668	–	–	614 668	614 668	–	100.0	363 133	363 134
Households	3 855	–	7 142	10 997	10 677	320	97.1	7 080	4 090
Payments for capital assets									
Buildings and other fixed structures	112 463	–	–	112 463	–	112 463	0	104 913	45 949
Machinery and equipment	104 442	–	101 238	205 680	178 735	26 945	86.9	425 657	233 093
Software and other intangible assets	92 936	–	(57 171)	35 765	41 556	(5 791)	116.2	66 234	118 401
Total	3 520 898	–	–	3 520 898	3 241 727	279 171	92.1	2 800 405	2 546 915

DEPARTMENT OF HOME AFFAIRS
VOTE 4DETAIL PER PROGRAMME 1: ADMINISTRATION
for the year ended 31 March 2008

Programme per subprogramme	2007/2008							2006/07	
	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
1.1 Minister									
Current payments	951	-	-	951	952	(1)	100.1	885	845
1.2 Deputy Minister									
Current payments	738	-	-	738	735	3	99.6	687	654
1.3 Management									
Current payments	437 712	-	(1 661)	436 051	360 963	75 088	82.8	143 064	101 529
Transfers and subsidies	445	-	(316)	129	129	-	100.0	654	565
Payment for capital assets	111	-	1 239	1 350	1 332	18	98.7	5 232	2 497
1.4 Corporate Services									
Current payments	156 465	-	-	156 465	144 271	12 194	92.2	135 833	127 909
Transfers and subsidies	180	-	984	1 164	1 157	7	99.4	330	224
Payment for capital assets	-	-	648	648	629	19	97.1	1 004	1 125
1.5 Financial Services									
Current payments	65 013	-	-	65 013	98 948	(33 935)	152.2	67 807	74 014
Transfers and subsidies	349	-	240	589	589	-	100.0	349	464
Payment for capital assets	-	-	332	332	330	2	99.4	1 947	619
1.6 Information Services									
Current payments	159 849	-	-	159 849	211 975	(52 126)	132.6	79 870	122 083
Transfers and subsidies	70	-	817	887	887	-	100.0	483	102
Payment for capital assets	8 000	-	7 586	15 586	11 495	4 091	73.8	19 886	23 834
1.7 Transversal IT Projects									
Current payments	5 287	-	-	5 287	4 292	995	81.2	11 427	18 367
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	93 206	-	(39 274)	53 932	53 932	-	100.0	80 038	47 200
1.8 Government Motor Transport									
Current payments	10 298	-	-	10 298	13 834	(3 536)	134.3	18 201	14 342
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	43 430	-	(16 543)	26 887	10 229	16 658	38.0	87 271	99 802
1.9 Property Management									
Current payments	128 804	-	-	128 804	173 823	(45 019)	135.0	115 144	88 420
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	112 463	-	-	112 463	-	112 463	0	104 913	45 949
Total	1 223 371	-	(45 948)	1 177 423	1 090 502	86 921	92.6	875 025	770 544

Economic Classification	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	315 899	-	(6 661)	309 238	277 440	31 798	89.7	216 444	165 427
Goods and services	649 218	-	5 000	654 218	705 645	(51 427)	107.9	356 474	382 702
Financial transactions in assets and liabilities	-	-	-	-	26 708	(26 708)	0	-	34
Transfers and subsidies									
Provinces and municipalities	-	-	452	452	452	0	100.0	665	517
Departmental agencies and accounts	-	-	-	-	-	-	0	-	2
Households	1 044	-	1 273	2317	2 310	7	99.7	1 151	836
Payments for capital assets									
Buildings and other fixed structures	112 463	-	-	112 463	-	112 463	0	104 913	45 949
Machinery and equipment	54 442	-	8 627	63 069	42 137	20 932	66.8	167 144	166 228
Software and other intangible assets	90 305	-	(54 639)	35 666	35 810	(144)	100.4	28 234	8 849
Total	1 223 371	-	(45 948)	1 177 423	1 090 502	86 921	92.6	875 025	770 544

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**DETAIL PER PROGRAMME 2: CIVIC AND IMMIGRATION SERVICES
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	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
2.1 Provincial Co-ordination									
Current payments	779 100	–	–	779 100	813 077	(33 977)	104.4	679 543	676 331
Transfers and subsidies	2 026	–	3 833	5 859	5 856	3	99.9	4 679	3 178
Payment for capital assets	–	–	4 544	4 544	4 249	295	93.5	7 809	6 872
2.2 Services to Citizens									
Current payments	551 777	–	(48 000)	503 777	270 921	232 856	53.8	290 869	276 334
Transfers and subsidies	560	–	569	1 129	1 129	–	100.0	1 390	354
Payment for capital assets	52 631	–	85 171	137 802	137 741	61	100.0	272 603	165 817
2.3 Immigration Services									
Current payments	296 540	–	(2 000)	294 540	301 848	(7 308)	102.5	288 162	280 432
Transfers and subsidies	225	–	1 467	1 692	1 382	310	81.7	1 091	193
Payment for capital assets	–	–	364	364	354	10	97.3	16 101	3 728
Total	1 682 859	–	45 948	1 728 807	1 536 557	192 250	88.9	1 562 247	1 413 239

Economic Classification	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	817 953	–	(7 000)	810 953	809 534	1 419	99.8	703 668	679 246
Goods and services	809 464	–	(43 000)	766 464	576 312	190 152	75.2	554 906	543 857
Financial transactions in assets and liabilities	–	–	–	–	–	–	–	–	9 994
Transfers and subsidies									
Provinces and municipalities	–	–	–	–	–	–	–	1 231	471
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Households	2 811	–	5 869	8 680	8 367	313	96.4	5 929	3 254
Payments for capital assets									
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	50 000	–	92 611	142 611	136 598	6 013	95.8	258 513	66 865
Software and other intangible assets	2 631	–	(2 532)	99	5 746	(5 647)	5804.0	38 000	109 552
Total	1 682 859	–	45 948	1 728 807	1 536 557	192 250	88.9	1 562 247	1 413 239

DEPARTMENT OF HOME AFFAIRS
VOTE 4DETAIL PER PROGRAMME 3: TRANSFERS TO AGENCIES
for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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
3.1 Film and Publication Board									
Transfers and subsidies	19 206	-	-	19 206	19 206	-	100.0	12 933	12 933
3.2 Government Printing Works									
Transfers and subsidies	110 212	-	-	110 212	110 212	-	100.0	200	199
3.3 Government Motor Transport									
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.4 Independent Electoral Commission									
Transfers and subsidies	485 250	-	-	485 250	485 250	-	100.0	350 000	350 000
3.5 Property Management									
Current payments	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	614 668	-	-	614 668	614 668	-	100.0	363 133	363 132

Economic Classification	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Departmental agencies and accounts	614 668	-	-	614 668	614 668	-	100.0	363 133	363 132
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Total	614 668	-	-	614 668	614 668	-	100.0	363 133	363 132

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2008**

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1 (A-C) to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 5 (Financial transactions in assets and liabilities (theft and losses)) 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 1: Administration	1 177 423	1 090 502	86 921	7.4
Programme 2: Civic and Immigration Services	1 728 807	1 536 557	192 250	11.1
Under spending on Programme 1 is mainly due to delays in finalisation of RAMP projects as well as the conclusion of lease agreements for rented accommodation in which Department received the first batches of claims towards the last quarter of the financial year. Under spending on Programme 2 is attributed to amongst others delays in the commissioning of the new passport machine that was scheduled for to be delivered during the second quarter of the financial year under review however due to the site readiness of the Government Printing Works the delivery of such machine would take place during the 2008-09 financial year.				

4.2 Per Economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of final Appropriation R'000
Current payment:				
Compensation of employees	1 120 191	1 086 974	33 217	3.0
Goods and services	1 420 682	1 281 957	138 725	9.8
Financial transactions in assets and liabilities	–	26 708	(26 708)	n/a
Transfers and subsidies:				
Provinces and municipalities	452	452	–	–
Departmental agencies and accounts	614 668	614 668	–	–
Households	10 997	10 677	320	3.0
Payments for capital assets:				
Buildings and other fixed structures	112 463	–	112 463	100.0
Machinery and equipment	205 680	178 735	26 945	13.1
Software and other intangible assets	35 765	41 556	(5 791)	16.2
After careful consideration various long outstanding transactions were written off against thefts and losses in the current financial year, including amounts dating as far back as the 1999/2000 financial year.				
Delays in obtaining site clearances for the identified sites were only finalised in the last quarter of the financial year and no claims for building and fixed structures could be submitted in order to utilise the budgeted amounts.				

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	1	3 520 898	2 800 405
Appropriation for unauthorised expenditure approved	8	15 281	–
Departmental revenue	2	421 123	468 239
TOTAL REVENUE		3 957 302	3 268 644
EXPENDITURE			
Current expenditure			
Compensation of employees	3	1 086 974	844 673
Goods and services	4	1 281 957	926 559
Financial transactions in assets and liabilities	5	26 708	10 028
Unauthorised expenditure approved	8	15 281	–
Total current expenditure		2 410 920	1 781 260
Transfers and subsidies	6	625 797	368 212
Expenditure for capital assets			
Buildings and other fixed structures	7	–	45 949
Machinery and equipment	7	178 735	233 093
Software and other intangible assets	7	41 556	118 401
Total expenditure for capital assets		220 291	397 443
TOTAL EXPENDITURE		3 257 008	2 546 915
SURPLUS			
Add back unauthorised expenditure		–	–
SURPLUS FOR THE YEAR		700 294	721 729
Reconciliation of Surplus for the year			
Voted Funds	12	279 171	253 490
Departmental Revenue	13	421 123	468 239
SURPLUS FOR THE YEAR		700 294	721 729

DEPARTMENT OF HOME AFFAIRS
VOTE 4
STATEMENT OF FINANCIAL POSITION
at 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets		156 533	162 153
Unauthorised expenditure	8	101 806	116 473
Cash and cash equivalents	9	48 604	30 479
Prepayments and advances	10	390	1 317
Receivables	11	5 733	13 884
TOTAL ASSETS		156 533	162 153
LIABILITIES			
Current liabilities		156 666	155 084
Voted funds to be surrendered to the Revenue Fund	12	39 622	(20 472)
Departmental revenue to be surrendered to the Revenue Fund	13	102 554	171 217
Payables	14	14 490	4 339
TOTAL LIABILITIES		156 666	155 084
NET ASSETS		(133)	7 069
Represented by:			
Irrecoverable revenue		(133)	7 069
TOTAL		(133)	7 069

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
Recoverable revenue			
Opening balance		7 069	8 979
Transfers		(7 202)	(1 910)
Irrecoverable amounts written off	5.5	(7 202)	(1 910)
CLOSING BALANCE		(133)	7 069

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**CASH FLOW STATEMENT
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 717 753	3 015 154
Annual appropriated funds received	1.1	3 281 349	2 546 915
Appropriation for unauthorised expenditure received	8	15 281	-
Departmental revenue received		421 123	468 239
Net (increase)/decrease in working capital		33 896	(1 207)
Surrendered to Revenue Fund		(469 314)	(766 674)
Current payments		(2 410 920)	(1 781 260)
Transfers and subsidies paid		(625 797)	(368 212)
Net cash flow available from operating activities	15	245 618	97 801
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(220 291)	(397 443)
Proceeds from sale of capital assets	2	-	1
Proceeds from sale of other financial assets			
Net cash flows from investing activities		(220 291)	(397 442)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(7 202)	(1 910)
Net cash flows from financing activities		(7 202)	(1 910)
Net increase/(decrease) in cash and cash equivalents		18 125	(301 551)
Cash and cash equivalents at the beginning of the period		30 479	332 030
Cash and cash equivalents at end of period	9	48 604	30 479

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

1. Annual Appropriation

1.1 Annual Appropriation

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

Per Programme	Final Appropriation R'000	Actual Funds received R'000	Funds not requested/not received R'000	Appropriation received 2006/07 R'000
Programme 1: Administration	1 177 423	1 130 124	47 299	770 544
Programme 2: Civic and Immigration Services	1 728 807	1 536 557	192 250	1 413 239
Programme 3: Transfers to Agencies	614 668	614 668	–	363 132
Total	3 520 898	3 281 349	239 549	2 546 915

In the current year the Department did not draw all of its allocation and has also transferred back to National Treasury R20.472 million.

2. Departmental revenue to be surrendered to revenue fund

	Notes	2007/08 R'000	2006/07 R'000
Sales of goods and services other than capital assets	2.1	369 472	445 767
Fines, penalties and forfeits		28 788	18 035
Interest, dividends and rent on land	2.2	1 783	154
Sales of capital assets	2.3	–	1
Financial transactions in assets and liabilities	2.4	21 080	4 282
Departmental revenue collected		421 123	468 239

2.1 Sales of goods and services other than capital assets

	2007/08 R'000	2006/07 R'000
Sales of goods and services produced by the Department	369 472	445 767
Administrative fees	369 472	445 767
Total	369 472	445 767

2.2 Interest, dividends and rent on land and buildings

	2007/08 R'000	2006/07 R'000
Interest	1 783	154
Total	1 783	154

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

2.3 Sale of capital assets

	2007/08 R'000	2006/07 R'000
Other capital assets	–	1
Total	–	1

2.4 Financial transactions in assets and liabilities: Nature of recovery

	2007/08 R'000	2006/07 R'000
Other Receipts including Recoverable Revenue	21 080	4 282
Total	21 080	4 282

3. Compensation of employees

3.1 Salaries and Wages

	2007/08 R'000	2006/07 R'000
Basic salary	664 333	577 705
Performance award	13 372	12 112
Service Based	96	1 602
Compensative/circumstantial	64 253	43 433
Periodic payments	1 188	2 012
Other non-pensionable allowances	198 808	88 450
Total	942 050	725 314

3.2 Social contributions

	2007/08 R'000	2006/07 R'000
3.2.1 Employer contributions		
Pension	89 966	74 289
Medical	54 723	44 841
Bargaining council	235	223
Insurance	–	6
Total	144 924	119 359
Total compensation of employees	1 086 974	844 673
Average number of employees	7 657	7 334

Restatement of 2006/07 Pension and Medical comparatives:

The Department identified that an amount of R2, 964m was incorrectly classified as a Medical: Employer contribution in 2006/07. This amount has been reclassified from Medical to Pension.

DEPARTMENT OF HOME AFFAIRS
VOTE 4NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

4. Goods and services

	Notes	2007/08 R'000	2006/07 R'000
Advertising		10 317	16 704
Attendance fees (including registration fees)		10 754	8 877
Bank charges and card fees		3 927	2 031
Bursaries (employees)		4 160	3 381
Catering		5 539	–
Communication		65 522	58 857
Computer services		127 154	191 480
Consultants, contractors and special services		371 927	166 065
Courier and delivery services		4 065	3 212
Drivers' licences and permits		79	51
Entertainment		412	2 347
External audit fees	4.1	7 619	8 363
Equipment less than R5000		18 266	9 326
Freight service		1 395	585
Honoraria (Voluntary workers)		19	136
Inventory	4.2	92 358	80 257
Legal fees		9 945	7 122
Maintenance, repairs and running costs		164 265	20 956
Medical Services		–	6
Municipality services		18 999	16 562
Operating leases		93 704	72 043
Professional bodies and membership fees		15	19
Photographic services		137	102
Resettlement costs		989	1 220
Subscriptions		221	495
Translations and transcriptions		31	33
Travel and subsistence	4.3	257 576	242 447
Venues and facilities		4 620	4 449
Protective, special clothing and uniforms		7 942	9 433
Total		1 281 957	926 559

4.1 External audit fees

	2007/08 R'000	2006/07 R'000
Regulatory audits	7 552	8 019
Performance audits	67	344
Total	7 619	8 363

**DEPARTMENT OF HOME AFFAIRS
VOTE 4**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

4.2 Inventory

	2007/08 R'000	2006/07 R'000
Domestic consumables	4 969	3 515
Fuel, oil and gas	94	56
Other consumables	70	62
Sport and recreation	151	77
Stationery and printing	87 057	76 543
Medical supplies	17	4
Total	92 358	80 257

4.3 Travel and subsistence

	2007/08 R'000	2006/07 R'000
Local	202 782	218 944
Foreign	54 794	23 503
Total	257 576	242 447

5. Financial transactions in assets and liabilities

	Notes	2007/08 R'000	2006/07 R'000
Material losses through criminal conduct		6 361	24
-Theft	5.4	737	-
-Other material losses	5.1	5 624	24
Other material losses written off	5.2	4 449	-
Debts written off	5.3	8 696	8 094
Irrecoverable amounts written off	5.5	7 202	1 910
Total		26 708	10 028

The Department analysed unreconciled items and identified long outstanding transactions on clearing accounts. After careful consideration various long outstanding transactions were written off against thefts and losses in the current financial year.

In the year under review, the debt write-off policy was not yet finalised and approved.

5.1 Other material losses

		2007/08 R'000	2006/07 R'000
Incident	Disciplinary Steps taken/ Criminal proceedings		
Theft and damage of equipment	No disciplinary steps taken as instances involved third parties and subsequent matter reported at the Police the State Law Advisors recommended write offs	509	-
Repair to damages	No disciplinary steps taken as instances involved third parties and subsequent matter reported at the Police the State Law Advisors recommended write offs as the involved officials were not negligent	5 115	-
Theft of accessories		-	24
Total		5 624	24

DEPARTMENT OF HOME AFFAIRS
VOTE 4NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

5.2 Other material losses written off

	2007/08 R'000	2006/07 R'000
Nature of losses		
Bank adjustments	1 057	–
BAS/SCOA Conversion transactions	3 392	–
Total	4 449	–

5.3 Debts written off

Nature of debts written off	2007/08 R'000	2006/07 R'000
Ex-employee: salary related debts	732	3
FMS subsistence and travel	1 632	8 091
Telephone debt	42	–
Penalty charges debt	1 658	–
Dishonoured cheques	153	–
Financial assistance	785	–
Boat/plane stowaway deposits	3 694	–
Total	8 696	8 094

5.4 Thefts

Details of theft	2007/08 R'000	2006/07 R'000
Theft of State money	737	–
Total	737	–

5.5 Irrecoverable amounts written off

	2007/08 R'000	2006/07 R'000
	692	1 910
Receivables written off	–	–
FMS/BAS conversions	692	1 910
Inter respons clearing account	6 510	–
Total	7 202	1 910

6. Transfers and subsidies

	Annexures	2007/08 R'000	2006/07 R'000
Provinces and municipalities	1A	452	988
Departmental agencies and accounts	1B	614 668	363 134
Households	1C	10 677	4 090
Total		625 797	368 212

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7. Expenditure for capital assets

	Notes	2007/08 R'000	2006/07 R'000
Buildings and other fixed structures	24	–	45 949
Machinery and equipment	24	178 735	233 093
Software and other intangible assets		41 556	118 401
Computer software	25	29 512	5 334
Other Intangibles	25	12 044	113 067
Total		220 291	397 443

	2007/08 R'000	2006/07 R'000
The following amounts have been included as project costs in Expenditure for capital assets:		
Goods and Services	12 044	113 067
Total	12 044	113 067

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	2007/08 R'000	2006/07 R'000
Opening balance	116 473	116 150
Unauthorised expenditure – current year		
Amounts approved by Parliament/ Legislature (with funding)	(15 281)	–
Transfer to receivables for recovery (not approved)	614	323
Unauthorised expenditure awaiting authorisation	101 806	116 473

9. Cash and cash equivalents

	2007/08 R'000	2006/07 R'000
Consolidated Paymaster General Account	44 669	24 718
Cash receipts	3 701	5 599
Disbursements	–	2
Cash on hand	234	160

10. Prepayments and advances

	2007/08 R'000	2006/07 R'000
Travel and subsistence	390	1 317
Total	390	1 317

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11. Receivables

	Notes	2007/08				2006/07
		R'000				R'000
		Less than one year	One to three years	Older than three years	Total	Total
Staff debtors	11.1	1 418	1 300	368	3 086	4 176
Other debtors	11.2	687	(1 463)	2 675	1 899	9 051
Intergovernmental receivables	Annex 3	496	114	138	748	657
Total		2 601	(49)	3 181	5 733	13 884

11.1 Staff Debtors

	2007/08 R'000	2006/07 R'000
Salary: Tax Dept	6	10
Private Telephone calls	–	(26)
Dept Account	3 080	4 207
Dept Suspense Account	–	(15)
Total	3 086	4 176

11.2 Other debtors

	2007/08 R'000	2006/07 R'000
Disallowance damages and losses	756	6 600
Foreign Affairs voucher in transit	970	341
Disallowance miscellaneous	361	361
Disallowance dishonoured cheques	15	25
Penalty Charges: Debt	(203)	1 724
Total	1 899	9 051

12. Voted funds to be surrendered to the Revenue Fund

	Notes	2007/08 R'000	2006/07 R'000
Opening balance		(20 472)	435 263
Transfer from Statement of Financial Performance		279 171	253 490
Voted funds not requested/not received	12.1	(239 549)	(253 490)
Paid during the year		20 472	(455 735)
Closing balance		39 622	(20 472)

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12.1 Voted funds not requested/not received

	2007/08 R'000	2006/07 R'000
Funds to be rolled over	(158 030)	(206 609)
Funds not to be requested	(81 519)	(46 881)
	(239 549)	(253 490)

13. Departmental revenue to be surrendered to the Revenue Fund

	2007/08 R'000	2006/07 R'000
Opening balance	171 217	13 917
Transfer from Statement of Financial Performance	421 123	468 239
Paid during the year	(489 786)	(310 939)
Closing balance	102 554	171 217

14. Payables

	Notes	30 Days R'000	30+ Days R'000	2007/08 Total R'000	2006/07 Total R'000
Clearing accounts	14.1	1 289	1 150	2 439	(18 372)
Other payables	14.2	17 469	(5 418)	12 051	22 711
Total		18 758	(4 268)	14 490	4 339

14.1 Clearing accounts

	2007/08 R'000	2006/07 R'000
Salary other	649	422
Boat/Plane/Stowaway Deposits	659	1 087
Inter Responsibility Clearing Account	–	(22 153)
Salary Income Tax	1 097	577
Conversion: Receipt Deposit Control	–	(3 147)
Finance Assistance (SA Citizens)	34	238
Third Party Transport Control	–	4 604
Total	2 439	(18 372)

14.2 Other payables

	2007/08 R'000	2006/07 R'000
Repatriation Deposits	(5 601)	11 752
Debt Receivable Interest	1 138	6 584
Penalty Charges: Interest	5 470	1 043
Penalty Charges: Capital	11 044	–
Purchase Capital Assets	–	3 332
Total	12 051	22 711

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The Repatriation Deposit balance, R5.6m, includes:

- (i) Foreign Exchange Rate Losses relating to vouchers received in the current year, which are still to be claimed from the Immigration Control Account.
- (ii) Repatriation Deposits relating to transactions which occurred prior to 2005/06 Financial Year, where net transfers were made to the Department without accompanying vouchers. The Department is in the process of determining the best course of action to transfer these entries into the Immigration Control Account.
- (iii) Repatriation Refunds relating to transactions which occurred prior to 2005/06 Financial Year, where net transfers were made to the Department without accompanying vouchers. The Department is in the process of determining the best course of action to transfer these entries into the Immigration Control Account.

15. Net cash flow from operating activities

	2007/08 R'000	2006/07 R'000
Net surplus as per Statement of Financial Performance	700 294	721 729
Add back non cash/cash movements not deemed operating activities	(454 676)	(623 927)
Decrease in receivables – current	8 151	11 706
Decrease in prepayments and advances	927	2 104
Decrease in other current assets	14 667	(323)
Increase/(decrease) in payables – current	10 151	(14 693)
Expenditure on capital assets	220 291	397 443
Surrenders to Revenue Fund	(469 314)	(766 674)
Voted funds not requested/not received	(239 549)	(253 490)
Net cash flow generated by operating activities	245 618	97 801

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

	2007/08 R'000	2006/07 R'000
Consolidated Paymaster General account	44 669	24 718
Cash receipts	3 701	5 599
Disbursements	-	2
Cash on hand	234	160
Total	48 604	30 479

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17. Contingent liabilities

			2007/08 R'000	2006/07 R'000
Liable to	Nature	Annexure		
Motor vehicle guarantees	Employees	2	788	960
Housing loan guarantees	Employees	2	9 824	10 759
Total			10 612	11 719

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18. Commitments

	2007/08 R'000	2006/07 R'000
Current expenditure		
Approved and contracted	8 799	5 830
Capital expenditure		
Approved and contracted	2 607	183
Total Commitments	11 406	6 013

19. Accruals

		Notes	2007/08 R'000	2006/07 R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	6 313	–	6 313	19 011
Machinery and equipment	68	–	68	–
Total	6 381		6 381	19 011

	2007/08 R'000	2006/07 R'000
Listed by programme level		
Programme 1: Administration	5 718	10 744
Programme 2: Civic and Immigration Services	663	14 280
	6 381	25 024

20. Employee benefits

	2007/08 R'000	2006/07 R'000
Leave entitlement	44 357	26 799
Thirteenth cheque	28 907	25 705
Capped leave commitments	105 284	103 695
Total	178 548	156 199

21. Lease Commitments

21.1 Operating leases				
2007/2008	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	–	93 384	4 524	97 908
Later than 1 year and not later than 5 years	–	–	3 480	3 480
Later than 5 years	–	–	–	–
Total present value of lease liabilities	–	93 384	8 004	101 388
2006/2007				
Not later than 1 year	–	72 043	–	72 043
Later than 1 year and not later than 5 years	–	–	–	–
Later than 5 years	–	–	–	–
Total present value of lease liabilities	–	72 043	–	72 043

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21.2 Finance leases 2007/2008	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	–	–	26 158	26 158
Later than 1 year and not later than 5 years	–	–	133 632	133 632
Later than 5 years	–	–	–	–
Total present value of lease liabilities	–	–	159 790	159 790
2006/2007				
Not later than 1 year	–	–	557	557
Later than 1 year and not later than 5 years	–	–	–	–
Later than 5 years	–	–	–	–
Total present value of lease liabilities	–	–	557	557

During the financial year the Department concluded a rental agreement with Gijima AST for computer equipment. This agreement, with a present value of R159,571,781, has been classified as a Finance Lease, and is therefore non-compliant with Treasury Regulation 13.2.4. The Department has applied to National Treasury to condone this agreement to avoid irregular expenditure in future years.

22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

	2007/08 R'000	2006/07 R'000
Opening balance	7 897	7 574
Add: Irregular expenditure – current year	614	323
Less: Amounts condoned	6 588	–
Current expenditure	6 588	–
Transfers and subsidies	–	–
Expenditure for capital assets	–	–
Less: Not condoned	–	–
Current expenditure	–	–
Transfers and subsidies	–	–
Expenditure for capital assets	–	–
Irregular expenditure awaiting condonement	1 923	7 897
Analysis of awaiting condonement per classification		
Current expenditure	1 923	7 897
Transfers and subsidies	–	–
Expenditure for capital assets	–	–
Total	1 923	7 897
Analysis of awaiting condonement per age classification		
Current year	614	323
Prior years	1 309	7 574
Total	1 923	7 897

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22.2 Irregular expenditure

Incident	Disciplinary steps taken/ criminal proceedings	2007/08 R'000	2006/07 R'000
Hiring of 10 mobile toilets for additional three months without proper tender procedures	Disciplinary proceedings are underway	-	323
An official procured goods and services for private use	The Department has since charged the official with an additional 62 cases of fraud. He was found guilty and dismissed. The money will be recovered from his pension.	9	-
An official procured goods and services for private use	The Department has since charged the official with an additional 62 cases of fraud. He was found guilty and dismissed. The money will be recovered from his pension.	2	-
An official procured goods and services for private use	The Department has since charged the official with an additional 62 cases of fraud. He was found guilty and dismissed. The money will be recovered from his pension.	24	-
An official procured goods and services for private use	The Department has since charged the official with an additional 62 cases of fraud. He was found guilty and dismissed. The money will be recovered from his pension.	42	-
Rendering of catering services without obtaining relevant orders and authorisation from Procurement services	Explanatory information was obtained from the affected offices and the expenditure will have to be regularised.	8	-
Accommodation of newly appointed officials without following proper procurement processes	The matter is under investigation	31	-
The Chief Directorate: Communication Services made use of Service Provider: Monitoring South Africa for media monitoring and reporting without following normal procurement procedures where bids needed to be invited.	The Department is still in the process of finalising the case to determine liability and the official responsible for this action.	498	-
Total		614	323

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23. Key management personnel

	No. of Individuals	2007/08 R'000	2006/07 R'000
Political office bearers	2	2 006	1 791
Officials: Level 15 to 16	8	5 758	4 104
Officials: Level 14	30	16 506	13 635
Total		24 270	19 530

In the year under review no remuneration was paid to members of committees.

24. Tangible Capital Assets

24.1 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance Cost R'000	Current Year Adjustments to prior year balances Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing Balance Cost R'000
Building and other fixed structures	164 943	(164 943)	–	–	–
Other fixed structures	164 943	(164 943)	–	–	–
Machinery and equipment	805 267	(389 185)	165 405	45	581 442
Transport assets	195 594	(65 737)	5 322	–	135 179
Computer equipment	542 844	(344 270)	154 480	–	353 054
Furniture and office equipment	60 746	18 149	5 104	45	83 954
Other machinery and equipment	6 083	2 673	499	–	9 255
Land and subsoil assets	–	–	–	–	–
Land	–	–	–	–	–
Mineral and similar non-regenerative resources	–	–	–	–	–
Investment Property	–	–	–	–	–
Investment Property	–	–	–	–	–
Cultivated and biological assets	–	–	–	–	–
Cultivated assets	–	–	–	–	–
Biological assets	–	–	–	–	–
Total tangible assets	970 210	(544 128)	165 405	45	581 442

During the financial year the Department concluded a rental agreement with Gijima AST for computer equipment. This agreement, with a present value of R159 571 781, has been classified as a Finance Lease. The assets relating to this agreement have been delivered to Department, but have not been disclosed in Fixed Assets as no expenditure was incurred during the current financial year.

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24.2 ADDITION TO TANGIBLE CAPITAL ASSETS REGISTER FOR THE YEAR ENDED 31 MARCH 2008					
	Cash Cost R'000	Fair Value R'000	(Capital Work in Progress current costs) Cost R'000	Received current, not paid(Paid current year, received prior year) Cost R'000	Total Cost R'000
Building and other fixed structures	-	-	-	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
Machinery and equipment	178 735	-	(13 399)	69	165 405
Transport assets	5 322	-	-	-	5 322
Computer equipment	167 810	-	(13 399)	69	154 840
Furniture and office equipment	5 104	-	-	-	5 104
Other machinery and equipment	499	-	-	-	499
Land and subsoil assets	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
Investment Property	-	-	-	-	-
Investment Property	-	-	-	-	-
Cultivated and biological assets	-	-	-	-	-
Cultivated assets	-	-	-	-	-
Biological assets	-	-	-	-	-
Total	178 735	-	(13 399)	69	165 405

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24.3 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008				
	Sold (Cash) Cost R'000	Non-Cash Fair Value R'000	Total Cost Cost R'000	Cash Received Actual Cost R'000
Building and other fixed structures	-	-	-	-
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	-	-	-
Heritage assets	-	-	-	-
Machinery and equipment	-	45	45	-
Transport assets	-	-	-	-
Specialised military assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	45	45	-
Other machinery and equipment	-	-	-	-
Land and subsoil assets	-	-	-	-
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
Investment Property	-	-	-	-
Investment property	-	-	-	-
Cultivated and biological assets	-	-	-	-
Cultivated assets	-	-	-	-
Biological assets	-	-	-	-
Total	-	45	45	-

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24.4 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007				
	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Building and other fixed structures	118 994	45 949	–	164 943
Dwellings	–	–	–	–
Non-residential buildings	–	–	–	–
Other fixed structures	118 994	45 949	–	164 943
Heritage assets	–	–	–	–
Machinery and equipment	618 113	233 093	(45 939)	805 267
Transport assets	114 666	80 928	–	195 594
Computer equipment	446 882	141 901	(45 939)	542 844
Furniture and office equipment	51 851	8 895	–	60 746
Other machinery and equipment	4 714	1 369	–	6 083
Land and subsoil assets	–	–	–	–
Land	–	–	–	–
Mineral and similar non-regenerative resources	–	–	–	–
Investment Property	–	–	–	–
Investment Property	–	–	–	–
Cultivated and biological assets	–	–	–	–
Cultivated assets	–	–	–	–
Biological assets	–	–	–	–
Total tangible assets	737 107	279 042	(45 939)	970 210

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25 Intangible Capital Assets

25.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008					
	Opening balance Cost R'000	Current Year Adjust- ments to prior year balances Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing Balance Cost R'000
Capitalised Development Costs	–	–	–	–	–
Computer Software	5 334	37 099	29 512	–	71 945
Mastheads and Publishing Titles	–	–	–	–	–
Patents, Licences, Copyright, Brand Names, Trademarks	–	–	–	–	–
Recipes, Formulae, Prototypes, Designs, Models	–	–	–	–	–
Services and Operating Rights	–	–	–	–	–
Other Intangibles	113 067	(113 067)	–	–	–
Total Intangible Assets	118 401	(75 968)	29 512	–	71 945

In terms of the National Treasury guideline 2007/08 on accounting for capital assets the Department need not estimate the cost of the computer software for inclusion in the asset register if it was completed prior 1 April 2006 and unique to the Department. The computer software (classified above as Other Intangibles) spent for the 2006/07 and 2007/08 years has been reallocated to work in progress.

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25.2 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008					
	Cash Cost R'000	Non-Cash Fair Value R'000	(Develop- ment work in progress – current costs) Cost R'000	Received current year, not paid(Paid current year, received prior year) Cost R'000	Total Cost R'000
Capitalised Development Costs	–	–	–	–	–
Computer Software	29 512	–	–	–	29 512
Mastheads and Publishing Titles	–	–	–	–	–
Patents, Licences, Copyright, Brand Names, Trademarks	–	–	–	–	–
Recipes, Formulae, Prototypes, Designs, Models	–	–	–	–	–
Services and Operating Rights	–	–	–	–	–
Other Intangibles	12 044	–	(12 044)	–	–
Total	41 556	–	(12 044)	–	29 512

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25.3 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007				
	Opening bal- ance R'000	Additions R'000	Disposals R'000	Closing bal- ance R'000
Capitalised Development Costs	-	-	-	-
Computer Software	-	5 334	-	5 334
Mastheads and Publishing Titles	-	-	-	-
Patents, Licences, Copyright, Brand Names, Trademarks	-	-	-	-
Recipes, Formulae, Prototypes, Designs, Models	-	-	-	-
Services and Operating Rights	-	-	-	-
Other Intangibles	-	113 067	-	113 067

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VOTE 4ANNEXURES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008ANNEXURE 1A
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07 Total Available R'000
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	
Vehicle Licences: Mun City Tshwane	-	-	452	452	452	100.0	-	-	-	-
Total	-	-	452	452	452	-	-	-	-	-

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VOTE 4ANNEXURES TO THE FINANCIAL STATEMENTS
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STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2006/07 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Film and Publication Board	19 206	-	-	19 206	19 206	100.0	12 933
Government Printing Works	110 212	-	-	110 212	110 212	100.0	199
Independent Electoral Commission	485 250	-	-	485 250	485 250	100.0	350 000
Other	-	-	-	-	-	-	2
Total	614 668	-	-	614 668	614 668	100.0	363 134

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VOTE 4ANNEXURES TO THE FINANCIAL STATEMENTS
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STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2006/07 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Employee Social Benefits-Cash	10 997	-	-	10 997	10 419	94.7%	3 985
Claims against the State	-	-	-	-	232	-	52
Donations & Gifts Households-cash	-	-	-	-	26	-	53
Total	10 997	-	-	10 997	10 677		4 090

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VOTE 4ANNEXURES TO THE FINANCIAL STATEMENTS
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STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of	Original-guaranteed capital amount R'000	Opening balance ¹ April 2007 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/cancelled/reduced/released during the year R'000	Currency revaluations R'000	Closing balance 31 March 2008 R'000	Guaranteed interest for year ended 31 March 2008 R'000	Realised losses not recoverable R'000
	Motor vehicles	-	-	-	-	-	-	-	-
Stannic		788	960	508	680	-	788	-	-
	Housing	-	-	-	-	-	-	-	-
Absa Bank		2 313	2 465	105	257	-	2 313	-	-
African/ Unique Bank		57	105	26	48	-	57	-	-
Boe Bank		904	975	-	97	-	904	-	-
FNB		840	900	-	60	-	840	-	-
Free State Development		18	18	-	-	-	18	-	-
Green Start H/L		17	17	-	-	-	17	-	-
Hlano Fin. Services		18	18	-	-	-	18	-	-
Ithala		34	34	-	-	-	34	-	-
Meeg Bank		60	60	-	-	-	60	-	-
N P Develop. Corp.		241	226	31	17	-	241	-	-
NEDCOR		2 413	2 634	-	221	-	2 413	-	-
NHFC		66	66	-	-	-	66	-	-
Old Mutual Bank		170	271	-	102	-	170	-	-

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VOTE 4ANNEXURES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008ANNEXURE 2 (continued)
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed-capital amount R'000	Opening balance ¹ April 2007 R'000	Guarantees-draw downs-during the year R'000	Guarantees-repayments/cancelled/reduced/released during the year R'000	Revaluations R'000	Closing balance 31 March 2008 R'000	Guaranteed interest for year ended 31 March 2008 R'000	Realised losses not recoverable R'000
	Housing	–	–	–	–	–	–	–	–
Peoples Bank		453	483	–	30	–	453	–	–
Saambou Bank		919	987	22	90	–	919	–	–
Siyanda District Municipality		7	7	–	–	–	7	–	–
Standard Bank		1 117	1 275	–	158	–	1 117	–	–
TNBS Mutual Bank		33	34	–	–	–	33	–	–
UNI Bank		15	15	–	–	–	15	–	–
VBS Mutual Bank		129	168	–	39	–	129	–	–
	Housing	9 824	10 759	184	1 119	–	9 824	–	–
Total		10 612	11 719	692	1 799		10 612		

DEPARTMENT OF HOME AFFAIRS
VOTE 4ANNEXURES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008ANNEXURE 3
INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000
Claims Recoverable: National Departments	18	96	–	–	18	96
Claims Recoverable: Salaries	730	561	–	–	730	561
TOTAL	748	657	–	–	748	657

According to the Department's records of vouchers received, the net revenue owing from the Department of Foreign Affairs as at 31 March 2008 is R300,499 million. However, according to the Department of Foreign Affairs' confirmation, the net revenue owing to the Department as at the 31 March 2008 is R199 352 million (R157 810 million: 06-07). The Departments are in the process of resolving the difference in the amounts noted above. Two main reasons identified for the difference are

- (i) the timing of recording of vouchers received and payment made on behalf of the Department by the Department of Foreign Affairs, and
- (ii) a credit adjustment processed by the Department of Foreign Affairs for July 2007.

Immigration Account Financial Statements

Department of Home Affairs



Annual Report

Building the New Home Affairs

2007/2008



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF HOME AFFAIRS

UNAUDITED IMMIGRATION ACCOUNT FINANCIAL STATEMENTS
for five years ended 31 March 2008

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DEPARTMENT OF HOME AFFAIRS

**UNAUDITED IMMIGRATION ACCOUNT FINANCIAL STATEMENTS
for five years ended 31 March 2008**

IMMIGRATION ACCOUNT STATEMENT OF FINANCIAL PERFORMANCE for the 5 years ended 31 March 2008	Note(s)	2008 R'000	2007 R'000	2006 R'000	2005 R'000	2004 R'000
REVENUE						
Interest earned		30 375	19 773	14 482	14 588	23 152
Forfeited deposits		–	–	51	497	124
		30 375	19 773	14 533	15 085	23 276
EXPENDITURE						
Bank charges		204	166	142	145	124
Forfeited deposits paid to NRF		–	–	51	497	124
Exchange losses	8	–	–	–	–	906
Total expenditure		204	166	193	642	1 154
SURPLUS FOR THE YEAR		30 171	19 607	14 340	14 443	22 122

IMMIGRATION ACCOUNT STATEMENT OF FINANCIAL POSITION at 31 March 2008	Note(s)	2,008 R'000	2,007 R'000	2,006 R'000	2,005 R'000	2,004 R'000
ASSETS						
Cash and cash equivalents	2	436 400	317 110	280 134	240 240	219 160
TOTAL ASSETS		436 400	317 110	280 134	240 240	219 160
LIABILITIES						
Unclaimed repatriation deposits	3	344 671	255 552	238 183	212 629	205 742
TOTAL LIABILITIES		344 671	255 552	238 183	212 629	205 742
NET ASSETS (represented by accumulated surpluses)		91 729	61 558	41 951	27 611	13 418

DEPARTMENT OF HOME AFFAIRS

UNAUDITED IMMIGRATION ACCOUNT FINANCIAL STATEMENTS
for five years ended 31 March 2008

IMMIGRATION ACCOUNT STATEMENT OF CHANGES IN NET ASSETS for the five years ended 31 March 2008	Note	Accumulated Surplus R'000	Net Assets R'000
2004			
Opening balance		13 797	13 797
Interest to National Revenue fund		(22 500)	(22 500)
Surplus for year		22 121	22 121
Closing balance		13 418	13 418
2005			
Opening balance		13 418	13 418
Interest to National Revenue fund		(250)	(250)
Surplus for year		14 443	14 443
Closing balance		27 611	27 611
2006			
Opening balance		27 611	27 611
Surplus for year		14 340	14 340
Closing balance		41 951	41 951
2007			
Opening balance		41 951	41 951
Surplus for year		19 607	19 607
Closing balance		61 558	61 558
2008			
Opening balance		61 558	61 558
Surplus for year		30 171	30 171
Closing balance		91 729	91 729

Note:

The accumulated surplus at the end of 2008 consists of cumulative net interest earned, a portion of which may be paid to the National Revenue Fund (NRF), once the revised framework for this Account has been approved and agreement has been reached with National Treasury on how these funds are to be brought into the NRF. All adjustments required as a result of the implementation of such framework will be effected from 1 April 2008 onwards.

DEPARTMENT OF HOME AFFAIRS

UNAUDITED IMMIGRATION ACCOUNT FINANCIAL STATEMENTS
for five years ended 31 March 2008

IMMIGRATION ACCOUNT CASH FLOW STATEMENT for the 5 years ended 31 March 2008	Note(s)	2008 R'000	2007 R'000	2006 R'000	2005 R'000	2004 R'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts		280 642	50 192	63 557	34 727	142 827
Payments		(161 352)	(13 216)	(23 663)	(13 397)	(55 294)
Interest paid to NRF					(250)	(22 500)
Net increase in cash and cash equivalents	4	119 290	36 976	39 894	21 080	65 033
Cash and cash equivalents at the beginning of the year		317 110	280 134	240 240	219 160	154 128
Cash and cash equivalents at the end of the year		436 400	317 110	280 134	240 240	219 161

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.

DEPARTMENT OF HOME AFFAIRS

**UNAUDITED IMMIGRATION ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
for five years ended 31 March 2008**

1. PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS**1.1 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 & 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. This is the first year that financial statements have been prepared on this basis. Prior years' financial statements were prepared on the cash basis of accounting and presented as part of the Department's financial year end procedures.

It is envisaged that entity specific financial statements will be prepared until such time as this Account can be incorporated into the Department's books and records as a deposit account (creditor) with a corresponding bank balance.

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.

Framework

A revised framework for the Immigration Account is in the process of being developed. Once approved, the framework will be applied from 1 April 2008 onwards. The framework will include the treatment of:

- Payment of revenue earned to the National Revenue Fund
- Treatment of exchange and other losses
- Forfeiture of deposits
- Prescription of deposits
- Guarantees – financial or other

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.

1.2 Revenue**Interest**

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

Net interest was 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 this 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
 - Forfeitures are approved by the Department's VISA section
- Forfeited deposits are paid into the National

DEPARTMENT OF HOME AFFAIRS

**UNAUDITED IMMIGRATION ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
for five years ended 31 March 2008**

Revenue Fund. The forfeiture of deposits ceased with effect from 1 July 2005 onwards as a result of guidance contained in a Departmental legal opinion.

1.3 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 Foreign Affairs 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 Departments' accounting records and the cash required to re-imburse the Department for realised exchange losses are claimed from the Immigration Account funds.

Exchange gains are calculated by the Department and paid directly to the NRF instead of transferring such to the Immigration Account and then transferring such amounts to the NRF.

1.4 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 amounts 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 due to foreigners in terms of the Immigration Act No 13 of 2002 are

made from this commercial bank account.

1.5 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 an original receipt (BI/ FA form). The onus is upon the eligible depositor to claim back the deposit.

The Department does not maintain a deposit register or ledger as refunds are made upon the presentation of a valid original receipt. 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 NRF once prescription & forfeiture rules have been determined in the revised Regulations and Framework for the Immigration Account.

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

The unclaimed repatriation deposits are reflected as a liability as the amounts are refunded in the following cases.

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

DEPARTMENT OF HOME AFFAIRS

**UNAUDITED IMMIGRATION ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
for five years ended 31 March 2008**

- 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 whilst others may only occur several years later.

Interest earned does not accrue to the depositor.

2. CASH AND CASH EQUIVALENTS

	2008 R'000	2007 R'000	2006 R'000	2005 R'000	2004 R'000
Cash at bank	436 400	317 110	280 134	240 240	219 160

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 from that date forward.

3. UNCLAIMED REPATRIATION DEPOSITS

	2008 R'000	2007 R'000	2006 R'000	2005 R'000	2004 R'000
Opening balance	255 552	238 183	212 629	205 742	125 016
Deposits received	250 267	30 419	49 075	20 139	119 675
Refunds and payments made	(159 714)	(13 848)	(23 899)	(9 327)	(55 488)
Adjustments	(1 434)	798	378	(3 925)	16 539
Closing balance	344 671	255 552	238 183	212 629	205 742

A register of unclaimed repatriation deposits was compiled based on documentation and data files available at the Department. Based on this information and the relevant data extracted from the Departments Q&A system, the unclaimed deposits balance at 31 March 2008 can be reconciled to the balance in the financial statements as follows:

	R'000
Database of unclaimed deposits compiled as at 31 March 2008:	345 438
<u>Less:</u> Refund data* that has not yet been allocated to receipts included above	(26 871)
Adjusted Schedule of unclaimed deposits:	318 567
<u>Add:</u> Funds earmarked for transfer to NRF (comprises net monies received, not supported by receipts documentation/ data	26 104
Balance as stated in Note 3 above	344 671

*Additional adjustments may be required once these allocations have been completed. Any such adjustments and payments to NRF will be reflected in the 2008/9 financial statements.

DEPARTMENT OF HOME AFFAIRS

**UNAUDITED IMMIGRATION ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
for five years ended 31 March 2008**

4. RECONCILIATION OF NET CASH FLOWS FROM ACTIVITIES TO SURPLUS

	2008 R'000	2007 R'000	2006 R'000	2005 R'000	2004 R'000
Surplus	30 171	19 607	14 340	14 443	22 121
Interest to NRF	–	–	–	(250)	(22 500)
Non cash items:					
Increase in unclaimed deposits	89 119	17 369	25 554	6 887	80 726
Cheques written back/ other adjustments	–	–	–	–	(15 315)
Net increase in cash & cash equivalents	119 290	36 976	39 894	21 080	65 032

5. TRANSACTIONS ORIGINATING AT FOREIGN MISSIONS

The Department of Foreign Affairs (DFA) receives and refunds certain deposits from 3rd parties in terms of the Immigration Act No 13 of 2002 at foreign missions throughout the world. The net amount receivable from the DFA is deposited into the Department's bank account on an ad-hoc basis throughout the financial year. The underlying transactions are captured in the Department's books and records based on the underlying documentation submitted by the DFA. The net amounts of all receipts and refunds in terms of the Immigration Act No 13 of 2002 are recorded in the Department's repatriation deposit general ledger account.

These financial statements do not reflect the receipts or refunds made by foreigners, where such transactions originated at foreign missions and where the Department has not received the cash from the DFA.

6. AMOUNTS DUE TO THE NATIONAL REVENUE FUND

Forfeited deposits relating to periods prior to July 2005, which have not been processed in these financial statements amount to approximately R 6,7 million. Such forfeited deposits are included in the unclaimed repatriation deposits balance – see note 3. Such forfeited deposits may be transferred to the National Revenue Fund (NRF) once an appropriate treatment in terms of the new framework has been agreed with National Treasury. The forfeiture of deposits ceased with effect from 1 July 2005 onwards.

The compilation of the unclaimed repatriation deposits register referred to in Note 3 above may result in further transfers to the NRF.

7. AMOUNTS DUE TO THE IMMIGRATION ACCOUNT

Certain bank guarantees were obtained from foreigners where no cash deposit was received. The Department is in the process of claiming outstanding bank guarantees of approximately R1 million in respect of forfeited deposits. The guarantees that are still enforceable will be reflected in Immigration Account's financial statements once the cash is received.

The registration of bank guarantees was discontinued during the financial year 2005/6.

DEPARTMENT OF HOME AFFAIRS

UNAUDITED IMMIGRATION ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
for five years ended 31 March 2008

8. EXCHANGE LOSSES AND GAINS

The Department claimed exchange losses from the Immigration Account funds based on information received from DFA for periods up to 31 March 2004.

Exchange losses amounting to approximately R2, 5 million (based on information received from DFA for periods up to 31 March 2008) have not been processed in these financial statements. The treatment of such exchange losses is dependent on the finalisation of the framework and discussions with National Treasury.

All exchange gains as determined by the Department are paid directly to the NRF.

Annual Financial Statements

Government Printing Works



Annual Report
Building the New Home Affairs
2007/2008



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

THE GOVERNMENT PRINTING WORKS
Financial statements
for the year ended 31 March 2008

GENERAL INFORMATION

Nature of business and principal activities	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.
Registered office	149 Bosman Street Pretoria 0001
Business address	149 Bosman Street Pretoria 0001
Postal address	Private Bag x 85 Pretoria 0001
Auditors	The Auditor-General
Bankers	ABSA Reserve Bank
Accounting Officer	T S Moyane

The reports and statements set out below comprise the financial statements presented to the accounting officer:

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The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed Statement of Financial Performance	232

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Accounting Officer's responsibilities and approval

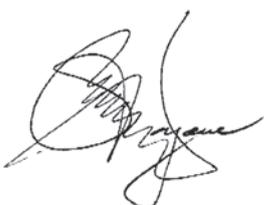
The Accounting Officer is required by the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999), to ensure that Government Printing Works (GPW) maintains and implements adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the 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 financial statements and were given unrestricted access to all financial records and related data.

The 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 Practice 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 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 2009 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 210 to 231, which have been prepared on the going concern basis, were approved by the Accounting Officer on 30 May 2008.



Mr T Moyane
Accounting Officer

Pretoria
30 May 2008

THE GOVERNMENT PRINTING WORKS

Accounting Officer's report for the year ended 31 March 2008

The year under review has been characterised by a series of important milestones as well as setbacks which erode the gains made during the course of the year under review. One of the key milestones was the work around the corporatisation process which culminated in the meeting with a joint panel of Department of Public Service and Administration (DPSA) and National Treasury (NT) on the future of the organisation. Despite the inability to make the required threshold, lessons were learnt on the weaknesses or challenges to overcome; thus providing us with an opportunity to review the process in a different perspective. While we thought we had made serious gains in the recruitment of the CFO, a critical position within the GPW, this excitement was short-lived as we could not keep the incumbent for more than a month within the organization. The subsequent paragraphs will give a broad high level analysis.

1) Background

The GPW operates a Trade Account and consequently must be ran on purely business principles, involving amongst others, prompt decision making governed by market forces. Notwithstanding this, being a branch of the Department of Home Affairs (DHA), 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.

Though the institution has an autonomous structure and mandate, final decision-making on most crucial administrative issues does not reside within the organisation; making the administrative process at times not only cumbersome but also lengthy as final authority to carry out certain functions must come from the DHA. This situation invariably impacts negatively on service delivery in the final analysis.

The principal clientele of the GPW are State Departments and their statutory bodies. It provides services to them on a 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 artisan 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. The GPW is, as a result, compelled to outsource a greater percentage of jobs. Furthermore, the situation is compounded by the absence of any compulsion for Government departments to use the GPW to meet their printing and allied needs as hitherto prevails until the advent of the PFMA.

Services rendered by the Government Printing Works

The GPW is tasked with the rendering of security printing and related services to Government Departments, Provincial Institutions and Local Authorities. This entails the following:

a) Services

- Compiling, editing, printing and distributing 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.
- The administration of Publications Division to provide for the stocking of government publications and the selling thereof to Government Institutions and the general public, as well as to institutions abroad.

THE GOVERNMENT PRINTING WORKS
Accounting Officer's report for the year ended 31 March 2008

b) Tariff Policy

Tariffs are changed in terms of the GPW policies and after receiving approval on the changes by National Treasury.

c) Printing

Job costing is done by application of the direct costing method, which allows for all material, equipment, depreciation, labour and other expenditure incurred to render a particular service, to be recovered from customers.

d) Stationery and Government Publications

Calculations are based on actual cost of production, i.e. cost of purchases plus operating costs.

2) Corporatisation Process

The GPW corporatisation business case emphasizes a number of important building blocks for the future GPW as a commercial entity. The cornerstone of the whole business case is the potential of the international security printing business over the medium to long term and the underlying potential of becoming a commercially sustainable entity within that market space.

The restructuring of the GPW through a process of corporatisation will potentially permit it to operate effectively in South Africa's growing printing industry and will encourage the adoption of more efficient, client-focused business practices. Furthermore, it should enable the corporatised entity to continue to deliver printing services on behalf of the South African Government more effectively, as it is anticipated that restructuring will result in improved quality, service and pricing for Government Departments.

Therefore, in order to proceed further a number of activities must be undertaken. Firstly, the GPW must strengthen its internal capacity and seek potential support from external advisers in order to effectively equip itself for the corporatisation process. Secondly, a full and comprehensive re-write of the Strategic Business Case (SBC) must be undertaken in line with the proposal for corporatisation; the SBC must address more comprehensively and systematically the potential commercial, operational and regulatory issues which may ultimately undermine the viability of the corporate entity.

The Business Case to corporatise was presented on 7 May 2007, before a Joint Evaluation Panel of DPSA and NT and was not approved because it could not demonstrate and prove the financial viability of the institution post-corporatisation. The GPW was requested to go and review the business case and re-submit a financial viability plan.

3) Technological Upgrading

Over the past few years the print industry has changed substantially - it has become more high-tech, online, automated and multi-disciplined. Major international changes over the past 10 years have occurred because end-user demands on printing are changing and becoming more sophisticated. Printers are being forced to change and transform or run the risk of takeovers or business closures.

For many years the GPW has experienced capital stripping and lack of investment in new technologies, both in ICT and new equipment and machinery. Funds have been made available via the Medium Term Expenditure Framework (MTEF) process, a sum of R110 million was

THE GOVERNMENT PRINTING WORKS
Accounting Officer's report for the year ended 31 March 2008

transferred by DHA to the GPW to invest in new technology for the production of all face value documents and catapult the GPW into a new theatre of operations. A state of the art passport machine was procured in September 2007 and is due for delivery in August 2008. Funds are available for the 2008/09 financial year for the modernisation process within GPW. Indeed, thus help optimise the production processes in such a manner that printing operations establish and operate a modern printing facility, with services costing less than the prices of security printers in Europe, while supplying quality services of international standard.

4) Production Process Optimisation – New Factory

The relocation to a new plant will ensure a healthier work environment and increase the operational effectiveness. However, this process has been very slow due to lack of response from Department of Public Works (DPW) on the project that was initiated as early as 2005. However, towards the second quarter of the year under review, the GPW identified the "Old Munt" as the alternative temporary accommodation for its new passport machine, even then the process was very slow to come to fruition. Towards the end of the financial year permission was granted and contractors appointed to refurbish one of the pavilions.

Funds for the move have been approved and are contained in the 2008/09 MTEF, Infrastructure and Capital project budget for the New Accommodation Facility for the GPW is available at the GPW

5) Marketing Effectiveness & Alignment

An effective and aggressive marketing strategy needs to ensure that the GPW retains high value customers but also grows the customer base to match the increased production capacity. This could not be achieved due to resignation of the Marketing Executive.

6) Productive Environment

Product	2006/07	2007/08	% Var
Passports (books)	1 041 478	1 131 578	8.7
Identity Documents (books)	2 078 114	2 181 271	5.0
Examinations (books)	12 596 471	23 197 867	84.2
Government Gazettes (copies)	3 211 405	3 568 228	10.0
Revenue Stamps (Number of Sheets)	48 100	41 400	(14.0)

7) Other Developments

a) African Union:

The GPW was nominated by the African Union (AU) in Ethiopia as one of the organisations with the capability to develop both the Diplomatic and Service passports for the AU in pursuit of the free movement of person's project. The AU required a passport that was compliant with all international protocols as prescribed by International Civil Aviation Organisation (ICAO) to be produced in Africa by an African company. On 21st May 2007, 980 passports were successfully produced and shipped to Addis Ababa.

On the 25th May 2007, in the presence of 53 AU country members, His Excellency, President John Kufour of Ghana, Prime Minister Meles Zenawi of Ethiopia, Deputy Minister of Commerce of the Peoples Republic of China and Permanent Representatives and Members of the Diplomatic

THE GOVERNMENT PRINTING WORKS
Accounting Officer's report for the year ended 31 March 2008

Corps accredited to the AU; the chairperson, His Excellency Professor Alpha Oumar Konare announced that, in marking the 46th Anniversary of the African Union, this day marks the official launch of the diplomatic and service passports of the AU, he thanked South Africa (GPW) for the production of this strategic document which will herald a new era in the continent to facilitate the movement of people and services for the well being of economic integration of Africa.

b) Malawi National Examination Board

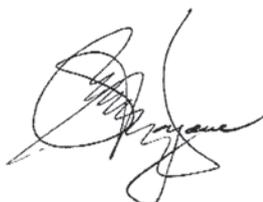
The GPW was awarded the tender by Government of Malawi to print their national examinations which historically were printed in the UK, for both the Junior and Senior Certificate examinations.

A letter of appreciation was received for the GPW's professionalism and high levels of security both in printing and the transportation of the examinations to Malawi.

c) Human Resources

During the course of the year, the newly appointed Chief Financial Officer went absent without leave after being appointed. This led to his dismissal (in absentia) after all the disciplinary processes were followed.

The recruitment of key senior executives remains one of the key challenges facing the organisation, because of high staff turnover of special skills. This has serious implications to the process of corporatisation and may be a stumbling block towards achieving a functional organisation.



Mr T S Moyane
Accounting Officer
30 May 2008

THE GOVERNMENT PRINTING WORKS
Report of the Auditor-General to Parliament on the Financial Statements and Performance
information of the Government Printing Works for the year ended 31 March 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Government Printing Works (GPW) which comprise the statement of financial position as at 31 March 2008, 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 notes, as set out on pages 210 to 231.

Responsibility of the accounting officer for the financial statements

2. 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, 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
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No.25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
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.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The trading entity's policy is to prepare financial statements on the basis of accounting as set out in accounting policy note 1.

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Basis for adverse opinion

Provision for doubtful debt: Corresponding figures

9. No provision was made in the prior year for doubtful debts amounting to R30 268 million. This matter, which gave rise to the modification, remains unresolved, but does not result in a modification of the auditor's report regarding the current period figures as a provision was made in the current year for doubtful debt of R31 920 million. Had the provision for doubtful debts been made in the prior year, expenses for the 2007 financial year would have increased by R30 268 million and accumulated surplus would have decreased by R30 268 million.

Receivables

10. The accounting officer did not ensure that the amounts included in the suspense accounts were cleared and correctly allocated to the relevant cost centres on a monthly basis as required by Treasury Regulation (TR) 17.1.2.(b). These accounts amounted to R12 973 million (2007: R10 610 million) at year-end and result in an overstatement of receivables.
11. Delivery notes amounting to R28 341 million identified were kept at the dispatch section but did not refer to any specific job tickets. I was unable to confirm or verify the delivery notes by alternative means as references to specific job tickets selected were lacking. Accordingly, I was not able to determine whether these goods were actually delivered.

Value-added tax (VAT)

12. Unexplained errors and overpayments included in the VAT account amounting to R2 874 million were identified. This has resulted to receivables being overstated.

Inventory

13. WIP is included in the financial statements by using a WIP report from the non-integrated stock system. Inconsistencies amounting to R3 442 million between this report and the individual job tickets selected were identified. Management indicated that this relates to system error and therefore the inventory is materially understated.
14. A status 2 report generated on the non-integrated stock system includes job tickets amounting to R4 278 million that had not been included in inventory. Had this amount been properly accounted for, inventory would have increased by R4 278 million and cost of sales decreased by R4 278 million.

Property, plant and equipment

15. The existence and completeness of assets amounting to R50 532 million could not be verified as a result of an incomplete and inaccurate asset register. According to the fixed asset project report, 1 584 assets were located which were double numbered, not numbered or did not appear in the asset register while 4 656 items were not located. After a second verification process, 2 990 items were still not located, 625 were located with asset numbers that are not indicated in the asset register and 707 items were located which were either double numbered or did not appear in the asset register.
16. The South African Statement of Generally Accepted Accounting Practice, IAS 16, paragraph 60, states that the useful life of assets should be reassessed at least on a yearly basis. Zero-value assets with a cost price of R33 67 million are still in use within the GPW as reflected in the current fixed asset register. Had the GPW reassessed the useful life of assets, the depreciation and surplus for the period would have been restated. Due to this non-compliance with IAS 16: Property, plant and equipment, the financial statements for each financial year are not in accordance with generally recognised accounting practice as required by section 40(1)(b) of the PFMA.

Payables

17. The goods received control account included long-outstanding amounts of R8 991 million (2007: R7 070 million). These amounts had accumulated as from April 2006. These amounts resulted in an overstatement of payables and purchases. Reconciliation's of this account were inadequate, resulting in these long-outstanding amounts not being followed up and cleared.

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Adverse opinion

18. In my opinion, because of the significance of the matters described in the basis for adverse opinion paragraphs, the financial statements of the GPW as at 31 March 2008 and its financial performance and cash flows for the year then ended have not been prepared, in all material respects, in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the PFMA.

Emphasis of matter(s)

I draw attention to the following matters:

Highlighting critically important matters presented or disclosed in the financial statements

19. As disclosed in note 31 to the financial statements fruitless and wasteful expenditure to the amount of R1 834 million (2007: R14 7 million) was incurred.

Restatement of corresponding figures

20. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2007 have been restated as a result of an error discovered during the audit of the period ended 31 March 2008 in the financial statements of the GPW for the year ended 31 March 2007.

OTHER MATTER(S)

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Internal controls

21. Section 38(1)(a)(i) of the PFMA states that the accounting officer must ensure that the trading entity has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the adverse opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting item	Control environment	Risk assessment	Control activities	Information and communication	Monitoring
Provision for doubtful debt: Corresponding figures	√		√		
Receivables	√		√		
Value-added tax	√		√		
Inventory			√	√	
Property, plant and equipment	√		√		
Payables	√		√		

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Control environment: establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.

Risk assessment: involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.

Control activities: policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.

Information and communication: supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allow people to carry out their financial reporting duties.

Monitoring: covers external oversight of internal controls over financial reporting by management or other parties outside the process, or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.

Non-compliance with applicable legislation

22. Treasury Regulations

- The accounting officer did not manage revenue efficiently and effectively by developing and implementing appropriate processes that provide for the identification, collection, recording, reconciliation and safeguarding of information about revenue as required by TR 7.2.1. The debtors system used within the GPW does not support its operations. This includes, but is not limited to, a lack of approval found on hardcopies of journals for credit notes amounting to R1 639 million. In addition, more than 400 journals, which could have been prevented, were processed to correct allocation errors between debtors via the suspense accounts.
- The accounting officer did not take effective and appropriate steps to timeously collect all money due to the institution and, as necessary, maintain proper accounts and records for all debtors, including amounts received in part payment as required by TR 11.2(a). The trade and other receivables balance at year-end amounted to R120 million (2007: R139 million), while debtors older than 150 days represent 53% of the total debtors amounting to R65 096 million (2007: R52 633 million).
- The accounting officer did not refer long-outstanding debts to the State Attorney or, where economical, consider a legal demand and possible legal proceedings in a court of law as required by TR 11.2(b).
- The GPW did not have a chief financial officer serving on the senior management team as required by TR 2.1.1.

23. Public Finance Management Act

- The functions of the accounting officer for the year under review were performed by the chief executive officer without written approval from National Treasury as required by section 36(3)(b) of the PFMA.
- The accounting officer did not manage, safeguard and maintain assets, as required by section 38(1)(d) of the PFMA. The asset register is incomplete and inaccurate.
- Non-compliance with the VAT Act sections 1, 2(1)(c), 2(2)(iii), 7(1), 16(1), 27(1), 28(1), as required by section 38(1)(e) of the PFMA, was noted.
- The accounting officer did not settle outstanding debt amounting over R8 980 million within the prescribed time of 30 days, as required by section 38(1)(f) of the PFMA and TR 8.2.3.

THE GOVERNMENT PRINTING WORKS

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- The accounting officer did not report in writing particulars of fruitless and wasteful expenditure amounting to R1 834 million to the relevant treasury, as required by section 38(1)(g) of the PFMA.
- The accounting officer did not keep full and proper records of the financial affairs of the GPW in accordance with prescribed norms and standards, as required by section 40(1) (a) of the PFMA. Debtor and creditor accounts were not properly reconciled and the asset register was not complete and updated. Delivery notes were not attached to job tickets and VAT transactions were not properly recorded and reconciled.
- With reference to the qualification paragraphs above, the annual report and audited financial statements do not fairly present the state of affairs of the trading entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned, as required by section 40(3)(a) of the PFMA.
- Not all monthly reports were submitted to the relevant treasury within the prescribed time frame of 15 days of the end of each month, as required by section 40(4)(c) of the PFMA.

24. Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)

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). No prior written authorisation was obtained from accounting officer. The continuous resignation of artisans and GPW's inability to retrain these scarce skills within GPW due to poor remuneration practices compels GPW to be non-compliant with the Basic Conditions of Employment Act no 75 of 1997. GPW is forced by objective conditions prevalent within its environment created by the constraints it faces to work overtime to meet its service delivery measure of key and strategic documents for DHA. The delivery of passports, ID's, Government Gazette must be delivered on time and on schedule and irrespective of these limitations the GPW has maintained this commitment without fail.

However, management has over the years been battling to address this problem, but people keep leaving the organisation for better working conditions, thus exacerbating the problem further.

Matters of governance

25. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The trading entity had an audit committee in operation throughout the financial year.	√	
• The audit committee operates in accordance with approved, written terms of reference.	√	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and TR section 3.1.10.	√	
Internal audit		
• The trading entity had an internal function in operation throughout the financial year.	√	
• The internal audit function operates in terms of an approved internal audit plan.	√	
• The Internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	√	
Other matters of governance		
The annual financial statements were submitted for audit as per the legislated deadlines section 40 of the PFMA.	√	
The financial statements submitted for audit were not subject to any material amendments resulting from audit.		√
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.		√
The prior year's external audit recommendations have been substantially implemented.		√
SCOPA resolutions have been substantially implemented.		√

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Unaudited supplementary schedules

26. The supplementary information set out on pages xx to xx 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.

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

27. I was engaged to review the performance information.

Responsibility of the accounting officer for the performance information

28. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the trading entity.

Responsibility of the Auditor General

29. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.
30. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
31. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

No reporting of performance information

32. The entity has not reported performance against predetermined objectives, as required by section 40(3)(a) of the PFMA.

Content of strategic plan

33. The strategic plan of the trading entity did not include the measurable objectives, expected outcomes, program outputs, indicators (measures) and targets of the entity's programmes, as required by Treasury Regulation 5.2.2(d).

APPRECIATION

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

Auditor-General:

Pretoria
30 July 2008



AUDITOR - GENERAL

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Statement of Financial Performance

	Note(s)	2008 R'000	2007 R'000
Revenue	2	455 876	475 704
Cost of sales	3	(335 221)	(398 456)
Gross profit		120 655	77 248
Other income	4	5 182	289
Operating expenses	5	(120 610)	(83 759)
Operating profit (loss)		5 227	(6 222)
Interest received	6	9 175	6 661
Profit for the year		14 402	439

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Statement of Financial Position as at 31 March 2008

	Note(s)	2008 R'000	2007 R'000
Assets			
Non-Current Assets			
Property, plant and equipment	8	50 532	25 521
Current Assets			
Inventories	9	104 659	96 022
Trade and other receivables	10	120 074	139 204
Cash and cash equivalents	11	276 833	166 957
		501 566	402 183
Total Assets		552 098	427 704
Net Assets and Liabilities			
Net Assets			
Machinery and Capital fund	12&13	342 007	342 007
Surplus distributable to National Treasury		10 582	485
		352 589	342 492
Liabilities			
Non-Current Liabilities			
Deferred income	14	110 000	–
Current Liabilities			
Trade and other payables	15	87 604	83 290
Provisions	16	1 905	1 922
		89 509	85 212
Total Liabilities		199 509	85 212
Total Net assets and Liabilities		552 098	427 704

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Statement of Changes in Net Assets

	Capital Fund R'000	Machinery & Equipment Fund R'000	Total Funds R'000	Accumulated Surplus R'000	Net Assets R'000
Opening balance as previously reported	189 097	95 861	284 958	61 063	346 021
Adjustments					
Prior period adjustments	–	(4 013)	(4 013)	45	(3 968)
Balance at 01 April 2006 as restated	189 097	91 848	280 945	61 108	342 053
Changes in net assets					
Profit for the year	–	–	–	439	439
Transfer to machinery & equipment fund	–	61 062	61 062	(61 062)	–
Total changes	–	61 062	61 062	(60 623)	439
Opening balance as previously reported	189 097	152 910	342 007	3 835	345 842
Adjustments					
Prior period adjustments	–	–	–	(3 350)	(3 350)
Balance at 01 April 2007 as restated	189 097	152 910	342 007	485	342 492
Changes in net assets					
Profit for the year	–	–	–	14 402	14 402
Transfers to bad debt provision	–	–	–	(4 305)	(4 305)
Total changes	–	–	–	10 097	10 097
Balance at 31 March 2008	189 097	152 910	342 007	10 582	352 589
Notes	12	13			

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Cash Flow Statement

	Note(s)	2008 R'000	2007 R'000
Cash flows from operating activities			
Cash receipts from contributors and other sources		468 812	503 269
Cash paid to suppliers and employees		(335 134)	(459 424)
Cash generated from operations	17	133 678	43 845
Interest income		9 175	6 661
Net cash from operating activities		142 853	50 506
Cash flows from investing activities			
Acquisition of property, plant and equipment	8	(32 977)	(1 781)
Proceeds on disposal of property plant and equipment	8	–	23
Net cash from investing activities		(32 977)	(1 758)
Total cash movement for the year			
		109 876	48 748
Cash at the beginning of the year		166 957	118 209
Total cash at end of the year	11	276 833	166 957

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Accounting Policies

1. Basis of preparation

The 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 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 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 trading entity has adopted certain new and amended South African Statements of Generally Accepted Accounting Standards.

1.1 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 derecognised.

1.1.1 Cost or fair value

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

1.1.2 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	8 years
Office furniture	6 years
Motor vehicles	5 years
Computer equipment	3 years

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Financial Statements for the year ended 31 March 2008
Accounting Policies

1.2 Financial assets and liabilities

1.2.1 Initial recognition

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 assets and financial liabilities are recognised on the entity's financial position when the entity becomes party to the contractual provisions of the instrument.

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.

1.2.2 Profits 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.

1.2.3 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 the terms of an existing liability are substantially modified, such an exchange or modification is treated as a 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.

1.2.4 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.

1.2.5 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.

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Accounting Policies

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 is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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 are 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.

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Accounting Policies

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. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss of assets carried at cost less any accumulated depreciation is recognised immediately in surplus or deficit.

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 surplus or deficit.

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 administered by National Treasury. Once the employee leaves the GPW, he/she becomes a pension member under the auspices of National Treasury 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.

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Financial Statements for the year ended 31 March 2008
Accounting Policies

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 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 as and 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; and
- 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.

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Financial Statements for the year ended 31 March 2008
Accounting Policies

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 financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 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.

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Notes to the Financial Statements

	2008 R'000	2007 R'000
2. Revenue		
Revenue	455 876	475 704
Regular sales	344 308	400 170
Contract Printing	111 568	75 534
	455 876	475 704
3. Cost of sales		
Direct labour	39 138	32 574
Manufacturing overheads	42 119	22 789
Direct Materials	247 700	334 604
Depreciation-Factory equipment	6 264	8 489
	335 221	398 456
4. Other income		
Administration fees (Home Affairs)	212	199
Bad debts recovered	2 823	-
Other recoveries	2 036	-
Proceeds on sale of assets written off in previous year	-	23
Telephone refunds	111	67
	5 182	289
5. Operating expenditure		
Administration and management fees	27 619	15 235
Audit fees	3 267	3 536
Bad debts provision	28 710	-
Bad debts written off	2 734	11 641
Depreciation-Other equipment	1 680	3 494
Employee benefits less provisions	41 242	35 735
Other operating expenditure	15 358	14 118
	120 610	83 759
6. Interest received		
Interest charged on trade and other receivables	9 175	6 661
7. Net surplus for the year		
The following items have been charged in arriving at net surplus		
Depreciation	7 944	11 984
Auditors' remuneration	3 267	3 536
Consultant fees	10 914	4 453
	22 125	19 973

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Financial Statements for the year ended 31 March 2008
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8. Property, plant and equipment	2008			2007		
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Plant and equipment	109 424	(63 233)	46 191	77 939	(57 600)	20 339
Office furniture	9 135	(6 819)	2 316	8 825	(6 260)	2 565
Motor vehicles	880	(220)	660	880	–	880
Computer equipment	13 371	(12 006)	1 365	13 203	(11 466)	1 737
Total	132 810	(82 278)	50 532	100 847	(75 326)	25 521

Reconciliation of property, plant and equipment - 2008	Opening Balance	Additions	Write off of fixed assets	Depreciation	Total
Plant and equipment	20 339	31 485	–	(5 633)	46 191
Office furniture	2 565	514	(8)	(755)	2 316
Motor vehicles	880	–	–	(220)	660
Computer equipment	1 737	978	(14)	(1 336)	1 365
Total	25 521	32 977	(22)	(7 944)	50 532

Included in the additions of Plant and Equipment is an amount of R29 010 million which relates to expenses incurred for part payment for the construction of a new passport assembly line. No depreciation was calculated on the new passport assembly line for the financial year under review, since the assembly line is still in the process of construction.

Reconciliation of property, plant and equipment - 2007	Opening Balance	Additions	Depreciation	Total
Plant and equipment	28 417	59	(8 137)	20 339
Office furniture	2 713	662	(810)	2 565
Motor vehicles	–	880	–	880
Computer equipment	4 593	180	(3 036)	1 737
Total	35 723	1 781	(11 983)	25 521

9. Inventories		
Raw materials	28 947	23 934
Work in progress	30 231	19 094
Finished goods	45 481	52 994
	104 659	96 022

Inventories are valued consistent to previous years as stated in note 1.5. During the year under review slow moving and obsolete stock amounting to R0 616 million (2007- R14 7 million) was written off.

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
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	2008 R'000	2007 R'000
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10. Trade and other receivables

Trade receivables	98 476	123 849
Deferred lease payments	–	1
Other receivables	21 598	15 354
	120 074	139 204

Included in other receivables are the following: Dissallowance creditors R2 million (2007: R2 million), Spoiled Printing R1 million (2007: R0 615 million), Contract Printing R4,9 million (2007: R Nil) and VAT R18 9 million (2007: R10 4 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 2008 trade and other receivables in the amount of R31 million was considered to be impaired and the provision for doubtful debts of R31 9 million was raised.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	–	50 831
Provision created	31 921	12 258
Less: Utilised surplus as per National Treasury	(4 305)	–
Less: Utilised	–	(63 089)
	27 616	–

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	17	16
Bank balances	2 319	5 610
Paymaster General	274 497	161 331
	276 833	166 957

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Notes to the Financial Statements

	2008 R'000	2007 R'000
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12. Capital fund		
Balance at end of year	189 098	189 098

The capital fund originated through the transfer of net surplus in previous years' after the approval of the National Treasury was obtained for the necessary transfers. The purpose of the fund is the financing of the operations of the GPW. The GPW was not in the position to transfer any surpluses to the fund in the past two financial years.

13. Machinery and Equipment fund		
Balance at the beginning of the year	152 909	95 932
Transfer for capital expenditure	-	60 992
Adjustment for replacement value	-	(4 013)
	152 909	152 911

The machinery and Equipment fund originated through the transfer of surpluses in previous years' to the fund after the approval of the National Treasury was obtained for the necessary transfers. The purpose of the fund is the financing of the capital expenditure of the GPW.

14. Deferred income

During the financial year under review the GPW received an amount of R110 million from the Department of Home Affairs as a contribution in the acquiring of a new passport assembly line. Marubeni Corporation was appointed as the supplier. The deferred income will be credited to the Statement of Financial Performance as and when the asset is brought to use.

Grants received during the year	110 000	-
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15. Trade and other payables		
Trade payables	36 944	42 721
Other payables	46 205	36 063
Accrued expense - Leave pay	4 455	4 506
	87 604	83 290

Included in other payables are accruals of R15,273 million (2007: R18,246 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.

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
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	2008 R'000	2007 R'000
Accrued leave pay		
Opening balance	4 506	6 240
Utilised during the year	(51)	(1 734)
	4 455	4 506

16. Provisions**Reconciliation of provisions - 2008**

	Opening Balance	Additions	Utilised during the year	Total
Service Bonus	1 922	3 617	(3 634)	1 905

Reconciliation of provisions - 2007

	Opening Balance	Additions	Utilised during the year	Total
Service Bonus	1 630	3 746	(3 454)	1 922

The service bonus payable is based on an employees's 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	14 402	439
Adjustments for:		
Depreciation and amortisation	7 944	11 984
(Profit)/loss on sale of assets	-	(23)
Interest	(9 175)	(6 661)
Movements in provisions	(17)	292
Fixed assets written off	22	-
Transfer to bad debt provision	(4 305)	-
Restatement of prior year error	-	(72)
Changes in working capital:		
Inventories	(8 637)	7 316
Trade and other receivables	19 130	27 769
Trade and other payables	4 314	2 801
Deferred income	110 000	-
	133 678	43 845

The previous year's surplus is set off against the bad debt provision as approved by The National Treasury.

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Notes to the Financial Statements

	2008 R'000	2007 R'000
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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 National Treasury entered into these lease agreements on behalf of the GPW. The lease agreements are for three 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 2008.

R'000 Up to 1 year	R'000 1 to 5 years	R'000 More than 5 years
394	403	Nil

19. Depreciation - Operating expenditure

Plant and machinery	50	74
Motor vehicles	155	–
Office equipment	573	662
Computer equipment	902	2 758
	1 680	3 494
Total depreciation - Operating expenditure	1 680	3 494

20. Employee benefits

Salaries and wages	68 048	58 658
Employer contributions:		
Pension	5 649	5 537
Housing	2 316	1 167
Medical	4 286	3 845
Public Service Co-ordinate Bargaining Council	4	3
General Public Service Bargaining Council	14	14
	80 317	69 224

21. Emoluments

21.1. Executive remuneration		
Chief Executive Officer		
Basic	585	444
Bonuses and performance payments	–	(19)
Expense allowances	–	235
Pension contributions	61	58
Other benefits	153	22
	799	740

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Notes to the Financial Statements

	2008 R'000	2007 R'000
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Chief Financial Officer (Start date 1/11/2007, Discharged date 14/02/2008)

Basic	14	288
Expense allowances	–	153
Pension contributions	2	38
	16	479

Executive Director: Operations

Basic	361	340
Bonuses and performance payments	32	24
Expense allowances	–	142
Pension contributions	47	44
Other benefits	164	17
	604	567

Executive Director: HR and Transformation

Basic	361	332
Bonuses and performance payments	30	13
Expense allowances	–	139
Pension contributions	47	43
Other benefits	164	11
	602	538

Executive Director: Marketing and Branding (Resigned 08/06/2007)

Basic	96	340
Bonuses and performance payments	15	19
Expense allowances	–	145
Pension contributions	9	44
Other benefits	2	9
	122	557

Director: Costing

Basic	307	289
Bonuses and performance payments	25	12
Expense allowances	–	106
Pension contributions	40	38
Other benefits	140	24
	512	469

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Notes to the Financial Statements

	2008 R'000	2007 R'000
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Director: Administration (Resigned 31/08/07)		
Basic	267	260
Bonuses and performance payments	24	23
Expense allowances	–	108
Pension contributions	20	37
Other benefits	205	21
	516	449

Factory Manager (Director)		
Basic	307	291
Bonuses and performance payments	25	24
Expense allowances	–	120
Pension contributions	40	37
Other benefits	140	10
	512	482
Total Executive emoluments	3 683	4 281

22. Remuneration of Audit Committee Members		
Audit committee members	62	–

No comparative figures with regard to audit committee members are presented, since the current audit committee of the GPW only commenced its duties on the 1st of April 2007.

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	325	606
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THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Notes to the Financial Statements

	2008 R'000	2007 R'000
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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		
Department of Home Affairs	12 799	13 800
Deferred income		
Grant received	110 000	–
Related party transactions		
The following transactions pertaining to the major related parties to the Government Printing Works are disclosed:		
Department of Home Affairs		
Administration fees received from Department of Home Affairs	212	199
Sales	55 629	31 930
	55 841	32 129

25. Prior period errors**25.1. Replacement value of property plant and equipment**

Adjustment with regard to replacement value of property, plant and equipment was incorrectly accounted as other income in the amount of R4 013 million in the 2007 financial statements. Correcting entries have been processed and comparative figures have been appropriately adjusted.

25.2. Output VAT on bad debts written off

Bad debts written off during the 2007 financial year incorrectly included output VAT in the amount of R7 748 million. Correcting entries have been processed in the current financial year and comparative figures have been appropriately adjusted.

25.3. Interest on debtors

In terms of section 80 of the Public Finance Management Act (Act 1 of 1999) (as amended by Act 29 of 1999) entities must charge a uniform interest rate to all debts owed to the entity and this must be paid over to the revenue fund. In terms of paragraph 34 of IAS 18, revenue is recognised only when it is probable that the economic benefits associated with transactions will flow to the entity. However when an uncertainty arises about the collectibility of an amount already included in revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognised as an expense, rather than as an adjustment of the amount of revenue originally recognised.

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Notes to the Financial Statements

	2008 R'000	2007 R'000
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The GPW sells to government departments and these departments have never settled outstanding interest on their accounts. During the prior and current financial year, all interest accrued on outstanding receivables since the 2004/2005 financial year was expensed as bad debts.

Interest accrued 2004 - 2006: R4 438 million
Interest accrued 2007: R6 661 million
Interest accrued 2008: R8 106 million

Balance sheet		
Decrease in opening balance - Retained income	-	(4 013)
Increase in closing balance - Trade and other receivables	-	7 748
Increase in opening balance- Trade receivables	7 748	-
Increase in opening balance- Retained income	7 748	-
Decrease in closing balance- Trade receivables	-	11 099
Decrease in opening balance -Retained income	-	(3 968)
Decrease in opening balance - Retained income	(11 099)	-
Decrease in opening balance - Trade receivables	(11 099)	-
Income statement		
Increase in expenses - Adjustment for replacement value	-	4 013
Decrease in expenses - Bad debts written off	-	(7 748)
Increase in expenses - Bad debts written off	-	7 131

26. Summary of reclassifications of accounts

Bank charges in the 2007 statement of financial performance have been reclassified as an administration expenditure rather than an operating expenditure.

Leave pay has been reclassified as an accrual rather than a provision.

27. 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.

28. Rental of buildings

Certain buildings occupied by the GPW are owned and provided by the Department of Public Works.

29. Unauthorised Expenditure

There was no unauthorised expenditure during the year, hence there was no need for disciplinary action.

30. Irregular Expenditure

There was no irregular expenditure during the year.

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Notes to the Financial Statements

	2008 R'000	2007 R'000
31. Fruitless and wasteful expenditure		
Obsolete and slow moving stock written off	616	14 700
Interest and penalties	373	—
Printing adjustments (Oranje Printers)	845	—
	1 834	14 700

The R0,616 million of slow moving stock written off, relates only to the current financial year. Also interest and penalties of R0,373 million; and printing adjustments of R0 845million. The prior year's figure relates to obsolete and slow moving stock that were written off during the previous financial year, but actually relates to the five financial years prior to 2007 and the period prior to that.

32. Gifts and Donations

No gifts and donations were made during the year.

33. Ex-gratia payments		
Payments made during the year	15	—

34. 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 not 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 2008, 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

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.

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
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Currency risk

The entity operates in the Republic of South Africa and is not 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 due to an agreement for the supply of machinery which contract was concluded in Japanese Yen.

The entity did not hedge for foreign exchange fluctuations on this contract.

No foreign currency liability existed at the financial year end.

Liquidity risk

The entity's exposure to liquidity risk is minimal since the GPW resorts under the auspices of the Department of Home Affairs which is the ultimate responsible party of the GPW.

35. Commitments

Already contracted for but not provided for

This committed expenditure relates to plant and equipment and will be financed by way of grants from the Department of Home Affairs.

Future minimum payments in the relevant currencies.

Yen R'000 Up to 1 year	Yen R'000 1 to 5 years	Yen R'000 More than 5 years
Yen 1.357.075	Yen Nil	Yen Nil

Euro R'000 Up to 1 year	Euro R'000 1 to 5 years	Euro R'000 More than 5 years
Euro 228	Euro Nil	Euro Nil

THE GOVERNMENT PRINTING WORKS
Financial Statements for the year ended 31 March 2008
Detailed Statement of Financial Performance

	Note(s)	2008 R'000	2007 R'000
Revenue			
Rendering of services		455 876	475 704
Cost of sales		(335 221)	(398 456)
Gross profit		120 655	77 248
Other income			
Administration fees received		212	199
Bad debt recoveries		2 823	–
Other income		111	67
Other recoveries		2 036	–
Interest	6	9 175	6 661
Gains on disposal of assets		–	23
		14 357	6 950
Expenses (Refer to page xx)		(120 610)	(83 759)
Operating expenses			
Administration and management fees		27 619	15 235
Auditors remuneration		3 267	3 536
Provision for bad debts		28 710	–
Depreciation, amortisation and impairments		1 680	3 494
Employee costs		41 242	35 735
Other operating expenditure		15 358	14 118
Bad debts written off		2 734	11 641
		120 610	83 759
Profit for the year		14 402	439

Human Resources

Department of Home Affairs



Annual Report

Building the New Home Affairs

2007/2008



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

1. Service Delivery

The following tables 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 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 Statement of Standards and 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 refined

Table 1.2 – Consultation Arrangements for Customers

Type of arrangement	Actual Customer	Potential Customer	Actual Achievements
Suggestion boxes at all offices and floorwalkers in public serving areas Queue management system introduced in certain offices	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	<ul style="list-style-type: none"> Floorwalkers improved the flow of public in offices Public suggestion boxes were utilised to improve service delivery Queue management assisted with more effective and efficient service delivery
Internet: DHA Website			<ul style="list-style-type: none"> Worldwide access ensured.
Client Service Centre			<ul style="list-style-type: none"> The new Client Service Centre (Call Centre) came into operation in November 2007. By 31 March 2008, approximately 258 829 calls had been attended to
Campaigns & surveys: Client is always right campaign			<ul style="list-style-type: none"> Survey conducted by Vision and Design Workstream on the expectations and preferences of DHA clients on the Department and its services

Table 1.3 – Service Delivery Access Strategy

Access Strategy	Actual Achievements
Deployment of service points and mobile units in rural areas	117 mobile units were deployed in the provinces to be used in rural and marginalised urban areas, 10 additional service points opened
New departmental structure makes provision for additional offices	5 additional offices opened

Table 1.4 – Service Information Tool

Type of Information Tool	Actual Achievements
Proper information at counters, enquiry counters and floor walkers. Information available on website, though only in English	Improved flow of public through departmental offices. Information available on requirements and procedures in the publication "Know your Home Affairs Service". These booklets are available in all official languages. A publication in Braille was also produced for blind clients

Table 1.5 – Complaints Mechanism

Complaints Mechanism	Actual Achievements
Toll-free line, suggestion boxes, and internet website and Client Service Centre (call centre)	Internal hotline operational and operates through the call centre. The DHA hotline number is 0800 601 190. The contact centre handled 258 829 contacts (i.e. calls, faxes and emails) between December 2007 and March 2008. The abandonment rate for calls was 10.53% by 31 March 2008. 63.58% of calls were answered in 20 seconds by 31 March 2008 (20 seconds is the agreed-upon service level time).

2. Expenditure

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

Table 2.1 – Personnel Costs by Programme

Programme	Total Expenditure R'000	Personnel Expenditure R'000	Training Expenditure R'000	Professional and Special Services R'000	Personnel Cost as a Percent of Total Expenditure	Average Personnel Cost per Employee R'
Administration	1 090 502	277 440	14 510	289 240	25.4	222
Civic and Immigration Services	1 536 557	809 534	–	68 648	52.7	126
Transfers to Agencies	614 668	–	–	–	–	–
Thefts and losses	–	–	–	–	–	–
Total	3 241 727	1 086 974	14 510	357 888	33.5	141

Table 2.2 – Personnel Costs by Salary Bands

Salary Bands	Personnel Expenditure R'000	Percentage of Total Personnel Cost	Average Personnel Cost per Employee R'
Lower skilled (Levels 1-2)	40 315	3.7	81.280
Skilled (Levels 3-5)	279 226	25.7	88.307
Highly skilled production (Levels 6-8)	467 635	43	151.978
Highly skilled supervision (Levels 9-12)	101 584	9.3	268.741
Senior management (Levels 13-16)	38 335	3.5	572.164
Other	158 725	14.6	311.837
Periodical remuneration	1 154	0.1	12.147
Total	1 086 974	100	141.367

Table 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount R'000	Salaries as a % of Personnel Cost	Amount R'000	Overtime as a % of Personnel Cost	Amount R'000	HOA as a % of Personnel Cost	Amount R'000	Medical Assistance as a % of Personnel Cost
Administration	119 338	43.0	6 085	2.2	2 770	1.0	6 818	2.5
Civic and Immigration Services	544 995	67.3	48 680	6.0	20 778	2.6	47 905	5.9
Transfers to Agencies	–	–	–	–	–	–	–	–
Thefts and losses	–	–	–	–	–	–	–	–
Total	664 333	61.1	54 765	5.0	23 548	2.2	54 723	5.0

Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary Band	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount R'000	Salaries as a % of Personnel Cost	Amount R'000	Overtime as a % of Personnel Cost	Amount R'000	HOA as a % of Personnel Cost	Amount R'000	Medical Assistance as a % of Personnel Cost
Lower skilled (Levels 1-2)	26 908	66.7	1 539	3.8	1 608	4	2 941	7.3
Skilled (Levels 3-5)	184 696	66.1	21 698	7.8	9 515	3.4	20 370	7.3
Highly skilled production (Levels 6-8)	321 827	68.8	28 861	6.2	10 929	2.3	26 522	5.7
Highly skilled supervision (Levels 9-12)	69 711	68.6	1 444	1.4	1 098	1.1	3 551	3.5
Senior Management (Levels 13-16)	22 415	58.5	0	0.0	316	0.8	886	2.3
Other	38 776	24.4	0	0.8	82	0.1	453	0.3
Total	664 333	61.2	54 765	5.0	23 548	2.2	54 723	5.0

3. Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and if there are any staff that are additional to the establishment. This information is presented in terms of three key variables:- programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the Department. The vacancy rate reflects the percentage of posts that are not filled.

Table: 3.1 – Employment and Vacancies by Programme, 31 March 2008

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration	1 880	1 248	33.6	466
Civic and Immigration Services	8 953	6 441	28.1	63
Transfers to Agencies	7	1	85.7	0
Total	10 840	7 690	29.1	529

Table: 3.2 – Employment and Vacancies by Salary Bands, 31 March 2008

Salary band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	702	492	29.9	0
Skilled (Levels 3-5)	4 303	3 182	26.1	10
Highly skilled production (Levels 6-8)	4 445	3 047	31.5	32
Highly skilled supervision (Levels 9-12)	773	391	49.4	0
Senior Management (Levels 13-16)	107	68	36.4	0
Contract	510	510	0	487
Total	10 840	7 690	29.1	529

Table: 3.3 – Employment and Vacancies by Critical Occupation, 31 March 2008

Critical Occupation	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Information technology related, Permanent	32	16	50	0
Other Information technology related, Permanent	100	39	61	0
Regulatory inspectors, Permanent	1 833	1 309	28.6	22
Total	1 965	1 364	30.6	22

The information in each case reflects the situation as at 31 March 2008. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

4. Job Evaluation

The Public Service Regulations, 2001 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally.

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Posts Upgraded Number	Posts Upgraded % of Posts Evaluated	Posts Downgraded Number	Posts Downgraded % of Posts Evaluated
Lower skilled(Levels1-2)	908	701	77.20	47	6.7	0	0
Skilled (Levels 3-5)	4 568	4 286	93.82	433	10.10	0	0
Highly skilled production (Levels 6-8)	4 464	4 443	99.52	111	2.49	0	0
Highly skilled supervision (Levels 9-12)	780	774	99.23	53	6.84	0	0
Senior Management Service Band A	80	68	85	0	0	0	0
Senior Management Service Band B	32	25	78.12	0	0	0	0
Senior Management Service Band C	7	7	100	0	0	0	0
Senior Management Service Band D	1	1	100	0	0	0	0
Total	10 840	10 305	95.06	644	6.24	0	0

Note: The following tables have a nil return

Table 4.2 – Profile of Employees whose Positions were Upgraded due to their Posts being Upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Male	245	2	21	9	277
Female	307	3	34	23	367
Total	552	5	55	32	644

Table 4.3 – Employees whose Salary Level Exceeded the Grade Determined by Job Evaluation, 1 April 2007 to 31 March 2008 (in terms of PSR 1.V.C.3)

Occupation	Number of Employees	Job evaluation Level	Remuneration Level	Reason for Deviation
Total number of employees whose salaries exceeded the grades determined by job evaluation in 2007/08				None

5. Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2).

Table 5.1 – Annual Turnover Rates by Salary Band for the period 1 April 2007 to 31 March 2008

Salary Band	Employment at Beginning of Period	Appointment and Transfers into the Department	Termination and Transfers out of the Department	Turnover Rate
Lower skilled (Levels 1-2)	624	96	56	4.3
Skilled (Levels 3-5)	3 174	391	126	4
Highly skilled production (Levels 6-8)	3 238	79	164	5.1
Highly skilled supervision (Levels 9-12)	355	13	31	8.7
Senior Management Service Band A	39	2	2	5.1
Senior Management Service Band B	22	1	2	9.1
Senior Management Service Band C	6	1	1	16.7
Senior Management Service Band D	0	1	0	0
Other	741	1 147	1 303	175.8
Total	8 199	1 731	1 685	20.6

Table 5.2 – Annual Turnover Rates by Critical Occupation for the period 1 April 2007 to 31 March 2008

Occupation	Employment at Beginning of Period	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Computer system designers and analysts, Permanent	1	0	0	0
Information technology related, Permanent	68	0	11	16.2
Regulatory inspectors, Permanent	1 250	85	78	6.2
Total	1 319	85	89	6.7

Table 5.3 – Reasons why Staff are Leaving the Department

Termination Type	Number	Percentage of Total Employment
Death	50	0.6
Resignation	179	2.2
Expiry of contract	1 305	15.9
Discharged due to ill health	2	0
Dismissal-operational changes	54	0.7
Retirement	72	0.9
Other	23	0.3
Total	1 685	20.6

Total number of employees who left as a % of the total employment	20.6
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Table 5.4 – Promotions by Critical Occupation

Occupation	Employees at Beginning of Period	Promotions to Another Salary Level	Salary Level Promotions as a % of Employment	Progressions to Another Notch within a Salary Level	Notch Progressions as a % of Employees by Occupation
Computer system designers and analysts, Permanent	1	0	0	0	0
Information technology related, Permanent	68	2	2.9	34	50
Regulatory inspectors, Permanent	1 250	51	4.1	175	14
Total	1 319	53	4	209	15.8

Table 5.5 – Promotions by Salary Band

Salary Band	Employees as at 1 April 2008	Promotions to Another Salary Level	Salary Band Promotions as a % of Employees by Salary Level	Progressions to Another Notch within a Salary Level	Notch Progressions as a % of Employees by Salary Level
Lower skilled (Levels 1-2)	624	0	0	313	50.2
Skilled (Levels 3-5)	3 174	217	6.8	1 621	51.1
Highly skilled production (Levels 6-8)	3 238	195	6	1 440	44.5
Highly skilled supervision (Levels 9-12)	355	86	24.2	133	37.5
Senior Management (Levels 13-16)	67	2	3	0	0
Other	417	0	0	0	0
Contract (Levels 1-2)	130	0	0	0	0
Contract (Levels 3-5)	75	0	0	0	0
Contract (Levels 6-8)	89	0	0	0	0
Contract (Levels 9-12)	15	0	0	0	0
Contract (Levels 13-16)	15	1	6.7	1	6.7
Total	8 199	501	6.1	3 508	42.8

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) in each of the following Occupational Categories as on 31 March 2008

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	35	5	1	9	15	0	0	2	67
Professionals	393	22	12	60	438	8	9	106	1 048
Clerks	1 443	86	19	66	2 141	206	24	541	4 526
Service and sales workers	778	68	8	101	511	43	7	33	1 549
Craft and related trades workers	0	0	0	0	2	0	0	0	2
Plant and machine operators and assemblers	31	0	0	0	2	0	0	0	33
Elementary occupations	135	14	0	2	289	18	0	4	462
Other	0	0	0	0	3	0	0	0	3
Total	2 815	195	40	238	3 401	275	40	686	7 690
Employees with disabilities	12	0	0	8	5	2	0	7	34

Table 6.2 – Total Number of Employees (including Employees with disabilities) per Occupational Bands as on 31 March 2008

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	1	0	0	2	0	0	0	6
Senior Management	27	5	0	10	16	0	0	3	61
Professionally qualified and experienced specialists and mid-management	164	8	7	38	120	3	6	32	378
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1 027	54	21	141	1 220	92	21	500	3 076
Semi-skilled and discretionary decision making	1 180	105	10	43	1 513	150	13	147	3 161
Unskilled and defined decision making	186	18	0	3	270	19	0	2	498
Contract	228	4	2	3	260	11	0	2	510
Total	2 815	195	40	238	3 401	275	40	686	7 690

Table 6.3 – Recruitment for the Period 1 April 2007 to 31 March 2008

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	1	0	0	0	0	0	0	2
Senior Management	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	6	0	0	0	6	0	1	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	47	1	0	1	26	3	1	0	79
Semi-skilled and discretionary decision making	154	5	1	0	224	4	1	2	391
Unskilled and defined decision making	37	0	0	1	57	1	0	0	96
Contract	437	11	2	8	641	37	4	7	1 147
Total	684	18	3	10	955	45	7	9	1 731

Table 6.4 – Promotions for the Period 1 April 2007 to 31 March 2008

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	1	0	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	85	4	6	23	69	3	5	24	219
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	520	33	16	73	613	53	10	317	1 635
Semi-skilled and discretionary decision making	630	52	6	26	877	114	13	121	1 839
Unskilled and defined decision making	128	16	0	0	153	12	1	3	313
Contract	1	0	0	0	1	0	0	0	2
Total	1 365	105	28	123	1 713	182	29	465	4 010
Employees with disabilities	11	0	0	5	5	2	0	7	30

Table 6.5 – Terminations for the Period 1 April 2007 to 31 March 2008

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	0	0	3	0	1	0	4
Professionally qualified and experienced specialists and mid-management	12	0	1	7	8	1	1	1	31
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	44	6	1	26	36	4	1	46	164
Semi-skilled and discretionary decision making	52	7	1	6	31	6	1	22	126
Unskilled and defined decision making	23	0	0	0	29	1	0	3	56
Contract	454	15	1	10	760	50	7	6	1 303
Total	585	28	4	49	868	62	11	78	1 685

Table 6.6 – Disciplinary Action for the Period 1 April 2007 to 31 March 2008

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	183	23	9	38	101	73	7	18	452

Table 6.7 – Skills Development for the Period 1 April 2007 to 31 March 2008

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior officials and managers	136	20	1	18	78	47	2	39	341
Professionals	3	3	0	2	10	9	0	1	28
Technicians and associate professionals	285	59	4	37	142	59	1	49	636
Clerks	778	129	0	2	1 402	232	2	19	2 564
Elementary occupations	98	36	0	2	60	8	0	0	204
Total	1 300	247	5	61	1 692	355	5	108	3 773

7. Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 7.1), salary bands (Table 7.2) and critical occupations (Table 7.3).

Table 7.1 – Performance Rewards by Race, Gender and Disability, 1 April 2007 to 31 March 2008

	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total Number of Employees in Group	% of Total within Group	Cost R'000	Average Cost per Beneficiary
African					
Male	519	2 803	18.5	4 088	7.876
Female	683	3 396	20.1	4 759	6.967
Indian					
Male	8	40	20	106	13.250
Female	12	40	30	126	10.500
Coloured					
Male	40	195	20.5	275	6.875
Female	76	273	27.8	496	6.526
White					
Male	83	230	36.1	1 173	14.132
Female	358	679	52.7	3 151	8.801
Employees with a disability	11	34	32.4	87	7.909
Total	1 790	7 690	23.3	14 261	7.966

Table 7.2 – Performance Rewards by Salary Bands for Personnel below Senior Management Service, 1 April 2007 to 31 March 2008

Salary Band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of Employees	% of total within Salary Level	Total Cost R'000	Average Cost per Employee
Lower skilled (Levels 1-2)	121	496	24.4	441	3.744
Skilled (Levels 3-5)	632	3 162	20	2 805	4.478
Highly skilled production (Levels 6-8)	849	3 077	27.6	6 953	8.219
Highly skilled supervision (Levels 9-12)	188	378	49.7	3 999	21.271
Other	0	0	0	0	0
Contract (Levels 1-2)	0	422	0	0	0
Contract (Levels 3-5)	0	33	0	0	0
Contract (Levels 6-8)	0	18	0	0	0
Contract (Levels 9-12)	0	9	0	0	0
Periodical Remuneration	0	95	0	0	0
Total	1 790	7 690	23.3	14 198	7.966

Table 7.3 – Performance Rewards by Critical Occupations, 1 April 2007 to 31 March 2008

Critical Occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost R'000	Average Cost per Beneficiary
Computer programmers, Permanent	0	1	0	0	0
Computer system designers and analysts, Permanent	0	0	0	0	0
Information technology related, Permanent	33	53	62.3	469	14.212
Regulatory inspectors	131	1 303	10.1	755	5.763
Total	164	1 357	12.1	1 224	7.463

Table 7.4 – Performance Related Rewards (Cash Bonus) By Salary Band for Senior Management Service

Salary Band	Beneficiary Profile			Cost R'000	Average Cost per Beneficiary
	Number of Beneficiaries	Total Employees	% of Total within Band		
Band A	2	53	3.8	62	3.100
Band B	0	18	0	0	0
Band C	0	7	0	0	0
Band D	0	2	0	0	0
Total	2	80	2.5	62	3.100

8. Foreign Workers

No foreign workers were employed in the Department during the period 1 April 2007 to 31 March 2008.

9. Leave Utilisation for the period 1 January 2007 to 31 December 2007

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 2007 to 31 December 2007

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)	2 743	78.2	362	6.4	8	429
Skilled (Levels 3-5)	23 330	76.4	2 544	44.9	9	5 215
Highly skilled production (Levels 6-8)	21 085	78.8	2 452	43.2	9	7 984
Highly skilled supervision (Levels 9-12)	1 822	77.7	264	4.7	7	1 461
Senior Management (Levels 13-16)	266	71.8	42	0.7	6	545
Other	18	66.7	6	0.1	3	2
Total	49 264	78.5	5 670	100	9	15 636

Table 9.2 – Disability Leave (Temporary and Permanent), 1 January 2007 to 31 December 2007

Salary Band	Total Days taken	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost R'000
Lower Skilled (Levels 1-2)	66	100	2	9.1	33	11
Skilled (Levels 3-5)	162	100	8	36.4	20	39
Highly Skilled Production (Levels 6-8)	473	100	12	54.5	39	198
Highly Skilled Supervision (Levels 9-12)	0	0	0	0	0	0
Senior Management (Levels 13-16)	0	0	0	0	0	0
Total	701	100	22	100	32	248

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

Table 9.3 – Annual Leave, 1 January 2007 to 31 December 2007

Salary band	Total Days Taken	Average per Employee
Lower skilled (Levels 1-2)	9 043.92	16
Skilled (Levels 3-5)	57 681.72	18
Highly skilled production (Levels 6-8)	65 305.64	20
Highly skilled supervision (Levels 9-12)	7 707	19
Senior Management (Levels 13-16)	1 319	17
Other	54	5
Total	141 111.28	19

Table 9.4 – Capped Leave, 1 January 2007 to 31 December 2007

Salary Band	Total Days of capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at 31 December 2007
Lower skilled (Levels 1-2)	238	11	49
Skilled (Levels 3-5)	422	4	34
Highly skilled production (Levels 6-8)	1 254	5	75
Highly skilled supervision (Levels 9-12)	57	4	71
Senior Management (Levels 13-16)	39	13	97
Total	2 010	5	60

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

Table 9.5 – Leave Payouts for the Period, 1 April 2007 to 31 March 2008

Reason	Total Amount R'000	Number of Employees	Average Payment per Employee
Leave payout for 2007/08 due to non-utilisation of leave for the previous cycle	539	84	6 417
Capped leave payouts on termination of service	1 188	240	4 950
Total	1 727	324	5 330

10. HIV / AIDS & 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
NA	NA

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 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Ms CT Khumalo: 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 (10) and provinces (1 per province). The annual budget for the unit amounts to R6 822 000.
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 implementing 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 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		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 address unfair discrimination on the basis of HIV.

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.
Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		√	The Department is in the process of implementing a Voluntary Counselling and Testing programme. The department however encourages its employees to undergo Voluntary Counselling and Testing using public sector and private Health facilities.
Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		√	The Department is in the process of conducting a wellness audit to be used as a baseline for further intervention. It is hoped that the findings of the audits will be utilised as baseline to monitor the impact of the current wellness interventions.

List of HIV/AIDS Committee Members

OFFICE	NAME	TEL	FAX	CELL	EMAIL
Eastern Cape	Nomfundo Filtane	(047) 5323475	(047) 531 2060	0826598125	Tudo.filtane@dha.gov.za
Free State	Mandla Ngcozo	(058) 3037110	(058) 3034866	0823304906	Mandla.ngozo@dha.gov.za
Gauteng East	Dorothy Makinta	(012) 3241860	(012) 3268328	0826474422	Dorothy.makinta@dha.gov.za
Gauteng West	Sibongile Filand	(011) 8827814	(011) 8827814	0833820834	Elina.filand@dha.gov.za
Kwa-Zulu Natal	Nozipho Ngcobo	(033) 8455018	(033) 3455079	0731268904	Nozipho.ngcobo@dha.gov.za
Limpopo	Kgomotso Gama	(015) 4913111	(015) 4913768	0833331169	Makgenene.gama@dha.gov.za
Mpumalanga	Anya van Vuuren	(013) 7539523	(013) 7533501	0845823266	Anya.vanvuuren@dha.gov.za
North West	Mokgantsho Mangope	(018) 3871200	(018) 3845449	0826637104	Mokgantsho.mangope@dha.gov.za
Northern Cape	Lulu Hlophe	(053) 8395400	(053) 8314836	0843356605	Lulu.hlophe@dha.gov.za
Western Cape	Chris Samaai	(021) 4620768	(021) 4627322	0736058221	Chris.samaai@dha.gov.za
Head Office Waltloo	Rabie Legora	(012) 8108203	(012) 8107303	0760607460	Rabbie.legora@dha.gov.za
Head Office BVR	Moses Munsanje	(012) 8108754/5/3	(012) 810 8756	0844212543	N/A
Head Office GPW	Sylvia Berense	(012) 3344602	(012) 323 9741	0764204924	Sylvia.berense@gpw.gov.za

11. Labour Relations

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

Table 11.1 – Collective Agreements, 1 April 2007 to 31 March 2008

Subject matter	Date
No Collective Agreements were entered into during the 2007/2008 financial year	N/A

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

Table 11.2 – Misconduct and Disciplinary Hearings Finalised, 1 April 2007 to 31 March 2008

Outcomes of Disciplinary Hearings	Number	Percentage of Total
Final written warning	131	39.33
Suspension without pay	17	5.1
Demotion	3	0.9
Dismissal	168	50.45
Not guilty	1	0.30
Cases withdrawn	13	3.9
Total	333	99.98

Table 11.3 – Types of Misconduct addressed at Disciplinary Hearings

Type of Misconduct	Number	Percentage of Total
Assault	7	1.7
Disrespect and abusive behaviour	16	3.9
Aiding and abetting, and corruption	169	41.5
Theft	1	0.2
Fraud/False statement	13	3.2
Unauthorised absence/abscondment	80	19.65
Discrimination against fellow employees	–	–
Damage to/loss of state property	2	0.5
Unauthorised use of government vehicles	26	6.4
Dereliction of duty	93	22.85
Total	407	99.9

Table 11.4 – Grievances Lodged for the Period 1 April 2007 to 31 March 2008

Number of Grievances Addressed	Number	Percentage of Total
Resolved	180	95.2
Unresolved	9	4.8
Withdrawn	0	0
Total	189	100

Table 11.5 – Disputes lodged with Councils for the Period 1 April 2007 to 31 March 2008

Number of Disputes Addressed	Number	Percentage of Total
Total	45	100

Table 11.6 – Strike Actions for the period 1 April 2007 to 31 March 2008

Amount (R'000) recovered as a result of No Work No Pay	R2 211 644
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Table 11.7 – Precautionary Suspensions for the Period 1 April 2007 to 31 March 2008

Cost (R'000) of suspensions	R6 941 864.42
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12. Skills Development

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

Table 12.1 – Training Needs Identified, 1 April 2007 to 31 March 2008

Occupational Categories	Gender	Number of Employees as at 1 April 2007	Training Needs Identified at Start of Reporting Period			
			Learnership	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female	331	–	166	–	166
	Male	346	–	174	–	174
Professionals	Female	110	–	21	–	21
	Male	103	–	8	–	8
Clerks	Female	3 265	–	1 633	–	1 633
	Male	1 941	–	972	–	972
Regulatory Support	Female	769	–	251	–	251
	Male	516	–	385	–	385
Elementary Occupations	Female	115	–	136	–	136
	Male	269	–	68	–	68
Total	Female	4 590	–	2 207	–	2 207
	Male	3 175	–	1 607	–	1 607

Table 12.2 – Training Provided, 1 April 2007 to 31 March 2008

Occupational Categories	Gender	Number of Employees as at 1 April 2007	Training Provided			
			Learnership	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female	331	–	166	–	166
	Male	346	–	174	–	174
Professionals	Female	110	–	21	–	21
	Male	103	–	8	–	8
Clerks	Female	3 265	–	1 633	–	1 633
	Male	1 941	–	972	–	972
Regulatory Support	Female	769	–	251	–	251
	Male	516	–	385	–	385
Elementary Occupations	Female	115	–	136	–	136
	Male	269	–	68	–	68
Total	Female	4 590	–	2 207	–	2 207
	Male	3 175	–	1 607	–	1 607

The following training interventions were implemented during the 2007/8 financial year:

Table 12.2.1 Training Interventions provided during 2007/8

TRAINING INTERVENTION	Male	Female	Total
Project Khaedu	13	6	19
Emerging Management Development Programme	25	33	58
Advance Management Development Programme	7	9	16
Accelerated Development Programme	1	6	7
Excellent Customer Care, Client Relations	44	61	105
Batho-Pele Revitalisation	312	432	744
Basic Computer Skills	54	76	130
Immigration Training (law enforcement,)	275	380	655
Civic Services (late registration of birth	357	493	850
Fraud Prevention	24	34	58
Employment Equity	6	8	14
Supply Chain Management	50	69	119
Orientation and Induction	108	150	258
Assessor Training	7	13	20
Electronic Log Sheet System, Incident Report System, Biometrics	37	52	89
Finance and Provisioning Workshop	10	13	23
Track and Trace	120	166	286
Soft Skills (Stress Management, First Aid, HIV AIDS Awareness, Sexual Harassment	72	99	171
Finance Training (Budget, BAS)	34	48	82
Financial Management	66	91	157
Leadership Development Programme	11	15	26
Human Resources (Leave administration, Systems and Procedures, PMDS)	50	70	120
Project Management	3	1	4
Languages (Swahili, sign language)	16	23	39
Re-orientation	26	35	61
Mentorship Training	39	55	94
Government Employees Pension Fund training	6	8	14
Asset Management	5	7	12
Total	1 778	2 453	4 231

12.3 Adult Basic Education and Training (ABET)

Over and above the training interventions listed above. DHA also provided basic learning tools, knowledge and skills to employees who are semi-literate, illiterate and do not have a Grade 9 [Standard 7] qualification, and this is done through the ABET programme. An amount of R8 million was set aside for the implementation of ABET during the 2007/8. DHA could however not implement the programme as planned due to the Department's inability to attract suitable service providers to implement the programme.

12.4 National Youth Service Programme

In 2006 the Department launched and implemented the National Youth Service Programme (NYS), targeted at unemployed matriculants aged between 18 and 35 years. The primary aim of the DHA NYS programme is to increase capacity in the Civic Services Branch, thereby enhancing service delivery and change public

perceptions about the Department, as well as to provide youth with an opportunity to gain meaningful experience and life skills that will enable them to become active members of the economy and thus contribute to the economic growth of the country.

During the 2007/8 financial year the Department recruited, trained and placed 210 NYS participants across all provinces. Thus far a total of 8 participants have resigned from the programme as a result of having secured permanent employment in other institutions. This brings to 202 the total number of NYS participants in the Department as at 31 March 2008. The table below outlines the breakdown of participants.

Table 12.4 1 National Youth Service Programme participants per province

DIRECTORATE/ PROVINCE	NUMBER OF NYS PARTICIPANTS	GENDER	
		MALE	FEMALE
North West	19	6	13
Limpopo	21	10	11
Free State	20	13	7
Kwazulu Natal	21	9	12
Mpumalanga	25	11	14
Western Cape	20	7	13
Northern Cape	20	10	10
Eastern Cape	22	8	14
Gauteng West	26	7	19
Gauteng East	16	4	12
Total	210	85	125

12.5 Internship Programme

In 2004 the Department launched and implemented the internship programme targeted at unemployed graduates aged between 18 and 35 years. The purpose of internship programme is to reduce the high youth unemployment rate and to alleviate poverty through providing unemployed graduates with meaningful working experience thus improving their chances of securing permanent employment. The programme is further aimed at creating a pool of experienced human resource base from which DHA can tap for filling of entry level positions.

During the 2007/8 financial year the Department recruited trained and placed 245 interns in all specialized areas of the Department. Thus far a total of 17 interns have resigned from the programme, bringing to 228 the total number of interns in the Department as at 31 March 2008.

Table 12.5 1 Interns per component

DIRECTORATE/ PROVINCE	NUMBER OF INTERNS	GENDER	
		MALE	FEMALE
Information Services	28	14	14
Human Resource Management	21	6	15
Provisioning administration and finance	10	4	6
Communications	3	3	0
Internal Audit	6	2	4
Office of the Minister	4	-	4

DIRECTORATE/ PROVINCE	NUMBER OF INTERNS	GENDER	
		MALE	FEMALE
Office of the Deputy Minister	2	–	2
Human Resources Development	4	2	2
Refugee Appeal Board	3	1	2
Refugee Affairs	81	51	30
Management Services	4	1	3
Standing Committee For Refugee Affairs	3	–	3
Transformation and Gender	2	2	0
Asset Management	7	4	3
Office of the DG	1	–	1
Legal Services	1	–	1
International Relations	1	1	–
Limpopo	8	4	4
North West	7	2	5
Mpumalanga	9	3	6
Northern Cape	4	2	2
Eastern Cape	6	3	3
Western Cape	7	3	4
Free State	9	5	4
Kwazulu – Natal	3	1	2
Gauteng	4	2	2
Total	238	116	122

12.6 Mentorship Training

In preparation for the deployment of NYS participants and interns in the Department, a total of 94 mentors were trained across all provinces. The purpose of the mentorship is to ensure that interns and NYS participants are assigned mentors who will provide support and guidance and ensure that the performance of interns and NYS participants is assessed against pre-set standards.

12.7 Immigration Learnership

As part of professionalising the Department, DHA has registered three immigration qualifications, namely Port Control and Admissions, Immigration Services; and Immigration Law Enforcement. During 2007/8 DHA in consultation with the Public Service Sector Education and Training Authority (PSETA) is in the process of registering three learnerships for the above qualifications for implementation by DHA. The implementation of the learnership by DHA is however dependent on the accreditation of DHA, as well as Human Resource Development (HRD) practitioners as learning providers. The process of ensuring accreditation of HRD practitioners is underway and all HRD practitioners have received assessors as well as Education Training and Development Practitioner (ETDP) training during the 2007/8 financial year.

12.8 Bursaries

In order to assist employees to become suitably qualified for their job roles and responsibilities as well as to assist the Department to acquire the necessary competencies and skills to achieve its strategic and functional objectives and enhance organizational performance, DHA also provides study aid in the form of bursaries to its employees. During this reporting period a total of 507 bursaries were awarded as outlined in the table below. An amount of R 4 133 711 was spent on bursaries during the reporting period.

Table 12.8.1 Bursary holders by study field, 2007/8

Field of study/ qualification	Number of bursary holders		TOTAL
	Male	Female	
Human Resource Management /Development	44	83	127
Public Management/ Administration	50	69	119
Public Relations	0	5	5
Office Management	0	20	20
Business /Financial Management	0	37	37
Business Administration	0	3	3
Supply Chain Management	1	3	4
Communications	1	1	2
Arts	10	9	19
Law	47	15	62
Management Services	0	2	2
Information Technology	15	7	22
Forensic Investigation	4	2	6
Internal Audit	7	6	13
Security and Risk Management	13	3	16
Management Development Programme	2	1	3
Knowledge Management	0	1	1
Grade 12	2	8	10
Management Certificate	0	11	11
Project Management	4	5	9
MBA/MBL	10	6	16
Total	210	297	507

13. Injury On Duty

The following table provides basic information on injury on duty.

Table 13.1 – Injury on Duty, 1 April 2007 to 31 March 2008

Nature of Injury on Duty	Number	% of Total
Required basic medical attention only	0	0
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	0	0

14. Utilization 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 Project Phase 1	+/- 75 over full period of main contract and two addendums	9 750	R 172 .7m
First Addendum – 8 additional workstreams			R 29.21m
Second Addendum – 4 workstreams			R 18.10m
Information Services Consultants	13	4 745	R 9.51m
Total number of projects	Total individual consultants	Total duration:Work days	Total contract value in Rand
2	88	14 495	R 229.52m

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

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Information Services Consultants:			
Who Am I Online (BCIT) Network	100%	100%	1
(Choice Technologies)	100%	99%	1
IS Project Management (HR Computek)	100%	75%	1
IS Finance (KPCS)	100%	100%	1

Human Resources

Government Printing Works



Annual Report
Building the New Home Affairs
2007/2008



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

1. Service Delivery

Table 1.3– Service delivery strategy

Strategy	Actual Achievements
Visits were initiated to various customers and stakeholders to improve relations.	Customer/ stakeholder perception was obtained whilst a basis for improved relations was set and future interaction.

Table 1.4 – Service information tool

Type of information Tool	Actual Achievements
Visits in person to various customers and stakeholders. The development of a GPW Brochure to inform customers/stakeholders of services, etc.	Improved relations were set and future interaction. GPW Brochure was designed and will be distributed.

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual Achievements
Suggestion boxes	Reasonable

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	448 173	80 317	452	10 080	17.9%	142 912	562
Total	448 173	80 317	452	10 080	17.9%	142 912	562

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)	1 413	1.8	78 500
Semi skilled factory staff and skilled administration (Levels 3-5)	31 994	40.4	107 724
Highly skilled production (Levels 6-8)	25 961	32.8	175 412
Highly skilled supervision (Levels 9-12)	7 432	9.4	323 130
Senior management (Levels 13-16)	2 825	3.6	706 250
Contract (12)	7 704	9.7	105 671
Contract (Levels 13-16)	787	1	787 000
Periodical Remuneration	1 104	1.4	19 034
Total	79 220	100	127 774

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 Ass. R'000	Medical Ass. as % of Personnel Cost
Government Printing Works	47 213	59.3	10 301	12.9	2 268	2.8	4 285	5.4
Total	47 213	59.3	10 301	12.9	2 268	2.8	4 285	5.4

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)	856	60.6	124	8.8	99	7	129	9.1
Semi skilled factory staff and skilled administration (Levels 3-5)	18 621	58.10	4 538	14.2	1 389	4.3	2 357	7.4
Highly skilled production (Levels 6-8)	16 049	61.60	3 290	12.6	721	2.8	1 454	5.6
Highly skilled supervision (Levels 9-12)	4 772	63.10	781	10.3	59	.8	269	3.6
Senior management (Levels 13-16)	1 627	54.60	0	0	0	0	60	2
Other	699	86.60	108	13.4	0	0	0	0
Contract (Levels 1-2)	390	93.80	29	7	0	0	0	0
Contract (Levels 3-5)	3 295	57	1 329	23	0	0	0	0
Contract (Levels 6-8)	432	61.9	102	14.6	0	0	0	0
Contract (Levels 13-16)	472	58.3	0	0	0	0	16	2
Periodical Remuneration	0	0	0	0	0	0	0	0
Total	47 213	59.3	10 301	12.9	2 268	2.8	4 285	5.4

3. Employment and vacancies

The tables in this section summarise the position with regard to employment and vacancies. The first table (Table 3.1) provides the approved establishment as at 31 March 2008. The 1037 posts include 18 additional posts to accommodate Interns and IT contract employees. Most of the vacancies are however obsolete and will be abolished during the financial year 2008/09 as Government Printing Works is in the middle of a transformational process.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate and whether there are any staff that are additional to the establishment.

Table 3.1 – Employment and vacancies, 31 March 2008

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Government Printing Works	1 038	562	46	18
Total	1 038	562	46	18

Table 3.2 – Employment and vacancies by salary bands, 31 March 2008

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	149	46	69.1	0
Skilled (Levels 3-5)	539	319	39.9	9
Highly skilled production (Levels 6-8)	293	149	49.1	0
Highly skilled supervision (Levels 9-12)	38	20	47.4	0
Senior management (Levels)13-16	9		55.6	0
Interns	9	9	0	9
Contract (Levels 13-16),	1	1	0	0
Total	1038	544	261.1	18

Table 3.3 – Employment and vacancies by critical occupation, 31 March 2008

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Compositors typesetters & related printing workers	64	30	53.1	0
Finance and economics related	6	3	50.0	0
Financial clerks and credit controllers	32	23	28.1	0
Printing management and supervisory personnel	58	23	60.3	0
Printing planners and production controllers	15	6	60.0	0
Senior managers	9	4	55.6	0
Total	190	90	52.6	0

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 2008	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)	539	1	0.20	1	0.20	–	–
Highly skilled supervision (Levels 9-12)	38	1	2.6	1	2.6	–	–
Total	577	2	.35	2	.35	–	–

Table 4.2 – Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Beneficiaries	–	–	–	2	2

Table 4.3 – Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Total number of Employees whose salaries exceeded the upgrades determined by job evaluation in 2007/2008	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 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	–	–	–	–	–
Male	–	–	–	–	–
Total	–	–	–	–	–
Employees with a Disability	–	–	–	–	–

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)	48	–	2	4.2
Skilled (Levels 3-5)	298	–	21	7.0
Highly skilled production (Levels 6-8)	159	2	18	11.3
Highly skilled supervision (Levels 9-12)	22	–	2	9.1
Senior Management Service Band A	3	–	1	33.3
Senior Management Service Band B	3	1	2	66.7
Senior Management Service Band C	1	–	–	0.0
Interns	35	–	–	–
Total	579	3	46	8.6

Note: A total of 101 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). The same applies to 14 Learners & Interns who resigned.

Table 5.2 – Annual turnover rates by critical occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Bookbinding and related machine operators	13	–	1	7.7
Compositors typesetters & related printing workers	26	0	6	23.1
Printing management and supervisory personnel	26	–	3	11.5
Senior managers	9	1	3	33.3
Total	74	1	13	17.6

Table 5.3 – Reasons why staff are leaving Government Printing Works

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment
Death, Permanent	6	10.0	1.7
Resignation, Permanent	21	35.0	6.0
Expiry of contract (Learners & Interns)	19	31.7	5.5
Discharged due to ill health, Permanent	2	3.3	0.6
Dismissal-misconduct, Permanent	2	3.3	0.6
Retirement, Permanent	10	16.7	2.9
	60	100	10.4

Resignations as % of Employment	
	10.4

Note: If Learners and other contract employees are taken out the figures the resignations as % of employment will be 8.6%.

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 & related machine operators, Perm	13	–	–	10	76.9
Compositors typesetters & related printing workers	26	–	–	5	19.2
Printing management and supervisory personnel	26	–	–	20	76.9
Senior managers	9	–	–	–	–
Total	74	–	–	35	47.3

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)	48	–	–	11	22.9
Skilled (Levels 3-5)	298	–	–	288	96.6
Highly skilled production (Levels 6-8)	159	1	0.6	89	56
Highly skilled supervision (Levels 9-12)	22	–	–	12	54.6
Senior Management Service Band A	3	–	–	–	–
Senior Management Service Band C	1	–	–	–	–
Interns	35	–	–	–	–
Total	579	1	.02	400	69.1

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	1	0	1	2	1	1	–	–	1	–	4
Professionals	37	3	0	40	16	28	3	1	32	15	103
Clerks	32	2	–	34	5	48	2	2	52	20	111
Service and sales workers	6	1	–	7	1	2	–	–	2	–	10
Craft and related trades workers	24	1	–	25	41	14	–	–	14	17	97
Plant and machine operators and assemblers	58	6	–	64	35	36	10	2	48	59	206
Elementary occupations	12	1	–	13	5	12	–	–	12	1	31
Total	170	14	1	185	104	141	15	5	161	112	562

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
Employees with disabilities	3	–	–	3	5	1	–	–	1	4	13

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
Senior Management	1	–	1	2	1	1	–	–	1	–	4
Professionally qualified and experienced specialists and mid-management	7	–	–	7	9	4	–	–	4	3	23
Skilled technical and academically qualified workers, junior management, supervisors, foremen	40	3	–	43	36	39	1	1	41	28	148
Semi-skilled and discretionary decision making	87	10	–	97	57	53	13	3	69	74	297
Unskilled and defined decision making	5	1	–	6	–	12	–	–	12	–	18
Contract (Top Management)	1	–	–	1	–	–	–	–	–	–	1
Contract (Skilled technical)	1	–	–	1	–	1	–	–	1	5	7
Contract (semi-skilled)	23	–	–	23	1	24	1	1	26	2	52
Contract (Unskilled)	5	–	–	5	–	7	–	–	7	–	12
Total	170	14	1	185	104	141	15	5	161	112	562

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, Permanent	1	–	–	1	–	–	–	–	–	–	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	–	–	1	–	1	–	–	1	–	2
Contract (Skilled technical), Perm	–	–	–	–	–	–	–	–	–	–	7
Contract (Semi-skilled), Perm	–	–	–	–	–	–	–	–	–	–	–
Contract (Unskilled) Perm	–	–	–	–	–	–	–	–	–	–	–
Total	2	–	–	2	–	1	–	–	1	–	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
Professionally qualified and experienced specialist	–	–	–	–	–	–	–	–	–	–	–
Skilled technical and academically qualified worker	–	–	–	–	–	–	–	–	–	1	1
Semi-skilled and discretionary decision making, Perm	–	–	–	–	–	–	–	–	–	–	–
Unskilled and defined decision making, Perm	–	–	–	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–	–	1	1

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	2	–	–	2	–	1	–	–	1	–	3
Professionally qualified and experienced specialists and mid-management	1	–	–	1	1	–	–	–	–	–	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen	4	–	–	4	7	2	1	–	3	4	18
Semi-skilled and discretionary decision making	3	–	–	3	7	1	–	1	2	9	21
Unskilled and defined decision making	–	–	–	–	–	1	1	–	2	–	2
Contract (Skilled technical)	2	–	–	2	2	3	–	–	3	–	7
Contract (Semi-skilled)	1	–	–	1	–	4	–	–	4	–	7
Contract (Unskilled)	–	–	–	–	–	–	–	–	–	–	–
Total	13	–	–	13	17	12	2	1	14	15	60

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	15	2	–	17	9	1	–	–	1	0	27

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	3	–	1	4	1	1	–	–	1	0	6
Professionals	7	–	–	7	9	4	–	–	4	3	23
Technicians and associate professionals	20	–	–	20	16	20	1	1	22	16	74
Clerks	16	1	–	17	3	24	1	1	26	10	56
Elementary occupations	21	2	–	23	8	18	3	1	22	10	68
Total	67	3	1	71	37	67	5	3	75	39	227

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 7.2), critical occupations (Table 7.3) and salary bands for SMS (Table 7.4).

Table 7.1 - Performance rewards by race, gender and disability

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	44	14	31.2	286	6,496
African, Male	53	169	31.4	364	6,871
Asian, Female	2	5	40	23	11,447
Asian, Male	–	1	–	–	–
Coloured, Female	9	15	60	59	6,584
Coloured, Male	3	14	21.4	17	5,681
Total Blacks, Female	55	161	34.2	368	6,690
Total Blacks, Male	56	184	30.4	381	6,807
White, Female	64	112	57.1	519	8,110
White, Male	51	104	49	439	8,601
Employees with a disability	–	1	–	–	–
Total	226	562	40.2	1,707	7553

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	18	22.2	12	3,000
Skilled (Levels 3-5)	140	297	47.1	829	5,821
Highly skilled production (Levels 6-8)	73	48	49.3	734	10,055
Highly skilled supervision (Levels 9-12)	9	23	39.1	131	14,556
Contract (Levels 1-2)	–	12	–	–	–
Contract (Levels 3-5)	–	52	–	–	–
Contract (Levels 6-8)	–	7	–	–	–
Periodical Remuneration	–	58	–	–	–
Total	226	615	36.7	1706	7549

Table 7.3 - Performance rewards by critical occupation, 1 April 2007 till 31 March 2008

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost R'000	Average Cost per Beneficiary R'
Administrative related	17	43	39.5	120	7,059
Binding and related workers	5	14	35.7	38	7,600
Bookbinding and related machine operators	2	9	22.2	9	4,500
Cleaners in offices workshops hospitals etc.	9	24	37.5	34	3,778
Client inform clerks (switchboard reception clerks)	1	4	25	6	6,000
Compositors typesetters & related printing workers	10	29	34.5	82	8,200
Finance and economics related	2	3	66.7	25	12,500
Financial and related professionals	1	2	50	26	26,000
Financial clerks and credit controllers	5	6	83.3	68	13,600
Head of department/ chief executive officer	–	1	–	–	–
Human resources clerks	4	13	30.8	50	12,500
Human resources related	1	1	100	14	14,000
Library mail and related clerks	2	5	40	13	6,500
Logistical support personnel	20	50	40	134	6,700

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost R'000	Average Cost per Beneficiary R'
Material-recording and transport clerks	31	64	48.4	292	9,419
Messengers porters and deliverers	3	7	42.9	31	10,333
Other administrat & related clerks and organisers	6	16	37.5	36	6,000
Other administrative policy and related officers	–	4	–	–	–
Other printing trade workers	3	5	60	31	10,333
Photographic lithographic and related workers	7	13	53.8	67	9,571
Printing and related machine operators	78	197	39.6	432	5,538
Printing management and supervisory personnel	12	31	38.7	136	11,333
Printing planners and production controllers	3	5	60	39	13,000
Secretaries & other keyboard operating clerks	–	3	–	–	–
Security officers	4	10	40	25	6,250
Senior managers	–	3	–	–	–
Total	226	562	40.2	1708	7558

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 (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	–	2	–	–	–	–	–
Band B	–	1	–	–	–	–	–
Band C	–	1	–	–	–	–	–
Total	–	4	–	–	–	–	–

8. Foreign Workers

The tables below summarized the employment of foreign nationals in the Government Printing Works in terms of salary bands and major occupations. The table also summarized changes in the total number of foreign workers in each salary band and by each major occupation.

Table 8.1 - Foreign workers by salary band

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Total	–	–	–	–	–	–	–	–	–

Table 8.2 - Foreign workers by major occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Total	-	-	-	-	-	-	-	-	-

9. Leave Utilization for the period 1 January 2007 to 31 December 2007

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 2007 till 31 December 2007

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)	139	85.6	14	3.8	10	21	372	119
Semi skilled factory personnel and skilled administrative (Levels 3-5)	1 552	86.9	210	56.5	7	298	372	1 348
Highly skilled production (Levels 6-8)	837	74.8	122	32.8	7	286	372	626
Highly skilled supervision (Levels 9-12)	111	80.2	17	4.6	7	68	372	89
Senior management (Levels 13-16)	30	73.3	6	1.6	5	55	372	22
Contract Learners & Interns	4	50	3	0.8	1	1	372	2
Total	2 673	82.5	372	100	7	729	372	2 206

Table 9.2 - Disability leave (Temporary and Permanent) 1 January 2007 till 31 December 2007

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)	73	100	4	4.1	18	12	73	97
Semi skilled factory personnel and skilled administrative (Levels 3-5)	627	100	58	59.8	11	118	627	97
Highly skilled production (Levels 6-8)	446	100	33	34	14	168	446	97
Highly skilled supervision (Levels 9-12)	17	100	2	2.1	9	9	17	97
Total	1 163	100	97	100	12	307	1 163	97

Table 9.3 - Annual leave

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	550	23	24
Semi skilled factory personnel and skilled administrative (Levels 3-5)	7 727	23	335
Highly skilled production (Levels 6-8)	3 927	23	172
Highly skilled supervision (Levels 9-12)	598	25	24
Senior management (Levels 13-16)	100	14	7
Other	17	17	1
Contract (Learners & Interns)	6	3	2
Total	12 925	23	566

Table E 9.4 - Capped Leave, 1 January 2007 till 31 December 2007

Salary Band	Total days of capped leave taken	Average number of days taken per employee
Lower skilled (Levels 1-2)	15	8
Semi skilled factory personnel and skilled administrative (Levels 3-5)	118	4
Highly skilled production (Levels 6-8)	114	5
Highly skilled supervision (Levels 9-12)	3	3
Senior management (Levels 13-16)	11	11
Total	261	4

Table 9.5 - Leave Pay-outs for the period 1 April 2007 to 31 March 2008

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	28	12	2 333
Capped leave payouts on termination of service for 2004/05	81	34	2 382
Current leave payout on termination of service for 2004/05	25	12	2 083
Total	134	58	2 310

10. HIV/AIDS and Health Promotion Programs

Table 10.1 - Steps taken to reduce the risk of occupational exposure

As a Branch of the Department of Home Affairs this responsibility is currently vested at the Department of Home Affairs. Government Printing Works however has further embarks on its own initiatives to address it. GPW has representation of the Department of Home Affairs Employee Wellness Committees.

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 1 of the Public Service Regulations, 2001?	√		Ms NR Mdakane, Executive Director Human Resources & 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?	√		Dedicated staff members and overall budget of R250 000
Has the Government Printing Works established committees as contemplated in Part VI E 5(e) of Chapter 1 of the Public Service Regulations, 2001?	√		Health & Safety Committee

11. Labour Relations**Table 11.1 - Collective agreements, 1 April 2007 to 31 March 2008**

None

Table 11.2 – Misconduct and Disciplinary Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total
Corrective counseling	–	–
Final written warning	1	33.3
Suspended without pay	1	33.3
Dismissal	1	33.3
Total	3	100

Table 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	% of total
Abscondment	1	33.33
Abusing of official property	2	66.67
Total	3	100

Table 11.4 - Grievances Lodged

Number of grievances addressed	Number	% of total
Resolved	36	94.7
Not resolved	2	5.3
Total	38	100

Table 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	1	100
Dismissed	–	–
Total	1	100

Table 11.6 - Strike Actions

Strike Actions	
Total number of person working days lost	2 357
Total cost (R'000) of working days lost	419
Amount (R'000) recovered as a result of no work no pay	419

Table 11.7 - Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	55
Cost (R'000) of suspensions	90

12. Skills Development**Table 12.1 - Training needs identified, 1 April 2007 to 31 March 2008**

Occupational categories	Gender	Number of employees as at 1 April 2007	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	20		18	3	23
	Male	38		24	34	58
Clerks and lower skilled	Female	244	6	77	70	150
	Male	266	12	63	22	97
Total		570	18	140	92	338

Table 12.2 - Training Provided 1 April 2006 to 31 March 2007

Occupational categories	Gender	Number of employees as at 1 April 2006	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	19		10	19	29
	Male	38		20	38	58
Clerks and lower skilled	Female	264	3	23	42	68
	Male	256	12	31	38	81
Total		579	15	84	137	246

Table 12.3 – Internship Programme 1 April 2007 to 31 March 2008

Government Printing Works Internship programme details are as follows

Unit	No of interns		
	Male	Female	Total
Human Resources & Transformation	4	3	7
Finance and Administration	11	7	18
Marketing & Branding	2	3	5
Internal Audit	1	–	1
Information Technology	–	2	2
Operations & Technology	1	1	2
Costing	1	3	4
Total	20	19	39

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	125	100
Temporary Total Disablement	–	–
Permanent Disablement	–	–
Fatal	–	–
Total	125	100

14. Utilization of Consultants

Table 14.1 – Report on consultant appointments

Project title	Total number of consultants that worked on the project	Duration: Workdays	Contract value in Rand R'000
Transformation – Learning Resources & Linkage SA	10	180	7 200
Appointment of Human Resource consultant on disciplinary matters Wakeford	2	8	115
Appointment of a consultant to continue with the preparation of the business case towards corporatization - Deloitte	3	90	3 200
Total number of projects	Total individual consultants	Total duration workdays	Total contract value in rand R'000
3	15	278	10 515