REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF HOME AFFAIRS

ANNUAL REPORT

2003 – 2004

Draft 1.4

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PART I:

GENERAL INFORMATION

Overview of Report

The Annual Report 2003/2004 aims in a clear and concise, yet comprehensive way to convey to the reader what the Department of Home Affairs has achieved during the financial year of 2003/2004.

Drawing on both the departmental Strategic Plan of 2003/2004 as well as the departmental Turnaround Strategy, introduced during September 2003, it highlights both the achievements as well as the challenges facing the Department during the reporting period.

In order to ensure user-friendliness without compromising 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, its mandate and the major departmental challenges and achievements during the year concerned.

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 as an annexure. (Annexure 1-3)

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

The text is further illustrated and enhanced by graphics and tables, whilst a number of photographs provide a glimpse into the everyday life of the Department.

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ANNUAL REPORT

1 April 2003 – 31 March 2004

Ms N N Mapisa-Nqakula
Minister of Home Affairs

Minister, I have the honour to submit herewith the report on the work of the Department of Home Affairs for the financial year ending 31 March 2004, in compliance with section 40 (1)(d) and section 55 (1)(d) of the Public Finance Management Act, 1999, (Act 1 of 1999) as amended.

B P GILDER
DIRECTOR-GENERAL
DATE: …………….2004

INTRODUCTION

It is an honour for me to introduce the Department of Home Affairs' first 'Turnaround' annual report.

Although our Turnaround Strategy was only conceived halfway through the year, we are proud that we have taken the first dramatic step towards the total transformation of our Department into an effective 21st Century provider of services to our citizens and our visitors.

Unlike other departments, who have largely come to terms with the challenges of transformation and change in the first decade of democracy, we have publicly admitted that we lag behind. This admission was an important first step in our turnaround journey.
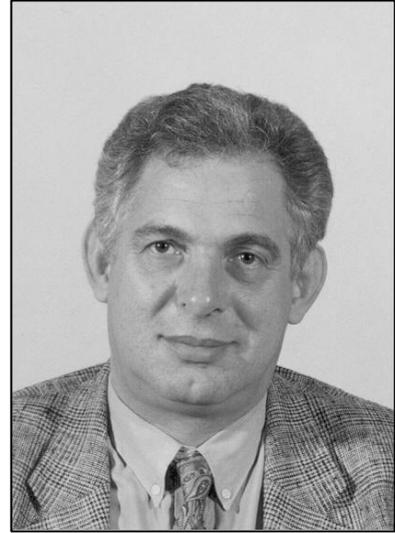
Barry Gilder
Director-General of Home Affairs

In conceiving our service delivery improvement agenda we did not have the luxury of conducting long-range planning. The turnaround strategy had to be developed with speed, with precision and with decisiveness. This meant that we had to re-determine our priorities and re-allocate our resources.

While some may have thought us over-ambitious in introducing so many change initiatives simultaneously, this was absolutely necessary in order to be thorough and to give momentum to our staff and our processes. Both head office and provincial staff were nominated to the 64 task teams that were established shortly after the adoption of the turnaround strategy. Being part of the change has certainly helped our staff to overcome the fear of the unknown.

In reflecting on what we have achieved in the first months of the "new" Department of Home Affairs, a few issues stand out. It is my belief, firstly, that we have raised awareness over a very broad front of the centrality of the Department to government's desire to create a better life for all, and the need to prioritise its recovery. Our turnaround strategy has been welcomed both within and outside of Government and we have received many offers of support.

Secondly, we obtained approval for a new organisational structure. This provides for a number of new head office components and for a significant increase in our service points. Although we did not have the capacity or the resources to fill all the newly created positions at once, we did manage to advertise around 1 000 posts before the close of the financial year. In this way we were able to break the trend of declining staff numbers, which we have found to be one of the major reasons for poor service delivery.

General Information

Although we still have a long way to go, we have made a start in inculcating the spirit of Batho Pele in our officials. Through our initiatives to improve morale in the Department, such as our sports and recreational programme, many of our staff members got to know each other and learned the basics of team work which we believe are essential for providing a client-orientated service.

We have taken a hard look at our office infrastructure as part of our turnaround strategy. This resulted in us completing an assessment of the condition of all our government-owned properties where we are the major occupant, paving the way for a medium term repair and maintenance programme. At the same time we embarked on a programme to provide a "facelift" to the worst of our offices and to procure essential office equipment. We were able to re-allocate R 79,249 million towards this objective before the end of the financial year.

Our IT "revolution" also took shape in the year under review. Given the peculiar history of each of the systems in the Department, we had to spend considerable time and energy in refocusing our IT programme. This was the major reason for the under-spending in the Department's capital programme. Now that we have a vision for the full integration of our IT systems, we can once again focus our energies on implementation. This includes the implementation of smart ID cards and smart passports in the not too distant future.

Transformation and change do tend to be destabilising. It is for this reason that we are particularly proud that we were able to continue rendering essential services ahead of the third democratic elections. Together with the Independent Electoral Commission, we launched a successful ID and voter registration campaign. We issued more than three million identity documents in 2003/04 enabling citizens to exercise their right to elect a government of their choice. This campaign also drew attention to the benefits of having a green bar-coded ID such as gaining access to social grants.

I trust that this report will instill confidence that the Department of Home Affairs is on the road to transformation. We certainly believe so ourselves. Given the limited time we have had to implement our Turnaround Strategy, some may feel the evidence may not yet be conclusive. However, the past year has seen us cut an impressive path through the hard rock of the mountains through which our road to a better Department of Home Affairs must pass. Now we can begin to level the road and lay the tar that will make our journey easier and faster.

BARRY GILDER
DIRECTOR-GENERAL
DEPARTMENT OF HOME AFFAIRS

INFORMATION ON THE MINISTRY

The Minister of Home Affairs has executive authority over the Department of Home Affairs, the Government Printing Works, the Independent Electoral Commission, the Film and Publication Board, the Immigration Selection Board and the Refugee Affairs Appeal Board.

The Minister submitted the following Bills to the Legislature during the reporting year:

The Films and Publications Amendment Bill

The main objective of this Bill is to make provision for the prohibition of child pornography accessed through the Internet and for matters incidental to the more effective investigation and prosecution of child pornography offenders.

The South African Citizenship Amendment Bill

The South African Citizenship Amendment Bill intends to bring the South African Citizenship Act, 1995 in line with section 20 of the Constitution as far as dual citizenship is concerned. It repeals the provision which allowed the Minister to deprive a citizen of his or her citizenship for having used the citizenship of a foreign country to enter or depart from the Republic, or to enter or depart from the country which issued such passport, or any other third countries. The Bill replaces such provision with one that imposes penalties on a citizen using a foreign passport to enter or depart from the Republic or utilises his or her foreign citizenship while in the Republic.

The Alteration of Sex Description and Sex Status Amendment Bill

The main objective of the Bill is to provide for the alteration of the sex description of certain individuals in certain circumstances; and to amend the Births and Deaths Registration Act, 1992, as a consequence; and to provide for matters incidental thereto.

The Electoral Amendment Bill

The purpose of the Bill is to amend the Electoral Act, 1998, so as to limit the application of the Act with regard to municipal councils; to make new provision regarding applications for registration as a voter; to repeal obsolete provisions; to make new provision regarding voters' rolls, prisoners' voting, special votes, voting hours, assistance to handicapped voters, objections, review of voting districts, voting stations and conciliation in disputes; to change the schedule; and to insert a new schedule prescribing the system of representation in the National Assembly and provincial legislatures; and to amend the Electoral Commission Act, 1996, so as to make new provision regarding the registration of parties; and to provide for matters connected therewith.

General Information

The Minister of Home Affairs undertook official visits abroad to the following countries during the reporting year: Bali, Indonesia, Mozambique, and Australia and the Deputy Minister to the United Kingdom, Monaco, and the USA.

M G Buthelezi
Minister of Home Affairs

N N Mapisa-Nqakula
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 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) as amended
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) as amended
The South African Passports and Travel Documents Act, 1994 (Act No 4 of 1994) as amended
The Alteration of Sex Description and Sex Status Act, 2003 (Act 49 of 2003)

MIGRATION:

The Immigration Act, 2000 (Act No 13 of 2000)
The Refugee 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 S A Government and the United Nations High Commissioner for Refugees (UNHCR), 6 September 1993
The 1951 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 MANDATES:

The Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996)
The Public Service Act, 1994 (Act 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) as amended
The Employment Equity Act, 1998 (Act No 55 of 1998)
The Basic Conditions of Employment Act, 1997 (Act No 75 of 1997)
The Skills Development Act, 1998 (Act No 97 of 1998)
The Skills Development Levies Act, 1999 (Act No 9 of 1999)
The South African Qualifications Authorities Act, 1995 (Act No 58 of 1995)
The Promotion of Access to Information Act, 2000 (Act No 2 of 2000)
The Exchequer Act, 1975 (Act No 66 of 1975)
The Public Holidays Act, 1994 (Act No 36 of 1994)
The Imprint Act, 1993 (Act No 43 of 1993) as amended
The Films and Publications Act, 1996 (Act No 65 of 1996)

PART II:

PROGRAMME PERFORMANCE

INTRODUCTION

VOTED FUNDS

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
	1 971 053	2 132 688	1 951 755	180 933
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 provide a supporting servi ce to this effect.

Summary of Programmes

The activities of the Department are organised in the following four programmes:

Programme 1: Administration

Programme 2: Services to citizens

Programme 3: Migration

Programme 4: Auxiliary and associated services

Overview of the organisational environment for 2003/04

Following a long period of leadership instability, the appointment of a new Director-General during the reporting year served as a catalyst for a renewed focus on the fundamental reconstruction of the Department and informed by Government's policy imperatives and its Plan of Action.

The Turnaround Strategy, which was developed by Senior Management in September 2003, constitutes the Department's organisational development and service delivery. This strategy is premised on the realities of critical people-, infrastructure-, and technology shortcomings experienced in Home Affairs that have for years severely impeded the Department's goal of service excellence. It confirms the centrality of the Department and is aimed at improved service

Programme Performance: Programme Summary

delivery to our vast client base, encompassing the total South African citizenry as well as all foreigners who visit our country.

Critical projects emanating from the Strategy have been incorporated in the priority programmes of the five clusters of which the Department is a member and of these, essential aspects (i.e. the transformation of the Immigration Service) have been incorporated in Government's Plan of Action.

It is in this context that the Department has reviewed its organisational structure and launched a comprehensive redesign of its business processes. The scientific organisational appraisal that was undertaken revealed the magnitude of departmental human resource inadequacies. Whereas the personnel establishment, determined in 1995, provided for a staff contingent of only 7 339, it was found that, in fact, a personnel strength of 13 160 (almost a doubling of personnel) was required for the optimal functioning of the Department. Also, the spread of Home Affairs service outlets countrywide largely still reflected past discriminatory practices.   Therefore, the organisational transformation of the Department had to address spatial discrepancies head-on. In this regard a special focus was placed on providing proper service access to deeply rural and marginalised urban communities. Whereas the public is currently served at 264 regional and district offices as well as service points, the newly determined location dispensation provides for 441 such outlets, which includes 67 fully equipped and electronically linked mobile units. Abroad, Home Affairs is currently present at 20 South African missions whilst a plan has been developed that entails the placement of departmental officials at all of the more than ninety South African diplomatic missions around the globe in a phased manner. Our presence at ports of entry will be increased from 51 to 60 such locations.

The new organisational structure, incorporating revised office locations and personnel establishment was approved in March 2004 and the Department has since, within the context of fiscal and infrastructural constraints, commenced with the thoroughly planned rollout thereof. With regard to technology, an ambitious programme, in fact an IT revolution, called ITingwe, has been launched and a comprehensive office audit and physical needs assessment has commenced during the reporting year.

Therefore, the 2003/04 reporting year without a doubt marked the beginning of the new Department of Home Affairs.

Overview of the service delivery environment for 2003/04

The Department of Home Affairs provides access to a wide variety of public and private services through the identification of persons and the determination of their status. For example, the

welfare grant system of Government relies on birth registration and identity documents whilst the commercial banking sector would hardly be in a position to perform its function if its clients were not reliably identified by Home Affairs.

The root cause for persisting service level shortfalls, despite past well-meaning improvement initiatives and the relentless dedication of many loyal staff members, is to be found in the critical people, infrastructure and technology deficiencies described above. The Turnaround Strategy is therefore aimed at providing the building blocks for the realisation of the Home Affairs' vision of becoming a world-class service provider. These essential building blocks include more personnel, better equipped offices and sufficient computers. The "softer" dimensions of transformation are of equal importance. It is evident that matters such as the building of staff morale, the inculcation and nurturing of a customer centred orientation and continuous human capacity building perform central roles. Programmes relating hereto, including a comprehensive change management strategy, the introduction of queue management models and provision for ongoing education, training and development opportunities have, therefore, been included in the Turnaround Strategy. These initiatives were kick-started during the reporting year, and although their full impact will only become apparent in the period ahead, they have already produced significant results.

Strategic overview and key policy developments: 2003/2004

Apart from the enactment of the new Immigration Act, 2002 (Act 13 of 2002), its promulgation in March 2003 and followed by its implementation, the most important new strategic initiatives relate to the formulation of the Turnaround Strategy of the Department in September 2003. The Strategy is aimed at fundamentally and comprehensively addressing the persistent people, infrastructure and technology shortcomings of the Department in an integrated way. Its overall objective is service excellence and therefore to transform Home Affairs into an accountable, effective and efficient as well as a customer oriented organisation. Projects emanating from the Turnaround Strategy that commenced during the financial year, have been included under the various programmes as discussed in this Report.

Departmental receipts

Income is generated mainly from the issuing of passports, identity, travel and other official documents. The higher amount for 1999/2000 and 2001/02 was mainly due to an increase in travel documents. The income for the period 2002/03 to 2005/06 is conservatively estimated, with a slight increase for 2003/04 due to the general elections in 2004.

Programme Performance: Programme Summary

	2000/01	2001/02	2002/03	2003/04	2003/04	% Deviation from Target
	Actual R'000	Actual R'000	Actual R'000	Target R'000	Actual R'000	
Tax revenue						
Non-tax revenue	**199 707**	**264 198**	**242 930**	**258 623**	**363 717**	**40.63%**
Property income	-	-	666	-	(172)	-
Sales of goods and services	178 871	229 816	241 375	236 821	357 072	50.78%
Fines, penalties and forfeits	4 565	665	506	595	2 900	387.39%
Voluntary transfers	-	-	-	-	-	-
Miscellaneous	16 271	33 717	383	21 207	3 917	(81.53%)
Transactions in non-financial assets (capital revenue)	-	-	-	-	-	-
Financial transactions (recovery of loans and advances)	**1 367**	**6 377**	**(318)**	**4 992**	**(2 624)**	**(152.56%)**
Total departmental receipts	**201 074**	**270 575**	**242 612**	**263 615**	**361 093**	**36.98%**

Departmental payments

Programme	Voted for 2003/04 R'000	Rollovers and Adjustments R'000	Virement R'000	Total voted R'000	Actual Expenditure R'000	Variance R'000
1 Administration	233 291	12 140	30 110	**275 541**	266 719	8 822
2 Services to Citizens	765 555	58 768	(15 159)	**809 164**	655 853	153 311
3 Migration	276 263	63 433	(15 230)	**324 466**	323 948	518
4 Auxiliary and associated services	695 944	27 294	279	**723 517**	703 714	19 803
Special Functions	–	–	–	–	1 521	(1 521)
Total	**1 971 053**	**161 635**	–	**2 132 688**	**1 951 755**	**180 933**

PROGRAMME SUMMARY

- ***Administration*** provides for the overall management of the Department.

- ***Services to citizens*** grants specific rights and powers to members of the population, addressing travel and passport matters, citizenship and population registration by equipping every eligible citizen with a valid identity document and record their information in the population register within the targeted period to give effect to their rights.

- ***Migration*** controls immigration according to South Africa's skills and investment needs and controls visitors who enter the country on a temporary basis.

- ***Auxiliary and associated services*** supports the Film and Publication Board, the Government Printing Works, the Independent Electoral Commission and Government motor transport as well as Capital Works

PROGRAMME 1: ADMINISTRATION

The aim of the **Administration** programme is to conduct the overall management and administration of the Department. The programme provides for policy formulation by the Minister, Deputy Minister, Director-General and other members of the Department's management. This programme also comprises the following sub-programmes:

Minister

Deputy Minister

Management Services

Corporate Services

PROGRAMME POLICY DEVELOPMENTS

The sub-programme **Management Services** includes **Strategic and Executive Support Services (SESS),** which provides a professional, evaluative, planning and co‑ordinative 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 sound and coherent policy requirements. SESS also manages the Department's involvement in the system of co‑operative governance as prescribed in Chapter 3 of the Constitution, as well as the Department's participation in intergovernmental structures.

Mr J C Fick
Strategic and Executive Support Services

Adv K R Malatji
Legal Services

The sub-programme **Corporate Services** includes Human Resources, Information Technology, Legal Services, Security and Ethical Conduct and Communication.

Legal Services provides legal services to the Department, including the rendering of legal opinions, representing the Department at the Home Affairs Portfolio Committee during legislative programmes and drafting and amending legislation and legal documents.

Security and Ethical Conduct aims at safeguarding the Department against the activities of criminal elements and ensuring physical-, information- and personnel security.

Programme Performance: Programme One

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

Information Technology 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. In the reporting year the Chief Directorate: Information Technology has been instrumental in working towards this strategic goal.

Ms Z Mongalo
Information Technology
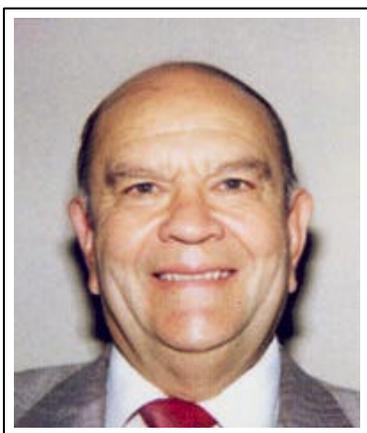
Mr J S du Plessis
Human Resources

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

ACHIEVEMENTS AND CHALLENGES

As mentioned earlier, this section aims at providing information on the achievements and challenges pertaining to the various sub-programmes within Programme I: Administration. In doing so, it draws from two major sources: the departmental Strategic Plan 2003/04 and the Turnaround Strategy (September 2003).

It includes the following issues that are grouped together according to responsibilities:

MANAGEMENT SERVICES

Strategic and Executive Support Services (SESS)

The Turnaround Strategy represents a dream of the Home Affairs of the future. This, in combination with effective leadership, can create the energy that is required to make things happen. It further identifies the requirement to both effectively manage and inspire to achieve organisational change. The DHA is inevitably part of the integrated governance system and needs to play an integral part in these processes due to the nature of its focus areas. Hence it requires that management is more proactive and effective in its interaction with its clients and stakeholders at international, national and inter-departmental level. The critical activities that were identified to achieve this outcome and progress that has been made in each of these areas are discussed below.

Strengthening the Management Team

The strategic objective was to "Implement a collective management style that visibly demonstrates the commitment to a culture of performance excellence."

"A System of monthly reporting has been introduced in respect of all the interventions contained in the Turnaround Action Plan"

Senior and Top Management meetings have been scheduled and held on a regular basis. One-on-one meetings between the Director-General and those who report to him directly were also introduced.

A system of monthly reporting was introduced in respect of all the interventions contained in the Turnaround Action Plan. This came into effect in November 2003. These reports are consolidated by the Programme Office and submitted for discussion and evaluation of progress at Top and Senior Management meetings. In addition, the Director-General required the managers who report to him to submit written progress reports as from February 2004. Not all units consistently submitted their reports, although the frequency and quality of the reporting improved as the system became institutionalised.

Improving integrated governance

The strategic objective was to "Integrate cluster priorities into planning and operations of the Department."

SESS representatives have been appointed to accompany the designated managers to the respective clusters of FOSAD. Their role is to provide continuity in our conduct of intergovernmental relations and ensure that the Department interacts effectively with these clusters. Senior managers have been designated to attend cluster meetings. Feedback from cluster meetings is also a standing item on the agenda of Top Management meetings and the

Programme Performance: Programme One

Department is being more pro-active in influencing the agenda of cluster meetings. Some critical departmental strategic priorities have been included in various cluster action programmes.

Provincial and Foreign Offices: Establishing Foreign Missions
The strategic objective was to "Vest proper decision-making powers in the regions and foreign offices and provide the necessary capacity to ensure efficient and effective functioning in order to enhance service delivery."

A multi-disciplining project team was tasked to re-look the Department's role at South African missions abroad. As a result a 10-year plan to deploy Home Affairs officials at all South African missions abroad was approved. This included the creation of 11 regional offices to manage and co-ordinate these missions. To facilitate achieving this ambitious plan, the team developed a draft placement policy to be considered by the Minister. Also included in the plan are matters relating to:

Regular high level meetings between the DHA and DFA;

Establishment of DHA nodal point in DFA;

Redeployment of returning staff;

Appointment of new foreign representatives;

Training of the representatives – three (3) months before deployment;

Ongoing administration and management of the foreign offices unit;

Annual reviewing of priority new missions to be opened.

Improving International Relations

The strategic turnaround strategy objective was to ensure properly strategised, planned, prioritised and co-ordinated international relations.

A unit that deals with international relations across all units in the DHA has been established in SESS. The two officials who performed this function previously within the Immigration Branch have been relocated to this Unit. The other two posts on the establishment are vacant.

The opportunities that interaction with similar departments internationally provide were adequately not exploited in the past. These include developments on a bilateral level such as removing border control, use of smart ID cards, etc. Additional resources will be required to achieve this vision as well as the elevation of this component to being the single point of contact (one-stop-shop) for international travel arrangements and interactions as well as a library/repository of knowledge and expertise on each country with which relations have been developed.

Programme Performance: Programme One

Service Delivery:

> *"The reality of chronic understaffing, poor office location, offices in a poor state of repair and inadequately equipped, means that the Department is unable, with the best intentions, to meet the requirements of Batho Pele"*

The Department of Home Affairs is in essence a service delivery department. The Department has committed itself in letter and spirit to the principles of Batho Pele. However, the reality of chronic understaffing, poor office location, offices in a poor state of repair and inadequately equipped, means that the Department is unable, with the best intentions, to meet the requirements of Batho Pele.

To address these challenges, the following interventions have been agreed upon.

Rollout of the "Client is always right campaign" - To change the attitude of staff towards clients to render a world-class service.

Establish a 24 hour Client Service Centre (CSC) - To establish a 24-hour Client Service Centre to be used by clients as well as departmental offices to check on the status of applications and to troubleshoot problems.

> *Intervention:*
>
> *"To establish a 24-hour Client Service Centre to be used by clients as well as departmental offices to check on the status of applications and to troubleshoot problems."*

Delegation of powers and functions to provinces - To identify the powers and functions that need to be delegated to the provincial structures and to clarify reporting lines.

The key interventions are discussed in detail below:

National "Client is always right" campaign

The National "Client is always right" campaign supports the overall strategic objective to "Ensure departmental processes and procedures are aligned with the Batho Pelé Principles and the vision of the Department of Home Affairs."

As a first step it was decided to establish real client perceptions regarding the Department in a scientific way.

The South African Migration Project (SAMP) offered to undertake and fund such a survey on behalf of the Department. A questionnaire was developed and a countrywide sample of offices to be included in the study drawn. The survey will be conducted during September 2004 and the results will be available by the end of the year. These will in turn inform the change management strategy of the Department and training programmes aimed at promoting a new customer orientation among all staff.

Programme Performance: Programme One

Client Service Centre

The Client Service Centre project underpins the overall strategic objective of "ensuring that departmental processes and procedures are aligned with the Batho Pelé Principles and the vision of the Department of Home Affairs"

As the establishment of such a centre cannot be done overnight, an interim solution, divided into five phases, was developed, namely: :

The first phase entailed the project start-up. This phase was completed with the written appointment of the project team members and with the convening of the founding meeting on 18 February 2004;

The next phase, which focused on each Chief Directorate nominating, for each Directorate, representatives to whose extensions calls from the auto-attendant will be directed, has also been completed;

Phases three and four involved the setting up of the auto attendant, completed by 27 February 2004, and the training of operators in client relations, completed by 19 March 2004;

Phase five entails the promotion of the toll-free line amongst the public and staff of the Department. This will be undertaken in the coming financial year.

With regard to the permanent call centre solution, the benchmarking exercise is currently being undertaken, to investigate and make recommendations regarding the establishment of a fully-fledged call centre for the Department. Other organisations have been visited to determine the scope of what needs to be done. A detailed project plan will be developed on completion of this study.

Delegation of Powers and Functions to Provinces

The strategic objective was to "Vest proper decision-making powers in the regions and foreign offices and provide the necessary capacity to ensure efficient and effective functioning in order to enhance service delivery."

The following progress can be reported in this area:

The Task Team was established on 30 January 2004 as per resolution by Senior Management;

A combined meeting and various one-on-one meetings have already taken place and directorates are in the process of analysing and researching which powers and functions should be delegated to provinces;

Their first draft inputs will be forwarded to the project leader by 30 April 2004 on the basis of which the detailed project will be rolled out.

CORPORATE SERVICES

Human Resources*:*

> *"The people of Home Affairs are critical to the delivery of our services"*

The people of Home Affairs are critical to the delivery of our services. It is our people who interact with our clients across the counters of our offices. It is our people who process the applications we receive from our clients. It is our people who receive visitors to our country. It is our people who administer our funds and our logistics. Yet the human resource capacity that the Department currently has, is totally inadequate to execute our mandate – not to mention being able to live up to the Batho Pele principles.

Apart from filling critical posts and lobbying for more funds to expand our establishment, the Department needs to train and re-train employees in a range of soft and hard skills required to do their work. Home Affairs also needs to give attention to their utilisation, career advancement and performance management. Moreover, the Department needs to introduce initiatives to improve the morale of employees and promote their health and well-being.

> *"The Department needs to train and re-train employees in a range of soft and hard skills required to do their work"*

The key Human Resources interventions identified to address these challenges are discussed in detail below:

Recruitment and Selection Policy

The strategic objective was to "Develop a strategy for effective and efficient recruitment including the alignment of the Human Resource Plan with the Strategic Plan."

The current policy has been characterised by several inconsistencies. A revised policy was compiled and submitted to senior management for inputs. After consolidating the draft policy, it will be referred to the Departmental Bargaining Chamber for adoption. The policy will take effect after adoption.

Acquisition of Staff

The strategic objectives applicable to the above-mentioned include "Filling of all vacant senior management posts in the Department"; and "Conduct an audit into the current establishment and fund current vacancies."

Programme Performance: Programme One

> *"Following an audit into the current establishment, approval was given to fill 1 045 funded posts within the financial year 2003/4"*

Following an audit into the current establishment, approval was given to fill 1 045 funded posts within the financial year 2003/4. Half of the vacant posts were filled during the period 1 October 2003 until 31 March 2004. The rest will be filled in the coming financial year.

The recruitment process has been decentralised to provincial level in respect of entry-level positions. This was aimed at expediting turnaround times for appointment.

With regard to the development of an integrated Human Resource Strategy, an environmental scan was conducted and an outline of a Human Resource Strategy developed.

Succession Planning, Career Management and Retention Policy

The strategic objective was to "Develop a retention policy for professional staff."

A Succession Planning Strategy and Career Management and Retention Policy were developed and circulated to Senior Management for comments. External support was secured to assist with the editing of these.

Review of Affirmative Action Policy

The strategic objective was to "Review affirmative action policy."

The Affirmative Action policy was drafted and reviewed.

Employment Equity

The strategic objective was to "Ensure employment equity with specific reference to gender equality on all levels throughout the Department."

An Employment Equity Plan was drafted. However, the adoption of the new staff establishment will necessitate a further policy review.

Volunteers

The turnaround strategy objective was to terminate the use of volunteers and to introduce internships.

The Department made use of approximately 1 200 volunteers during the reporting period. It was agreed to phase this system out and to introduce a system of internships in its place.

Programme Performance: Programme One

Performance Management

The strategic objective was to" Refine the Performance Management and Development System and align regions with new system" and to "Develop and implement an organisational performance management system aligned with the SAEM and in support of the Batho Pelé Service Excellence Programme."

Following the introduction of a Performance Management and Development System during the 2003/2004 - evaluation cycle, it soon became clear that the system is cumbersome to apply and has a number of resulting deficiencies necessitating review. In addition lack of funds made implementation of the rewarding aspects impossible.

"Departmental strategic and operational plans will inform performance agreements of managers"

It was agreed that the basis for effective performance management should be the Department's strategic plan and operational plans. This will inform the performance agreements of managers and other members of staff. A policy review was also conducted as part of the team's efforts to introduce a just and well-functioning performance management system.

A team was established to align individual performance and organisational performance management.

Training

The strategic objective was to "Maintain a sound Human Resources Education, Training and Development Programme in line with overall governmental policy on human resources development."

Training Strategy and Programme

"A number of training "quick wins" have been implemented"

The Human Resource Development Operational Plan has formed the basis for training during the reporting period. In addition, a number of training "quick wins" were implemented:

Critical posts on the new establishment were identified for filling, pending budget allocations;

A training needs analysis was conducted;

An induction programme was developed;

A Curriculum Development Expert, sponsored by the International Organisation for Migration (IOM) was appointed to assist with training programme development; and

Programme Performance: Programme One

Discussions were held with potential training partners.

Leadership Development:

The strategic objective was to "Develop leaders through technical and contemporary management practices at senior management level."

Due to the fact that the appointment of Senior Managers was delayed, the development of leaders at senior management level was postponed to the next financial year.

Mentoring Programme:

The strategic objective was to "Develop a Mentoring Programme for junior and middle managers."

A number of officials attended mentorship training during the reporting year.

Financial Training

The strategic objective was to "Ensure that Programme/ Responsibility Managers and officials are trained in Finance and Budgeting."

Departmental managers were trained in both the Public Finance Management Act (PFMA) as well as in Financial Management.

Staff Morale and Moral Regeneration

The strategic objective was to" Ensure the moral regeneration of staff members in line with the corporate value system of the Department."

The following can be reported:

> *"The Sport and Recreation Committees for each Province and for Head Office have all had at least one sporting event before the end of March 2004."*
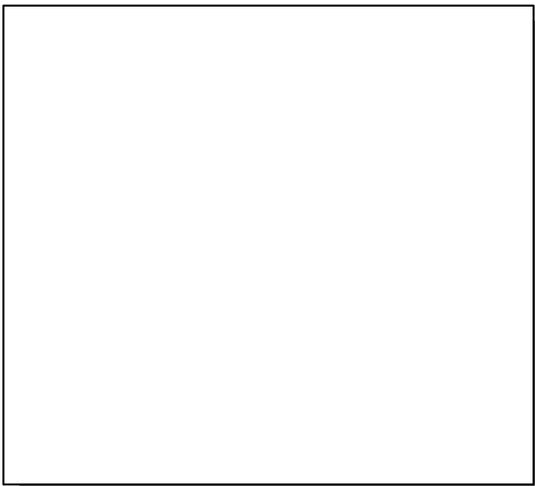
The Staff Morale Task Team was established on 7 November 2003;

The Sport and Recreation Committees for each Province and for Head Office have all had at least one sporting event before the end of March 2004. Reports from Task Team members who attended these events indicate that these sports days were major events in the Provinces and that personnel participated with great enthusiasm;

Programme Performance: Programme One

Events were well planned and organised and awards were also presented to winning teams and individuals. The spirit at these events was jubilant, echoed the spirit of the Turnaround Strategy and contributed to a better morale and esprit de corps;

A Sporting tournament for the Department, based on a point system, was planned;

> *"An Employee opinion questionnaire was developed in partnership with UNISA"*

The Task Team also worked on a Sports, Recreation and Cultural Policy, whilst a Cultural Programme for the Department was also compiled; and

An Employee opinion questionnaire was developed in partnership with UNISA.

Employee Wellness and Recreation

The strategic objective was to "Empower the EAP component through proper resourcing."

A proposal was formulated on critical posts to be filled in this newly created Directorate, and approval has been obtained to fill the Director's post as well as four additional critical posts. Benchmarking of EAP services was conducted with other organisations such as Telkom, Eskom and the Department of Foreign Affairs.

Security and Counter Corruption

The Department of Home Affairs is a part of the overall security mechanism of government in that it authenticates citizens and controls entry and sojourn into our country. As such the

> *"Effective security is one of the ways in which we can prevent and combat corruption"*

Department has an unavoidable obligation to protect our information, our installations, our equipment, our people and the integrity of our systems. Effective security is one of the ways in which we can prevent and combat corruption.

Development and Implementation of a Counter Corruption Plan

The strategic objective was to "Sustain and maintain the effectiveness of fraud prevention plan."

The JCPS cluster has initiated this project under the leadership of NIA. The first stage of this project was to analyse the foundations of corruption in the Department. NIA was tasked to compile the report that was received on 21 January 2004. This report served as input to a workshop focusing on the development of a plan of action to deal with this problem decisively.

Programme Performance: Programme One

The plan of action has been refined and circulated amongst Senior Management for comment.

Improvement of physical, information and personnel security

The above-mentioned includes the strategic objective to "Finalise the implementation of MISS (Minimum Information Security Standards)."

Access cards have been issued to all Civitas staff and a security vetting process has commenced.

Communications

The Turnaround Strategy provides the opportunity to establish a positive image of the Department, and in doing so, gain the critical support of the media, the public and the rest of government in campaigning for the resources we need to improve the delivery of our services.

"The Turnaround Strategy provides the opportunity to change the Department's poor image, and in doing so, gain the critical support of the media, the public and the rest of government"

The strategic objectives for the reporting period were to "Develop and sustain a sound internal and external communication strategy" and to "Sustain sound relationships with local media." The following was achieved:

An internal and external communications strategy was approved in 2003. This will be updated during 2004/05.

Functions for editors and senior journalists were arranged in November 2003 and March 2004. Other communication opportunities were exploited to the fullest, with the result that the Department enjoyed significant media attention during the year under review.

The ID registration campaign associated with the 2004 elections was successfully conducted. Time and space were purchased from the SABC and local/regional radio and print media.

A decision was taken to resume publication of Home Blitz on a monthly basis and Home Affairs on a quarterly basis. A special turnaround edition of Home Blitz appeared during December 2003. A weekly publication' 'Khuduga'' dealing with the planned move of Head Office, will commence during

the first week in May 2004.

The DHA website project team was tasked with the updating of the content of the website and making it more user friendly. The project is still underway.

Implementing critical transformation interventions

The strategic objectives were to "Develop a consolidated Transformation action plan" and to "Ensure employment equity with specific reference to gender equality on all levels throughout the Department."

"Gender representation has been taken on board in the filling of senior management vacancies"

Gender representation has been taken on board in the filling of senior management and other vacancies. However, a full picture will only emerge once all the vacancies have been filled.

The transformation unit has been strengthened as part of the redesign of the organisational structure. Critical vacancies have been identified for filling, pending availability of funds.

Time was spent at the Department's planning session in March 2004 on the actions that need to be taken in areas of transformation where the Department still lags behind.

Inculcating a New Culture i.e. Change Management

The strategic objective to "Develop a consolidated Transformation action plan" includes the issue of change management.

The Provincial Head: Eastern Cape was seconded to Head Office to assist in developing a change management strategy and plan of action.

Legal Services

The strategic objectives were to " Harmonise legislation pertaining to DHA mandates to be in line with the Constitution" and to "Align

"The Department's new organisational design provides for additional capacity in Legal Services"

operational and administrative departmental policy with legislation pertaining to the Department and harmonise legislation pertaining to DHA with overall governmental policy directions provided by the President and Cabinet."

The Department's new organisational design provides for additional capacity in Legal Services. In spite of its capacity constraints, the Chief Directorate achieved a number of objectives during the year under review. As to the Strategic Plan objective of harmonising legislation pertaining to DHA mandates to be in line with the Constitution of the Republic of South Africa, the Electoral Act

Programme Performance: Programme One

was amended during the year 2003, and the Films and Publications Amendment Bill as well as the South African Citizenship Amendment Bill were tabled in Parliament. The Alteration of Sex Description and Sex Status Act, 2003 was also enacted during the year under review.

With regard to litigation, it was noted that the number of court cases has continued to increase, especially with the advent of the Immigration Act, 2002. Some of its clauses and the regulations issued in terms thereof have been challenged, confirming the need for a fundamental review of the Act.

Programme Performance: Programme One

Information Technology

Technology Requirements

An efficient information technology system can significantly enhance the services rendered by the Department of Home Affairs. In order to provide quality and efficient service to our clients, the Department must be responsive as well as proactive to the demands put to it by the growing number of citizens as well as foreigners visiting our country. To this end the Turnaround Strategy provides for a number of interventions.

> *"An efficient information technology system can significantly enhance the services rendered by the Department of Home Affairs"*

As a starting point the Department established an Information Systems Management Board, (ISMB) chaired by the Director-General. This Board is responsible for the central co-ordination of the Department's IT strategy and decision-making. Furthermore, an IT Lekgotla was held where the IT "revolution" was planned. This programme, consisting of a number of complementary projects, is known as "ITingwe", named after the venue where the IT revolution was conceived.

Interim project leaders have already been identified pending the appointment of full-time project leaders.

> *"As a starting point in addressing Information Technology shortcomings the Department has established an Information Systems Management Board, (ISMB) chaired by the Director-General, that will be responsible for the central co-ordination of the Department's IT strategy and decision-making"*

The ITingwe projects are discussed in detail below:

HANIS Reloaded

The strategic objective was to "Complete the implementation of HANIS"

Progress was made within the subprojects of HANIS Reloaded. Some of the projects are however still at a feasibility stage. The following progress can be reported:

> *"Progress has been made within the subprojects of HANIS Reloaded"*

Due to the fact that there is a large volume of duplicated identity documents at this stage and that HANIS is populating the database at a relatively diminutive rate, a resolution was adopted to opt for Back Record Conversion as an alternative measure. The set timeframe for Back Record Conversion is estimated at a period of two to three years.

Programme Performance: Programme One

Approval was obtained from the ISMB as well as National Treasury to opt for a sole source supplier, IDECO. This approval was granted due to the fact that IDECO proved to be the only company in South Africa with the necessary credentials and expertise in this regard. The final stage for the contract between the Department and IDECO is being finalised.

A request for approval to investigate an alternative biometrics system, was submitted to the ISMB. Due to the fact that there are no such systems in operation in SA, it was decided that other countries abroad should be visited where these systems are in operation. A final report will be compiled subsequent to the visits abroad to indicate the most viable option for the Department, either a ten flat fingerprint system with live capture or a two flat fingerprint system with alternative biometrics (facial comparison).

> *"A refugee child certificate was designed and is ready to be produced"*

With regard to refugees, the following milestones have been achieved during the reporting period:

The HANIS Reloaded project employed the expertise of NIA to develop the Refugee Identity Card. Approval of the design was obtained from the ISMB, and funds transferred to NIA to continue with the process. They are currently finalising the card design and procurement of equipment necessary for the production of the card.

A refugee child certificate was designed and is ready to be produced.

The team is currently constructing a tender specification for the Refugee system.

The supplier of the current passport system has been approached to construct an interim solution proposal (upgrade of the current system) for the passport manufacturing system, which will function until a permanent redesign has been undertaken.

The Public-Private-Partnership (PPP) feasibility report for the ID Smart Card was finalised and submitted to the Minister. The report stated that the PPP option is not suitable for the production of the Smart Card. Hence, normal procurement processes have been proposed.

Electronic Document Management System (EDMS) and Workflow

> *"The EDMS is operational in the sub-directorates Births, Marriages and Deaths"*

The strategic objective was to "Implement the e-DMS throughout the Department."

The following progress can be reported with regard to EDMS:

Programme Performance: Programme One

The EDMS is operational in the sub-directorates Births, Marriages and Deaths. This includes:

- Preparation, scanning, quality assurance, indexing and workflow enabled processing of incoming documents.
- A tender was awarded for the scanning of backlog documents into the EDMS.
- Final testing of management information reports associated with the workflow processes are in progress.
- Discussions were held with STATS SA regarding the sharing of death record information.
- Home Affairs business units were requested to supply information to the project team regarding the document types being utilised in their business processes.
- Backlog scanning of 2 million documents has commenced. The envisaged completion will be in May 2004.

Enterprise Resource Management (ERM)

The turnaround strategy objective was to develop and implement an Enterprise Resource Management (ERM) system.

> *"The scoping of the ERM project has been completed"*

The following progress has been made:

The scoping of the ERM project was completed.

A permanent project manager was appointed.

Integrated Client Service Console (ICSC)

> *"A tender document for the mobile units is being finalised"*

The strategic objective was the "Interface of DHA services with public by means of IT solutions."

It is expected that the introductions of the electronic ICSC will significantly enhance service delivery in the Department. Its development is therefore a critical priority. The following can be reported:

A tender document for the mobile units was initiated.

All the required components for the ICSC were identified.

The project members entered into negotiations with vendors for the loan or procurement of the necessary components to construct the ICSC prototype.

Browser-based systems

> *"A pilot Electronic Directory was developed"*

The Turnaround Strategy objective was to convert the current mainframe based systems to a browser-based system.

Programme Performance: Programme One

A Statistics and Management Information System was implemented.

A pilot Post Book System was developed for Legal Administration.

A pilot Electronic Directory based on the telephone system database was developed.

Enterprise Systems

The strategic objective was to "Upgrade IT infrastructure and technology platform in support of departmental operations."

The Communication Infrastructure sub-project compiled and designed the network specifications.

"The IT audit is nearing completion with 90% of the Department's offices already audited"

The Research and Development sub-project identified the test environment requirements. These will be costed where-after the necessary hardware and software will be procured.

The Novell/Netware project has started with the testing of the implementation of GroupWise. A number of staff in Civitas have been connected to GroupWise, which the team is rolling out to clients at various workstations at Head Office.

The IT audit is nearing completion with 90% of the Department's offices already audited for IT equipment and software. This will result in the IT asset register achieving a high accuracy level.

IT Security

The strategic objective was to "Develop IT Security policy."

The IT security proposal from SITA was accepted by the ISMB. The team started with the requirements definition towards the development of the IT Security policies.

"The IT security proposal from SITA was accepted by the ISMB"

Information management

The strategic objective was to "Develop, implement and sustain an effective information and knowledge management system."

"A Project Scoping document was completed"

The establishment of a proper Information and Knowledge Management capacity is essential and is being implemented.

Programme Performance: Programme One

A Project Scoping document was compiled. A survey was undertaken of the information requirements of the respective business units. The results will feed into the Knowledge and Information Management Strategy.

Change Management

The strategic objective to "Develop a consolidated Transformation action plan" includes the issue of change management.

A logo for the ITingwe was designed and approved. It will be utilised for marketing and communication purposes.

The launch of the ITingwe programme was rescheduled due to the relocation of Head Office.

> *"A logo for the ITingwe programme was designed and approved"*

Financial and Procurement Services:

A number of projects were identified to improve both the management of budgeting and financial processes. Some of these projects are detailed below:

Empowerment of the Provinces

The strategic objective was to "Empower the regions with administrative and support staff to build capacity for decentralisation of functions and participation in overall Provincial Government Communication Programmes."

According to the new approved establishment, provision was made for the appointment of support personnel, including financial administration and logistics. Posts will be filled as soon as funding becomes available.

Roll out of the Basic Accounting System (BAS) and Logistical Information System (LOGIS)

The strategic objective was to "Decentralise the Basic Accounting System (BAS) and LOGIS to regions."

> *"The Directorate Financial Administration conducted additional training for all relevant officials"*

During the reporting period **BAS** was installed in 29 offices. This brought the total number of offices finalised to 50.

Other areas of progress were:

Preparation for implementation at 88 additional offices during 2004/2005 has commenced.

> *"The implementation of BAS has been finalised at 50 offices"*

Training: The Directorate Financial Administration visited the provincial offices identified and conducted additional training for all relevant officials. This took the form of an information session.

Programme Performance: Programme One

The officials were informed that the new BAS that would be implemented on 1 April 2004 would accommodate the Standard Chart of Accounts (SCOA). This training was completed on 24 March 2004.

Technical reports and constraints: Computers were posted to various earmarked offices in the provinces and this process was completed on 22 January 2004. Additional orders were placed for the installation of cabling and HUBS.

LOGIS was decentralised to the following offices: Empangeni, Pietermaritzburg, Bloemfontein, Durban and Pretoria (in the process of implementation).

> *"LOGIS, was decentralised to 5 major offices"*

Alignment of Budgeting with Strategic Management process in DHA

> *"Guidelines were prepared to align the budget with the strategic plan"*

The strategic objective was to "Align Budgeting with Strategic Management process in DHA."

Guidelines were prepared to align the budget with the strategic plan. These will be implemented in the financial year commencing 1 April 2004.

Revisiting the budgeting process to ensure effective allocation of resources according to respective needs

The strategic objective was to "Revisit budgeting process to ensure effective allocation of resources according to respective needs."

Revision and preparatory work on improvements was done. Implementation will commence as from 1 April 2004. Financial resources will be allocated in accordance with the Department's strategic priorities.

System of Expenditure Monitoring

> *"Newly introduced monthly expenditure reports assisted greatly in monitoring expenditure trends"*

This issue is covered by the strategic objective to "Implement the PFMA"

Monthly expenditure reports were tabled at Senior Management and Top Management meetings. These assisted greatly in monitoring expenditure trends.

Programme Performance: Programme One

Acquisition of Electronic Asset Management System

The issue is covered by the strategic objective of "Upgrading IT infrastructure and technology platform in support of departmental operations."

The system requirements were defined and presented to IT. The end-user requirements still need to be determined, and the total cost of ownership, life cycle of the system etc. must still be determined by IT and SITA before tenders can be invited.

"The system requirements have been defined and presented to IT"

An alternative being explored is to utilise systems that other departments have implemented successfully. The Tender Board's approval might have to be obtained in order for this to be taken forward.

Infrastructure

Infrastructure Audit

The Infrastructure audit relates to the following strategic objectives: "Improve access to Home Affairs services by way of equitable, effective and efficient distribution of offices and resources within all regions"; "Investigate and implement alternative resourcing mechanisms and infrastructure"; and "Establish and promote an office in each Region to become an exemplary office and a model office."

"38 state-owned offices have been assessed"

Through the Repair and Maintenance Programme (RAMP) of the Department of Public Works 38 state-owned offices have been assessed during December 2003/January 2004. These assessments only focused on the physical condition of offices with a view to prioritise the worst of the offices for repair and maintenance work.

The RAMP process excluded the border posts, as this has been addressed under a separate project. This project aims to upgrade all border posts in terms of uniform norms and standards applicable to all the relevant departments.

The RAMP condition assessment report is intended to feed into a planning process involving the Provisioning Administration Directorate, the Strategic and Executive Support Services Chief Directorate and the Department of Public Works. This should take into account factors such as the new establishment, the location of offices, and which offices should be relocated instead of being upgraded or repaired. The introduction of a minimum national standard on corporate colours, client and queue management is intended to be part of the process.

"Five offices countrywide were identified to be attended to in terms of inter alia painting during the launch of campaign"

Programme Performance: Programme One

National Volunteer Campaign

The Turnaround Strategy objective was to mobilise volunteers to give a "facelift" to selected offices throughout the country.

At least five offices were identified per province to be attended to during the campaign in terms of painting, maintenance, etc. Each provincial office selected one of the five offices to be attended to during the national launch of the Campaign. Due to unforeseen circumstances the launch of the campaign had to be postponed to the coming financial year.

The Acquisition of Temporary Head Office Accommodation

This issue relates to the strategic objective "Exploring the utilisation of alternative office accommodation."

A high-level interdepartmental task team was set up to oversee the relocation of the departmental head office to the Siemens building in Waltloo. This included the DGs of Home Affairs and Public Works. The relocation process is scheduled to be completed by the end of November 2004.

Replenishment and Extension of Transport Fleet

"DHA has explored the possible outsourcing of fleet management"

The strategic objective to "Sustain current and expand into future public private partnerships" relates to the issue discussed below

A report on the viability of options such as entering into a PPP or the total outsourcing of the Department's fleet was scheduled to be finalised by 1 May 2004. The Directorate: Logistics, in consultation with industry and companies such as TELKOM, explored the possible outsourcing of fleet management. It is estimated that this will cost DHA between R 23 and R29 million per annum.

Exploring Alternative Office Accommodation.

The strategic objective was to "Explore the utilisation of alternative office accommodation."

The Department has explored alternative accommodation such as container offices, mobile units and partnership with local authorities in order to render improved services to the public. Implementation will commence in the next financial year.

"Implementing of alternative office accommodation will commence in the next financial year"

Programme Performance: Programme One

OUTPUTS AND SERVICE DELIVERY TRENDS

Detailed information on sub-programme related outputs, performance measures and actual performance during the reporting period appears in tabulated format as an annexure at the end of this Chapter.

CAPITAL INVESTMENT, MAINTENANCE, AND ASSET MANAGEMENT PLAN

Capital Investment Plan

Introduction

The Department has been criticised for the dilapidated offices and non-compliant environment in which services are rendered to the public. Some of the offices allocated to the Department by the Department of Public Works, such as the offices in Rustenburg, Secunda, Komatipoort and Witbank were closed by the Department of Labour, because these offices did not comply with the Occupational Health and Safety Act, or with the Building Regulations.

The Department further acknowledges the need to provide convenient access to all our clients, particularly those who live outside urban areas.

The Department's allocation for capital works for the 2003/2004 financial year was R48 573 000 of which R24 949 434 was spent on capital projects. The following projects were attended to during the 2003/2004 financial year.

Witbank	Renovations
Krugersdorp	Renovations
Gemsbok	Painting
Mahamaba	Painting
Alice	Painting
Ngeleni	Painting
Khayelitsha	New Building constructed
Skilpadshek	Painting
Molopo	Renovations
Lebombo	New house
Lebombo	RAMP
Bothashoop	Upgrading

The following offices were evaluated for relocating to leased buildings :

Welkom	Tender stage
Bela Bela	Tender stage
Bethlehem	Tender stage
Kroonstad	Tender stage
Port Elizabeth	Tender stage
King Williamstown	Tender stage
East London	Finalised
Komatipoort	Finalised

An amount of R 3 million was surrendered to SARS, where Home Affairs and all other active stakeholder departments at the border posts are in a collective process of detailing all the specific requirements at all the border posts. The end result was a collective need assessment that was broken down per user department. The estimated value of the holistic need requirement is R2.3 billion.

Programme Performance: Capital Investment Maintenance and Asset Management Plan

The Department focused on an intensive maintenance programme at the most crucial offices and funds allocated to Capital Works, were utilised for maintenance and upgrading of identified offices. An amount of R500 000 was shifted and also used at various centres that were in desperate need of minor maintenance.

The Department embarked on a National Volunteer Campaign in order to give a "face lift" of identified offices. The aim was to involve business and community leaders in this project. An amount of R1 million was transferred to the Department of Public Works to assist with the appointment of contractors for repairing and painting of offices.

The Department has also been involved in the Repair and Maintenance Programme in the 2003/004 financial year initiated by the Department of Public Works, in terms of which all State-owned buildings occupied by the Department will be upgraded to an acceptable standard and maintained over a three year period. The Department spent an amount of R1, 9 million on professional services to assess offices and provide status quo reports on offices occupied by this Department. It is envisaged to commence construction during the 2004/2005 financial year. An amount of R 19 million was earmarked to be rolled over to the 2004/2005 financial year as the Department's allocation for 2004/2005 would not be able to cater for the Departments needs, as it was indicated by the Department of Public Works that the RAMP would be R52 million.

Due to a shortfall in the budget of Public Works for planned maintenance, this Department had to transfer R3 123 565.29 for Planned Maintenance.

It is intended to acquire mobile units and container offices to render services in remote rural areas that are not covered by the aforementioned plans.

The campaign to clean and renovate dilapidated offices is ongoing and important to service delivery and staff morale.

Management of assets

(a)   Introduction

An amount of R3 million was allocated to the Department to acquire Government-owned vehicles, and although this amount was insufficient to serve the needs of the Department at all provincial offices, hundred sedan type vehicles could be procured and equally deployed in the provincial offices. This was achieved through negotiation with Government Garage: Gauteng who, after procuring 50 vehicles for the Department, contributed another R 3 million for a further 50 sedan type vehicles.

The Department explored the possibility outsourcing the vehicle fleet.

(b)   Major maintenance projects undertaken

The Department entered into maintenance agreements for the efficient maintenance of equipment in the Identity Document Directorate, Passport Factory, Electronic Document Management System and the Home Affairs Identification System.

The Department is also committed to the Repair and Maintenance Programme initiated by the Department of Public Works for the continuous repair and maintenance of State-owned offices occupied by the Department, over a three year period. This will make a significant impact on improved service delivery and staff morale in general.

(c)   Control over assets

The Department complies with the Public Finance Management Act, 1999 as amended, with regards to control over assets acquired by the Department. The challenge, however, with which the Department is faced, is security at offices and safeguarding of assets. This will be addressed in the auditing of offices project, which should be finalised by October 2004, and security policy review in the Department.

The asset management system could not be implemented during the previous financial year due to financial constraints, but this project has been identified as one of the crucial enterprise systems to be implemented in terms of the ITingwe Programme (Infrastructure programme in the Department).

(d)   Tendering process

The Department complies with the Preferential Procurement Policy Framework Act, 2000, and the promulgated regulations regarding Supply Chain Management, 2003.

The Department has implemented a system by means of which suppliers will be able during September 2004, to provide the Department with their biddings electronically. The system also monitors the utilisation of BEE companies and Women Equity owned companies and provides management reports on these important matters in order to comply with Government strategies with regards to procurement reform.

The Department has been empowered by the Office of the State Tender Board to procure in terms of the Supply Chain Management Regulations, and to arrange its own term and *ad hoc* contracts accordingly.

The challenge is to empower our procurement officers, and to develop capacity in the procurement division.

Conclusion

Improved service delivery would materialise once all offices have been automated and have the required standard of office accommodation and work environment, improved staff morale, adequate office equipment and labour saving devices, an efficient and economical vehicle fleet and capacity in terms of the approved new establishment, to serve the Department's clients efficiently.

It is envisaged to improve on queue management, once services are more accessible to the public through the proposed container offices and mobile units in rural areas, and the establishment of new service points and offices on completion of a scientific research on the distribution of offices, taking into consideration population dynamics and rural development strategies.

PROGRAMME 2:
SERVICES TO CITIZENS

AIM: The aim of this programme is to identify members of the population and to grant them specific rights and powers. This programme is organised into three sub-programmes:

Mr J R Chavalala
Programme Manager: Services to Citizens

Travel and passport matters provide for the issuing of passports and other travel documents to enable international journeys in terms of the South African Passports and Travel Documents Act, 1994, as well as the repatriation of and financial assistance to citizens abroad with financial problems.

Citizenship entails activities related to determining, granting and forfeiture of citizenship in terms of the South African Citizenship Act, 1995.

Population registration provides for the maintenance of a population register of South African citizens and of foreigners who acquired the right to permanent residence in South Africa. It also funds activities related to the registration of births, marriages and deaths, issuing of identity documents and specialised fingerprint identification services in respect of Civic Services rendered to clients.

PROGRAMME POLICY DEVELOPMENTS

Civic Services Systems

The Home Affairs National Identification System (HANIS) comprises three components, namely the Identity Card component, the Automated Fingerprint Identification System (AFIS) and the System Integration component.

The Department's strategic vision for the 2002/2003 financial year was the complete implementation of HANIS. The AFIS was set into operation on 27 August 2002. The primary AFIS objective since 27 August 2002 is the population of the AFIS database with the fingerprints and photographs of all South African citizens and foreigners who were granted the right of permanent residence. During the period under review, the Department initiated tender procedures for the back record conversion of all existing manual fingerprint records, onto the AFIS database. At the end of March 2004, the tender evaluation process was still due for completion. The AFIS was also successfully integrated with the NPR (National Population Register).

"AFIS was successfully integrated with the NPR"

The Identity Card component is still outstanding and it is expected that the first ID Cards can be issued during the 2005/2006 fiscal year. System integration is an ongoing process that requires integration of all Civic Services systems. Thus far, the AFIS database and the NPR were successfully integrated and are used effectively in the live productive environment.

The Electronic Document Management System (EDMS) was set into operation at the National Head Office during December 2003. The Head Office IT infrastructure was found to be inadequate and therefore the system was not rolled out to the Department's provincial offices.

The re-writing of the NPR was re-assigned during November 2003 to the Department's IT-Ingwe Programme.

ACHIEVEMENTS AND CHALLENGES

Birth Registration and Identification Campaign

> *"Departmental involvement in the Birth Registration Campaign ensured the registration of more than 1,7 million children up to the age of 14 years"*

The Chief Directorate, in collaboration with the National and Provincial Social Development and Poverty Alleviation Departments, assisted with the Birth Registration Campaign. The Birth Registration Campaign is an ongoing campaign aimed at the registration of children in preparation for the Child Support Grant threshold that will be progressively raised to provide financial grants to children up to the age of fourteen (14) years. During the period under review the Department registered the births of 1 723 778 children up to the age of 14 years.

The Chief Directorate launched an ID Campaign on 12 June 2003. The aim of the campaign was to ensure that all prospective voters are in possession of enabling documents for the purpose of voting in the 2004 General Elections.

> *"As a result of the ID Campaign, DHA was able to issue more than 3,4 million IDs"*

The Department successfully issued 3 491 165 identity documents during the period of review. The Department entered into a contract with the SA Post Office who was responsible for door to door delivery of uncollected ID's stored at Home Affairs offices. A total of 559 933 IDs were delivered by SA Post Office. The ID Campaign expenditure amounted to R 72 million as against the allocation of R 65 million. The high cost was mostly attributed to the provision of free photographs to all applicants.

Programme Performance: Programme Two

Legislation

The Chief Directorate commenced with the review of the marriage legislation. The Department is reviewing this legislation with the intent to reduce the high number of fraudulent marriages. It is anticipated that the proposed amendments to the relevant legislation will be finalised during the forthcoming fiscal year.

"The Department is reviewing marriage legislation with the intent to reduce the high number of fraudulent marriages"

Ten versus two fingerprints

"Agreement on expert assistance was reached with the CSIR"

Agreement was reached with the CSIR that two of their experts would assist the Department. This was followed by a two-day workshop (on 22 to 23 January 2004) to brainstorm possible solutions. The HANIS consortium, the CSIR representatives and managers from all the relevant components of the Department attended. During the workshop, user requirements pertaining to the verification of the identity of the Department's clients were determined; and it was agreed that these would have to be translated into system requirements.

A decision to move away from ten rolled fingerprints to two flat fingerprints will have major implications. It has therefore been agreed that the Department will, in the interim, roll out all projects utilising 10 fingerprints as the standard (10 flat for live capture and ten rolled for manual/ paper capture). Further research is being conducted in this area.

"Attention was given to the possibility of alternative biometrics (facial comparison) to serve as a back-up"

During a recent visit to France, attention was given to the possibility of alternative biometrics (facial comparison) to serve as a back-up for a two flat fingerprint system, in order to minimise the possibility of missed positive identification. As a result, the Department decided to investigate alternative biometrics.

The objective is to compile a final report before the end of June 2004 to indicate the most viable option for the Department, either a 10 flat fingerprint system with live capture or a two flat fingerprint system with alternative biometrics (facial comparison).

The work in the latter regard forms part of the HANIS Reloaded project.

Programme Performance: Programme Two

Fraudulent marriages

The following progress has been reported:

The S.A. Law Reform Commission is still attending to amendments to the Marriage Act, in accordance with an earlier decision of Cabinet. Because progress in this area appeared to be slow, Senior Management agreed that the matter be put on the agenda of the JCPS Cluster in order to fast track the amendments;

The ITingwe Security Team confirmed that they are looking into the tightening of access to IT systems. They are also investigating the use of biometric and smart card access control;

> *"The matter is to be put on the agenda of the JCPS Cluster in order to fast track the amendments"*

Beefing up the investigative capacity to deal with fraudulent marriages was discussed at the Immigration Workshop and provision was made for such capacity in the new Immigration organisational structure.

Processing of amendments to personal particulars

> *"The backlog on amendments has been cut by over 68% during the reporting period"*

The total backlog at the commencement of the overtime project was 40 742 which was successfully reduced to 25 871 as at 16 January 2004. The status of the backlog on 20 February 2004 amounted to 16 683 and on 31 March 2004 amounted to 12 708.

Processing of unabridged certificates to eliminate delays & backlogs

Through the continuation of overtime, the backlog was reduced to 5 512 by 31 March 2004.

> *"The backlog was reduced to 5 512 during the reporting period"*

Proposed NPR adjustments and user requirements were forwarded to Information Technology and are receiving attention. It has been reported that changes to the NPR are complex and will not be finalised within two months; and

The adjustments to the NPR must first be implemented before capturing of the data can take place. Likewise, the appointment of contract workers will be realised when funds are available.

Review of Business Processes

In recognition of the fact that most Civic Service processes are outdated and applied inconsistently resulting in bottlenecks and delays, it was agreed at the Civic Services Turnaround Workshop that:

Programme Performance: Programme Two

The business process mapping already done by the Business and Process System Unit should be taken further by feeding this into the EDMS and Workflow project of ITingwe;

Uniform business processes should be introduced for all front offices; and

Head Office should introduce a programme of monitoring and evaluation at all frontline offices to rectify problem areas in rendering uniform and efficient civic services.

The mapping of business processes has been managed as part of the ITIngwe programme.

> *"Steps have been taken to elevate the BPR project to an independent level, due to its complex and strategic nature"*

There was an agreement by the ISMB that the BPR project is complex and strategic to the Department, and that it should become an independent project within the Turnaround Programme. This may enhance the understanding of business requirements, and this would input to the IT architecture.

The project manager has been identified and some of the resources that will be involved in the project.

OUTPUTS AND SERVICE DELIVERY TRENDS

Detailed information on sub-programme related outputs, performance measures and actual performance during the reporting period appears in a tabulated format as an annexure at the end of this Chapter.

PROGRAMME 3:
MIGRATION

Ms LSM Makola
Programme Manager: Migration
(from December 2003)

AIM: The aim of this programme is to co-ordinate and exercise control over the admission of persons into, their residence in and their departure from the Republic and for matters concerned therewith, and to formulate policy and provide guidance to operational staff in this regard. The programme has the following six sub-programmes:

Permanent and Temporary Residence provides for the processing of applications for permanent residence, and applications for temporary residence permits.

Immigration Advisory Board advises the Minister on Regulations in terms of the Immigration Act, 2002.

Control of Travellers provides for managing travellers' movements through ports of entry and controlling visas.

Aliens Control provides for the repatriation of illegal foreigners.

Refugee Affairs funds the processing of applications and granting of asylum in accordance with the Refugees Act, 1998.

Refugee Affairs Appeal Board funds the hearing and adjudication by the Board of appeal cases rejected by the Refugee Affairs Standing Committee.

Standing Committee on Refugees reviews certain decisions made by the Department, develops procedures, monitors and supervises the functioning of Refugee Reception Offices.

Mr C Schravesande
Programme Manager: Migration
(Until December 2003)

PROGRAMME POLICY DEVELOPMENTS

The Department of Home Affairs aims to process and approve immigration applications and applications for work and study permits in line with South Africa's skills and investment needs and with due regard to the country's economic, social and cultural interests.

The Immigration Act, 2002, replaced the Aliens Control Act, 1991, in April 2003. It shifts the emphasis from the tracing and removal of illegal foreigners to enforcing sanctions against persons who employ, educate, accommodate or assist foreigners in contravention of the Act.

Programme Performance: Programme Three

The Department progressed further with the implementation of a computerised visa system at all missions abroad and at critical ports of entry. The system has a high level of built-in security and, where implemented, expedites the clearance of travellers at ports of entry. It also curbs fraud, such as the use of fraudulent documents.

A new Standing Committee on Refugees was appointed with effect from 1 January 2004, after the previous Committee was declared to be unconstitutionally appointed.

ACHIEVEMENTS AND CHALLENGES

The key strategic objectives with regard to Immigration were to "Transform Migration Services; Implement the new Immigration Act with regulations; Conduct an awareness campaign nationally on the Immigration Act; Determine the impact of the Immigration Act on service delivery process in DHA; Determine operational policy and practice regarding the management of refugees; Investigate rationalisation of Ports of Entry; and Re-write and successfully implement the Movement Control System." Progress on these issues is outlined below.

Transformation of Immigration Services:

Establishment of a National Immigration Branch (NIB)

A focused and committed team has been assembled under the leadership of the Provincial Manager of the Northern Cape, who has been assigned to this project full-time.

Key staff members in the provinces have been involved in all phases of the project. This contributed positively to team spirit and promoted ownership of the change process.

> *"A project charter and project plan has been developed"*

The team developed a project charter and project plan.

The "as-is", "to-be," benchmarking and resource audit teams commenced with the process of identifying staff and assets that will be 'transferred' to the new NIB. This audit will provide a detailed account of the status of the immigration offices, as well as the quality of services that are rendered.

Equipment worth R700 000 has been purchased and uniforms are being designed. Establishing personnel and logistical requirements as well as the design of the new identity for the NIB are underway.

> *"Equipment worth R700 000 has been purchased"*

> *"A USA Immigration specialist provided key inputs on international immigration experiences"*

A specialist from the United States Immigration Services participated in the team, providing key inputs on international experiences.

Implementation of Immigration Act and Regulations

The implementation of the Immigration Act posed daunting challenges for to the Department. Nonetheless the following was achieved:

> *"Starter packs enabled offices and missions to implement the new Act and Regulations in time"*

The necessary forms and documentation were prepared and distributed to the various regions and missions abroad. Due to logistical problems experienced by the missions and offices in obtaining the necessary stock, emergency starter packs were prepared and distributed to them in time.

> *"Extensive training was given to all officials of our offices and missions abroad as well as to officials from the Department of Foreign Affairs"*

Extensive training was given to all officials of our offices and missions abroad as well as to officials from the Department of Foreign Affairs. This proved to be a major exercise, which required careful planning and co-ordination and the overcoming of major logistical problems. Officials from abroad had to be flown in to receive the necessary training.

National Awareness Campaign on the Immigration Act

> *"The Immigration Act received wide media coverage"*

The Immigration Act received wide media coverage. In addition the Department responded comprehensively to all enquiries regarding the Act. Emphasis was laid on an internal awareness campaign in order to acquaint officials with the new situation**.**

Impact of Immigration Act on Service Delivery

> *"Certain regulatory requirements were waived in order to streamline service delivery"*

From the onset, the ridgedness of the regulations impacted negatively on service delivery to such an extent that the Director-General was requested to waive certain requirements in order to ease the situation.

In addition certain sections of the Act severely impeded the effective functioning of the Department's Immigration Officials and this eventually led to a decision to amend the Act in order to solve the problems.

Programme Performance: Programme Three

Refugee Affairs: Determination of Operational Policy and Practice

During the reporting year six members of the Refugee Affairs Sub-Directorate served on various project teams of the Turnaround Strategy.

> *"Over 6 000 Refugee Identity Cards and 975 UNTCDs were issued during the period under review"*

In spite of constraints, the unit managed to issue 6 515 Refugee Identity Cards and 975 United Nations Convention Travel Documents (UNTCDs) during the period under review.

The project to design a new smart card for refugees has been completed and the rollout of these cards, including that of refugee child certificates, is imminent.

> *"The project to design a new smart card for refugees has been completed"*

> *"The new Standing Committee for Refugee Affairs assumed its duties during January 2004"*

On 01 January 2004, the new Standing Committee for Refugee Affairs assumed its duties as an independent statutory body established in terms of section 9 of the Refugees Act, No 130 of 1998. This body is carrying out its functions in terms of section 11 of the said Act.

The Cape High Court order on 28 January 2004, which forced the Department to withdraw the endorsement of prohibition of work and study on asylum seeker permits, brought a serious challenge to the Department's efforts to close the door for economic migrants, who have come to seek employment in the RSA.

The continued staff shortage at Refugee Reception Offices has resulted in a backlog of asylum applications that could not be dealt with timeously. Following an assessment of the situation, a backlog project has been set up, which is expected to begin during October 2004 and deal with approximately 60 000 outstanding asylum applications.

> *"A backlog project has been set up to deal with outstanding asylum applications"*

Programme Performance: Programme Three

CONTROL OF TRAVELLERS:

INVESTIGATION INTO THE RATIONALISATION OF PORTS OF ENTRY

Following an earlier investigation by a departmental task team, the resulting report was distributed to other role-players involved in border control for their comment and further discussion. A consolidated report still needs to be finalised.

> *"Comment from other role-players involved in border control is awaited"*

REWRITING AND IMPLEMENTATION OF THE MOVEMENT CONTROL SYSTEM (MCS)

During the reporting year, various delays occurred with regard to the rewriting of the Movement Control System (MCS). This was mainly due to the fact that the existing IT infrastructure did not have the capacity to accommodate a new MCS. Following the new initiatives emanating from the Turnaround Strategy, the rewriting of the MCS became part of the wider HANIS Reloaded ITingwe project. The matter still needs to be taken further in the new financial year.

> *"The rewriting of the MCS became part of the wider HANIS Reloaded ITingwe project"*

OUTPUTS AND SERVICE DELIVERY TRENDS

Detailed information on sub-programme related outputs, performance measures and actual performance during the reporting period appears in a tabulated format as an annexure at the end of this Chapter.

PROGRAMME 4:
AUXILIARY AND ASSOCIATED SERVICES

AIM

The aim of this programme is to render auxiliary services and services associated with the Department's aims. The programme is organised into the following sub-programmes:

The Film and Publication Board sub-programme funds the classification of certain films and publications by means of a Film and Publication Board and a Film and Publication Review Board in terms of the Films and Publications Act of 1996.

The Government Printing Works sub-programme provides for the augmentation of the Government Printing Works Trading Account for the supply of printing and stationary to government departments and to make government publications available for sale to the public.

The Electoral Commission sub-programme provides for the establishment and composition of an Electoral Commission to manage elections for national, provincial and local legislative bodies and referenda and makes provision for the establishment and composition of an Electoral Court in terms of the Electoral Act of 1996.

Government Motor Transport sub-programme funds the purchasing of vehicles for departmental use, as well as for allocations under the subsidised motor transport scheme.

PROGRAMME POLICY DEVELOPMENTS

The Film and Publication Board (the "Board"), a Schedule 3A National Public Entity in terms of the Public Finance Management Act, was established in terms 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 effective implementation of the Act, which regulates and controls the creation, production, possession, 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 the monitoring of the business of adult premises to ensure that such businesses are conducted in strict compliance with their licence and registration terms and conditions.

Between 1998 and 2004, the Board classified 22 851 films. The Board is funded by annual grants of approximately R7.5 million over the medium term, as well as fees generated from its services.

The Board submits its own, separate audited financial statements and annual report to Parliament through the Minister of Home Affairs. It also submits monthly and quarterly cash-flow and activity reports to its Executive Authority through the Director-General of the Department.

Programme Performance: Programme Four

The Independent Electoral Commission (IEC) is a permanent body created by the Constitution to promote and safeguard democracy in South Africa. The vision of the IEC is to strengthen constitutional democracy through the delivery of free and fair elections in which every voter is able to record his or her informed choice.

The functions of the IEC include:

Managing any election and ensuring that it is free and fair

Promoting knowledge of sound democratic processes

Compiling and maintaining the voters' roll

Compiling and maintaining a register of political parties

Establishing and maintaining liaison and cooperation with parties

Undertaking and promoting research into electoral matters

Developing and promoting electoral expertise and technology

Continuously reviewing and assessing electoral legislation

Promoting voter education

Promoting cooperation with and between individuals, institutions, governments and administrations to achieve the IEC's objectives

Demarcating wards in the local sphere of government or causing them to be demarcated

The Independent Electoral Commission also submits its own, separate annual report to Parliament.

The Government Printing Works provides printing, stationary and related items to the Government departments, provincial governments and local authorities and publishers, markets and distributes government publications. It also provides related services to other African countries, such as printing high security documents for countries in the SADC region from time to time.

In the year under review the work of the Government Printing Works continued to contribute cost effectively to the administrative processes of national and provincial departments in the execution of their functions towards bettering the lives of all South Africans, notwithstanding capacity constraints, which have seriously impacted on service delivery.

The following statistics reflect the activities of the Printing Branch of the Government Printing Works for 2003/2004:

Programme Performance: Programme Four

	2003/2004
Orders	2 333
Rubber stamps manufactured	22 640
Examination papers	8 636 830
Postage stamps: RSA (sheets)	51 200

During the year under review the Government Printing Works printed and distributed Provincial and National Gazettes. The statistics are as follows:

	2003/2004
Eastern Cape Province	233 editions
Northern Cape Province	155 editions
North West Province	213 editions
Limpopo	198 editions
Mpumalanga	131 editions
Gauteng	755 editions
National Government Gazettes	1744 editions

Programme Performance: Programme Four

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	To make timely transfer payments	Payments done twice a year
Independent Electoral Commission	To make timely transfer payments	To make timely transfer payments	Payments done on a monthly basis

Transfer payments

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATED EXPENDITURE R'000
Film and Publication Board	5 200	5 200
Government Printing Works	25 000	25 000
Independent Electoral Commission	640 960	640 960

Conversion of GPW into a public enterprise: challenges and achievements

Substantial progress was made with the process of converting GPW into a public enterprise during the reporting year. A task team comprising officials of the Department of Public Enterprises, National Treasury, Home Affairs and the GPW have finalised the Bill to be submitted to Parliament as well as the business case for the formation of the public entity.

> *"The task team is actively involved in preventing GPW to further decline and their concerted efforts are contributing to the transformation of the GPW into and efficient organisation"*

The task team is actively involved in preventing GPW from further decline and their concerted efforts are contributing to the transformation of the GPW.

The acting government printer CEO has been appointed. The position of the CEO has been advertised.

Programme Performance: Programme Four

> *"The audit tender has been evaluated and the team is ready to appoint a service provider"*

The audit tender has been evaluated and the team is ready to appoint a service provider. The risk management tender has closed and is in the evaluation stage. This should soon be awarded.

The DHA task team will circulate the GPW strategic plan as soon as it has been completed.

ANNEXURE PROGRAMME 1: OUTPUTS AND SERVICE DELIVERY TRENDS

The table below reflects the outputs and service delivery trends of the Sub-Programmes within Programme 1: Administration. The data of the *outputs* and *performance measures* columns are drawn from the departmental Strategic Plan whilst the actual performance column shows what has been achieved during the year under review, taking into account that certain elements of the Strategic Plan were superseded by the Turnaround Strategy.

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
MANAGEMENT SERVICES	**Strategic and Executive Support Services** Implement a collective management style that visibly demonstrates the commitment to a culture of performance excellence	Degree of commitment & involvement to a collective management style Quality of contributions	Structured meetings were held as decided upon Collective decision-making process was instituted Monthly reporting system was introduced
	Develop and implement an organisational performance management system aligned with the SAEM and in support of the Batho Pele Service Delivery Programme	Fit for purpose policy and process Degree of conformance to policy	Strategic and operational planning processes enhanced
	Sustain and improve a strategic management approach aligned with Government's Planning Framework and Treasury Guidelines	Fit for purpose policy and process Degree of participation Fully functional SESS	A new departmental structure was approved for SESS
	Align Budgeting with Strategic Management process in DHA	Level of compliance with PFMA and Treasury guidelines	Budgeting process was informed by strategic priorities flowing from the Turnaround Strategy
	Integrate cluster priorities into planning and operations of the Department	Number of cluster priorities in departmental goals Level of participation in interdepartmental projects	Departmental strategic goals were informed by cluster priorities and vice versa
	International liaison: Investigate and create international liaison and protocol unit	Degree of implementation	Structure approved
	Devise, implement and sustain a reward and recognition system to unleash the full potential of staff members	Level of participation in reward and recognition system Number of rewards and recognition given to staff members Annual rewards and recognition ceremony hosted	Reward and recognition programme was revised
	Ensure the moral regeneration of staff members in line with the corporate value system of the Department	Degree of staff satisfaction Level of decrease in corruption Percentage of misconduct cases concluded	Counter-corruption plan developed Sporting and cultural programmes introduced

Programme Performance: Annexure Programme 1

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
MANAGEMENT SERVICES			"Client is always right campaign initiated"
	Develop and implement an effective information management system	Fully functional information and knowledge management unit Degree of accessibility of information Accuracy and reliability of information	Unit is provided for in the new organisational structure. ITingwe programme included a project focusing on knowledge and information management
	Explore the utilisation of alternative office accommodation	Utilisation of alternative accommodation The scientific determination of appropriate office locations	Alternative accommodation such as mobile units and container offices explored
	Implement monitoring and evaluation system for effective strategic management in DHA	Implemented and sustained	Monthly reporting system introduced
	Provincial and Foreign offices Investigate and determine: – the role of SESS with regard to provincial and foreign offices – delineation of functional responsibilities between DHA and DFA at missions	Purification of functions performed by CD: SESS with regard to provinces and foreign offices completed	New organisational structure for Head Office was approved – provides for a Service Delivery Branch that will guide and coordinate work in the provinces and foreign missions MOU was finalised clarifying functions performed by DHA and DFA Ten-year rollout plan on taking over functions performed on agency basis by DFA was developed
	Service Delivery		
	Ensure departmental processes and procedures are aligned with the Batho Pele principles and the vision of the Department of Home Affairs	Degree of conformance to Batho Pele principles	A departmental corporate identity manual was developed Turnaround programme for DHA introduced
	Vest proper decision-making powers in the provinces and foreign offices and provide the necessary capacity to ensure effective and efficient functioning in order to enhance service delivery	Level of satisfaction of provincional Directors /managers with regard to empowerment. Number of functions decentralised to provinces	Structure was approved Delegation of powers and functions is under investigation
	Empower the provinces with administrative and support staff to build capacity for decentralisation off functions and participation in overall Provincial Government Communication	Number of staff appointed Delegations revisited and amended	New structure for provincial managers was approved – implementation to be phased in depending on availability of funds Investigation on delegation of

Programme Performance: Annexure Programme 1

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
	Programmes		powers and functions to provincial managers is in progress
	Conduct an audit into the current establishment	Completion of audit	The investigation was finalised and approved, except for Civic Services in the provinces
MANAGEMENT SERVICES	Improve access to Home Affairs services by way of equitable, effective and efficient distribution of offices and resources within all provinces	Level of satisfaction of employees at provincial and district offices	Scientific investigation on equitable distribution of offices completed
	Investigate and implement alternative resourcing mechanisms and infrastructure	Percentage of increase in the use of alternative resourcing mechanisms and infrastructure	Technical support obtained from sister departments in implementing Turnaround Strategy. Donor organisations and private sector approached for additional assistance.
	Establish and promote an office in each province to become an exemplary office and a model office	Fully operational exemplary office in each province	Concept was introduced, offices identified and evaluated in terms of set requirements to adhere to. An exemplary office was established per province
	Investigate the rationalisation of Ports of Entry	Fit for purpose report	Report in consultation with other role players was drafted
CORPORATE SERVICES	**Human Resources** Implement a collective management style that visibly demonstrates the commitment to a culture of performance excellence	Degree of commitment & involvement to a collective management style Quality of contributions	Regular Directorate Management meetings were conducted Sub-directorates conducted meetings fortnightly Directorate meetings with all staff were conducted
	Provide Leadership Skills to Managers		Leadership workshops were presented
	Revive Workplace Skills Development Committee (WSDC)		Several meetings were held with WSDC
	Improve quality of service rendered to clients by – – devising strategies and interventions to address needs or to improve service delivery – evaluating and assessing improvements	Quality of service	Strategies were devised Ongoing
	Develop and implement an organisational and individual performance management sys-tem aligned with the SAEM and in support of the Batho Pele Service Delivery Programme	Fit for purpose policy and process Degree of conformance to policy	Performance Agreements (PA's) were reviewed A framework for the PA's was designed A tool to evaluate PA's was developed Senior Managers were consulted on PA's and a tool

Programme Performance: Annexure Programme 1

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
CORPORATE SERVICES			A plan was linked to PA's
			The new PA's were implemented
			Performance agreements for implementation up to level of ASD were devised
	Develop Induction Policy		A policy was developed, and still awaiting inputs from labour unions
	Revise current Training Policy		The policy was revised but not yet submitted to the unions for inputs
	Develop Workplace Skills Plan		A new Workplace Skills Plan was developed
	Develop a strategy for the effective and efficient recruitment, management and utilisation of Human Resources	Internal customer satisfaction Employee satisfaction	A draft strategy was developed, which will enable vacancies to be filled timeously and efficiently
	Develop a draft policy on Succession Planning and Career Management	Policies developed	A draft policy on Succession Planning and Career Management was developed and submitted to senior management for inputs
	Review of Human Resources Delegations.	Human Resources Delegations reviewed	Human Resource Delegations reviewed
	Develop Recruitment, Selection and Placement Policy	Recruitment, Selection and Placement Policy developed.	Draft policy on Recruitment, Selection and Placement developed.
	Development of exit interview system	Exit interview instrument developed	The instrument developed in conjunction with the Career Management Policy
	Develop Employees Assistance Programme (EAP) policy	EAP drafted Policy	Policy developed
	Train Senior Managers in Labour Relations	Senior Managers trained	In progress (ongoing)
	Sustain current and expand into Public/ Private Partnerships	Number of sustainable Public/ Private Partnership established Degree of participation	Ongoing process
	Develop a format for donor funding requests	Level of impact of Public/ Private Partnerships on service delivery	A format is in use
	Establish/improve Public/ Private Partnerships		Some partnerships were established
	Ensure departmental processes and procedures are aligned with the Batho Pele principles and the vision of the Department of Home Affairs	Degree of conformance to Batho Pele principles	The corporate identity of the Department was upheld
	Provide courses in Customer Care		Ongoing
	Develop and communicate Service Standards		Service Standards continuously reviewed

Programme Performance: Annexure Programme 1

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
	Review of strategic business systems and processes	Effective and efficient processes	
CORPORATE SERVICES	Vest proper decision-making powers in the provinces and foreign offices and provide the necessary capacity to ensure effective and efficient functioning in order to enhance service delivery:	Level of satisfaction of Provincial Directors with regard to empowerment Number of functions decentralised to provinces	HIV Committees were established in provinces Awareness of EAP in all offices was raised Training in HR matters was presented at Head Office and in the provinces
	Provide transport where applicable in provinces		Some subsidised vehicles were provided at the provinces for trainers
	Establish provincial Bargaining Forums		The matter was completed, evaluation is in process
	Appointment of specialists in the provinces in order to manage specialised delegated functions effectively	Number of specialised posts filled per province	In process
	Investigate possibility of outsourcing ABET in provinces effectively		ABET has been outsourced in the provinces
	Conduct an audit into the current establishment and fund the current vacancies	Completion of audit Number of vacancies funded	A Human Resource plan was developed and implemented New establishment was created
	Create new establishment to reach business goals		New establishment was created, approved and implemented
	Investigate establishment for Academy		The establishment of a learning centre is targeted for 1 April 2006
	Develop a sound HR Education, Training and Development Programme in line with overall governmental policy on Human Resources	HR Education, Training and Development Programmed compiled	In process
	Provide Basic Administration Skills for Supervisors		Finalised
	Provide computer training	Training provided by Computer Trainer and Information Technology Consultant	Ongoing
	Provide workshop on drafting of Ministerial correspondence	Workshops provided	Finalised
	Evaluate the impact of training		Ongoing, but not finalised – awaiting appointment of Researcher
	Establish PSETA Task Team		Skills development facilitator's post to be filled. SDF will liase with PSETA
	Develop Training Officers		In process. Four courses already conducted

Programme Performance: Annexure Programme 1

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
CORPORATE SERVICES	Implement Curriculum for Trainee Immigration Officers		Still not implemented, pending the finalisation of the Regulations
			The International Organisation on Immigration (IOM) was appointed to conduct Immigration Training
	Present Financial Control Measures Course		Finance trainers have been moved back to Civitas
	Provide training in Code of Conduct		Ongoing
	Devise, implement and sustain a reward and recognition system to unleash the full potential of staff members (Performance Management and Development System)	Level of participation in reward and recognition system	A Performance Management and Development System (PMDS) was implemented
		Number of rewards and recognitions granted to staff members	Stakeholders were consulted
			Training was conducted
		Annual rewards and recognition ceremony hosted	Implementation, monitoring and evaluation took place
	Establish sports, culture and recreation task team		Team established
			Sports/culture day planned for August 2004
	Uplift personnel morale by –		
	– having questionnaires completed		The questionnaires were revised in partnership with UNISA
	– processing data and hand data over to Unisa to analyse and interpret		In process
	– determining interventions to uplift morale and submit for approval		In process
	– implementing interventions and evaluate success		In process
	Ensure employment equity with specific reference to gender equality on all levels throughout the Department	Employment equity ratio (gender, race and disability)	Compliance with Employment Equity Act and Affirmative Action Programme with specific regard to gender and race was ensured
			Employment equity committees were established
	Improve access to Home Affairs services by way of equitable, effective and efficient distribution of offices and resources within all provinces	Level of satisfaction of employees at provincial and district offices	In process
	Investigate and implement alternative resource mechanisms and infrastructure	Percentage of increase in the use of alternative resource mechanisms and infrastructure	In process
	Develop and implement an effective information management system	Fully functional information and knowledge management unit	In process
		Degree of accessibility of information	
		Accuracy and reliability of information	
	Implement the PFMA	Conformance to PFMA by all	Conformity with the PFMA was

Programme Performance: Annexure Programme 1

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
		managers	ensured
		Appointment of CFO	A CFO was appointed
			Preparations for the training of Responsibility Managers, which will commence in the next financial year, were undertaken. The vacant financial training post still needs to be filled
CORPORATE SERVICES	**Financial and Logistical Services**		
	Implementation of the Basic Accounting System (BAS) in the Provinces	Degree and comprehensiveness of BAS implementation in Provinces Degree to which officials within Province are empowered to capture receipts and request financial budget and expenditure reports	The Basic Accounting System (BAS) roll out continued. BAS functions for capturing of receipts and requesting of financial budget and expenditure reports were made available
	Funding of Birth Registration campaign in regions for children to obtain child grants	Sufficient funds provided in time	Funds for the Birth Registration Campaign were provided from within existing means
	Information Technology Computerise new offices	Number of offices computerised	13 offices were computerised
	Improve internal communication system by:	Extent of GroupWise e-mail system Implementation	
	Implementation of GroupWise e-mail system	Degree of development of the Intranet	
	Development of the Intranet		In progress
	Improve IT Governance	Development of governance structure and processes	Implementation of Information System Management Board IT structure in line with good IT governance
	Improve service delivery to the Department	Development of IT service level management structure and processes	In progress
	Completed the design of the communication infrastructure	Departmental acceptance	Design accepted by the Department
	[Data on HANIS and the Electronic Document Management System (EDMS) is included under programme 2]		
	Legal Services		
	Rendering of legal opinions to the Department	Extent to which output has been achieved	Legal opinion service prov ided to the Department
	Provide assistance to line function	Extent to which output has been achieved	Assistance to line function regarding all their legal matters, including departmental liability and prosecution of illegal

Programme Performance: Annexure Programme 1

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
			foreigners has been stepped up
	Representing the Department before the Portfolio Committee	Extent to which output has been achieved	Presentations were made before the Portfolio Committee on various Bills including the Films and Publications Amendment Bill, Alteration of Sex Description and Sex Status Bill, South African Citizenship Amendment Bill to the Electoral Laws Amendment Bill
	Facilitate the alignment of policy of the Department with legislation and legislation with the Constitution	Extent to which output has been achieved	The following Bills were tabled before parliament: Films and Publications Amendment Act, Alteration of Sex Description and Sex Status Act, South African Citizenship Amendment Act, Electoral Amendment Act
	Find ways of expediting the transmission of legal process between State Attorney and the Department	Extent to which output has been achieved	After meetings held with the State Attorney, Cape Town and other offices, there is greater improvement in co-ordination in this regard
	Efficient litigation on behalf of the Department and Ministry	Extent to which output has been achieved	Greater success in the number of court cases handled
	Security and Ethical Conduct		
CORPORATE SERVICES	Implement a participative and collective management style	Immediate total co-operation by all managers Successful on concept	A team building exercise was held Regular meetings and feedback meetings were held
	Investigate irregularities	Monthly report	Irregularities and criminal acts of DHA officials were investigated on a continuous basis
	Analysis	Creation of database and definition of new projects	Training needs identified
	Integrate cluster priorities into planning and operations	On request	Discussions were held with various role players with regard to the drafting of a Corruption prevention plan
	Improve relationships and co-ordination with stakeholders	Feedback on meetings	Continuous improvement of stakeholder relationships through co-ordination and co-operation took place
	Improve internal communication	The improvement of staff morale Inform all staff of important departmental matters	Communication channels were established Formal meetings held and circulars distributed
	Ensure existence of an effective support infrastructure	Fill existing vacancies All staff to be equipped with the necessary skills and equipment	Vacancies were filled Staff is undergoing training programmes continuously

Programme Performance: Annexure Programme 1

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
	Communication		
	Launching of the National Identity Document campaign	A measurable increase in application for the bar-coded ID	▪ Launch was held at South Gate Mall. ▪ Media attended ▪ Launched by Ministry and IEC .
	Outreach Campaign: Intensifying ID Campaign	Success of campaign in terms of: % of timely delivering of IDs to the applicants Degree of increase in collection and delivery of IDs.	▪ The second phase was a door-to-door campaign ▪ Delivery of IDs by the Ministry ▪ Registration of public ▪ Media attended
	Media Breakfast	Establishing of linkage with members of the media Senior Editors enlightened about Turnaround Strategy	Media breakfast arranged and attended by Senior Members of the media
	Internal and External communication channels established.	Home Blitz –monthly staff newsletters Home Affairs- monthly external magazine	▪ Since March 2004 monthly publication ▪ Website updated regularly
	Media Releases	Success rate of proactive communication strategy Website and Internet are updated regularly	Timeous responding to media enquiries on issues about fake marriages, refugees, immigration Act and sharing of ID documents has been achieved
	Public Enquiries	Two telephone numbers and E-mail address has been established for the members of the public	Members of the public have been afforded an opportunity of launching their complaints in as far as their applications are concerned

ANNEXURE PROGRAMME 2: OUTPUTS AND SERVICE DELIVERY TRENDS

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
PASSPORTS & TRAVEL MATTERS	Issue passports	Number of passports issued:	
		– Tourist passports	518 325
		– Child passports	126 903
		– Official passports	6 396
		–Document for travel purposes	614
		– Diplomatic passports	899
		– Temporary passports	123 557
		– Emergency passports	60 755
		– Crew member certificates	344
		– Maxi passports	7 310
		– Number of passports (old format) renewed	8 196
CITIZENSHIP	Process citizenship applications	Number of:	
		– Naturalisations	20 648
		– Renunciations	1 532
		– Deprivations	3
		– Resumptions	636
		– Citizens by descent registrations	6 590
		– Retentions	2 456
		– Restorations	1 162
		– Approvals to use foreign passports	11 560
POPULATION REGISTRATION	Births, Marriages and Deaths Register births, marriages and deaths; issue relevant certif icates; process applications for amendments; solemnise marriages; designate marriage officers and appoint registering officers	Number of registrations	
		– Births (under 15 yrs)	1 741 163
		– Marriages	
		- Civil	233 344
		- Customary	20 931
		– Deaths	505 871
		Number of certificates issued:	
		– Births	
		- Abridged	2 445 158
		- Unabridged	158 229
		– Marriages	
		- Abridged	312 626
		- Unabridged	55 779
		– Deaths	
		- Abridged	535 482
		- Unabridged	4 050
		Number of personal amendments processed:	
		– Surnames: Majors	12 597
		– Surnames: Minor	15 398
		– Forenames: Majors	29 213
		– Forenames: Minor	18 371
		– Insertion of surnames	988
		– Date of birth	41 887
		– Re-registration	47 846
		– Adoptions	4 777
		– General	11 139
		Number of divorces recorded	35 037
		Number of marriage officers designated:	
		– Church	1 767
		– Department	132
		Number of registering officers appointed (customary marriages)	73

Programme Performance: Annexure Programme 2

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
	Identity Documents Issuing of identity documents to all South Africans citizens and persons to whom permanent residence have been granted	Number of identity documents issued in terms of the Department's Statement of Standards	3 491 169
		New recording	2 545 822
	Identification Maintaining a fingerprint identification system	Number of fingerprints: – Classified (1st issue) – Verification (re-issued) – Compared and searched for – Evidence given in court cases – Filed as additions to existing records (this figure includes foreigners and first time ID applicants only) – Fingerprints of foreign workers from neighbouring countries which were processed Total number of fingerprints on record	721 304 1 877 629 541 593 9 1 221 212 58 693 46 319 911
	HANIS Populate the AFIS database	Volume of fingerprints processed and recorded on the database	1 907 955
		Daily capturing rate	± 6 000 records daily
	Electronic Document Management System (EDMS) Investigation and specification of an Electronic Document Management System which includes electronic workflow for Civic Services (Head Office)	MAKGABA backlog scanning (2002 project) – MAKGABA was contracted to back scan the 2002/2003 backlog that occurred after microfilming was terminated. Target: 48 000	48 000 duplicates were eliminated
		METROFILE backlog scanning (2004 project) – METROFILE was contracted to back scan the 2003/2004 backlog that occurred after microfilming was terminated Target 3,5 million cases	1 million cases finalised
		Management Information System (MIS) reports. (Target: According to need)	12 tested and accepted
		Shell letter templates – development of a revised technical solution	Solution successfully developed and tested.
		Correction of out of step index data in respect of converted microfilm records. Implementation of a correction functionality for the correction of incorrectly indexed microfilm images Target: 19 000	Due to data corruption as a result of several system crashes on the old CARFILE microfilm databases about 9 000 of the 19 000 converted microfilms contain out of step data index fields (index and image do not match). A correction tool to fix the indexes was developed and tested

ANNEXURE PROGRAMME 3: OUTPUTS AND SERVICE DELIVERY TRENDS

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
PERMANENT & TEMPORARY RESIDENCE AND IMMIGRATION SELECTION BOARD	Processing of applications and issuance of permits	Number of permits issued in terms of the Statement of Standards set by the Minister:	
		– Immigration permits	11 686
		– Work permits	4 185
		– Study permits	5 845
		– Temporary residence permits	4 599
		Number of:	
		- Ministerial enquiries	1156
		– Director-General submissions	51
CONTROL OF TRAVELLERS	Processing of applications and issuance of visas	Number of visas issued	514 582
	Clearance of visitors at ports of entry	Number of persons cleared:	
		– Arrivals	7 547 096
		– Departures	6 828 241
ALIENS CONTROL	Removal of illegal foreigners	Number of illegal foreigners removed	164 294
	Deportation of undesirable persons	Number of deportations	1 093
REFUGEE AFFAIRS	Consideration of asylum applications	Number of asylum applications finalised	2 640
	Issuance of Refugee Identity Cards	Number of Refugee Identity Cards issued	6 515
	Issuance of United Nations Convention Travel Documents	Number of United Nations Convention Travel Documents (UNCTD's) issued in collaboration with the UNHCR	957
REFUGEE APPEAL BOARD	Consideration of asylum appeals	Number of asylum appeals finalised	2 222
STANDING COMMITTEE ON REFUGEES	Review and consider cases	Review of manifestly unfounded cases	16
		Consideration of applications for certification of status	51

PART III
STATUTORY REQUIREMENTS

DEPARTMENT OF HOME AFFAIRS
Report of the Audit Committee

The audit committees established under statute in terms of the Public Finance Management Act (PFMA), and the National Treasury Regulations require the audit committee to comment in the annual report of the Department on:

- **The effectiveness of internal control and the internal audit function;**
- **The quality of management reports, and**
- **The annual financial statements.**

We are pleased to present our report for the financial year ended 31 March 2004.

Audit Committee members in Attendance:

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

Name of Member	Number of Meetings Attended
N Russouw (Chairperson)	7
W Ford	5
S Masuku	5
J Modiko	3

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38 (1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Effectiveness of Internal Control

Certain significant breakdowns in the systems of internal controls and accounting procedures occurred during the year under review, as reported on by the Auditor-General. It is regrettable that

DEPARTMENT OF HOME AFFAIRS
Report of the Audit Committee

the corrective action taken during the year to resolve the internal control weaknesses noted in respect of the Lindela detention centre were not adequate. In mitigation it should be mentioned that an internal audit investigation was carried out, but not finalised, as also referred to in the report of the Auditor-General. The Committee wishes to compliment the Accounting Officer for implementing the "Turnaround Strategy", which, if implemented fully, should impact significantly in improving the overall control environment, accounting systems applied and the level of service delivery required. The impact of this "Turnaround Strategy" would be closely monitored by the Committee, the Auditor-General and internal audit.

The Audit Committee wishes to stress the fact that senior management is accountable for the proper management of the institution and, as such, should take full responsibility for the implementation and monitoring of adequate accounting systems and internal controls. The Audit Committee would like to see greater urgency and commitment at the various levels of senior management to monitor and control the major risks facing the Department. The Department still has to cope with insufficient staff capacity, which aspect has been addressed by the Accounting Officer during the year under review. Certain of the weaknesses in internal controls and deficiencies in accounting systems reported previously have been addressed and appropriate action taken by the Accounting Officer. The financial effect of non-compliance to laid down controls and procedures is reflected by the annual financial statements, where known, as noted in the report issued by the Auditor General. A detailed Risk Assessment exercise was conducted during the previous year, but implementation has been delayed due to the announcement of the "Turnaround strategy".

Internal Audit Function

Although the Audit Committee regularly enquired about the work performed by the internal audit division, the results indicated that such division was not operating effectively and remained under-resourced. This situation also resulted in the fact that the Auditor-General could not place any reliance on the work performed by internal audit. The Committee recommended that the department take the necessary action to correct the situation.

Quality of Management Reports.

The Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review. The financial results and position of the Department were reviewed for reasonableness by the Audit Committee on a quarterly basis.

DEPARTMENT OF HOME AFFAIRS
Report of the Audit Committee

The Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management response, and
- Reviewed significant adjustments resulting from the audit.

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

This report was compiled by the non-executives of the audit committee.

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Chairperson of the Audit Committee

Date: 23 August 2004

GOVERNMENT PRINTING WORKS
Report of the Audit Committee

The audit committees established under statute in terms of the Public Finance Management Act (PFMA), and the National Treasury Regulations require the audit committee to comment in the annual report of the Department on:

- **The effectiveness of internal control and the internal audit function;**
- **The quality of management reports, and**
- **The annual financial statements.**

We are pleased to present our report for the financial year ended 31 March 2004.

Audit Committee members in Attendance:

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

Name of Member	Number of Meetings Attended
N Russouw (Chairperson)	7
W Ford	5
S Masuku	6
J Modiko	3

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38 (1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all it's responsibilities as contained therein.

Effectiveness of Internal Control and the Internal Audit Function

The Audit Committee is disappointed that very little progress has been made during the year under review in respect of the significant internal control weaknesses and deficiencies in accounting systems noted in the report issued by the Auditor-General last year, when compared with the report issued by the Auditor-General for the year under review. Although an executive

GOVERNMENT PRINTING WORKS
Report of the Audit Committee

task team was appointed to assist management in this regard very little success has been achieved. However, management has instituted a forensic audit, in order to determine to what extent elements are misusing the existing accounting systems to defraud the institution, the results of which are not known at the time of signing this report. The Audit Committee wishes to stress the fact that senior management is accountable for the proper management of the institution and, as such, should take full responsibility for the implementation and monitoring of adequate accounting systems and internal controls. The Audit Committee would like to see greater urgency and commitment at the various levels of senior management to monitor and control the major risks facing the Department. The financial effect of non-compliance to laid down controls and procedures, where known, is reflected in the annual financial statements, as noted by the report of the Auditor-General.

The main reasons for not making significant progress remain similar to those highlighted last year, i.e. –

- Many vacant positions exist at most levels of management and staff, in particular in managerial positions, with the result that the Government Printing Works still has to cope with insufficient capacity at various levels of management;
- The internal audit department did not function, the main reason being that the relevant division from the Department of Home Affairs did not have the capacity to perform the required services, as intended. This shortcoming was recognised during the year, but the process to rectify this deficiency was frustrated by the inability to attract suitable internal audit candidates, and
- An atmosphere of uncertainty existed among management and staff during the period under review in anticipation of the anticipated corporitisation of the entity.

Although progress has been made in respect of a detailed Risk Assessment and Plan, it has not been finalised and therefore was not implemented at the time of the release of this report.

The Quality of Management Reports

The Committee is satisfied that monthly and quarterly reports were prepared and issued by the Accounting Officer and the Government Printing Works during the year under review. The financial results and position of the Government Printing Works were reviewed for reasonableness by the Audit Committee on a regular basis. Although the quality of such reports improved towards the end of the financial year, concerns still exist as to the integrity of the financial figures reflected by such reports.

GOVERNMENT PRINTING WORKS
Report of the Audit Committee

The Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management response, and
- Reviewed significant adjustments resulting from the audit.

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

This report was compiled by the non-executives of the audit committee

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Chairperson of the Audit Committee

Date: 23 August 2004

ANNUAL FINANCIAL STATEMENTS

Department of Home Affairs

MR P K NKAMBULE
Chief Financial Officer

Annual Financial Statements – Home Affairs

DEPARTMENT OF HOME AFFAIRS
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MANAGEMENT REPORT
for the year ended 31 March 2004

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

of South Africa

1 GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

1.1 BUDGET ALLOCATION

Original budget allocation

The Department commenced its financial year with a budget allocation of R1,971 billion. This budget allocation represented an increase of 32,6% from the 2002/03 allocation of R1,486 billion. The increase was mainly attributed to the increased allocation to the Independent Electoral Commission (IEC) due to the ensuing general elections at the time and the unusual allocation to the Government Printing Works to assist in its transformation to a public entity. As the year progressed a chain of events occurred that led to an increase in the budget allocated to the Department. These events are briefly analysed in the ensuing paragraphs.

Rollover funds

The Department submitted a request to National Treasury to roll over R116,963 million from the 2002/03 financial year. National Treasury approved R56,896 million during June 2003.

Adjustment estimates of national expenditure

In order to address additional needs of the Department arising during 2003/04, a request to the value of R186,220 million was submitted to National Treasury during September 2003. The Treasury Committee approved R104,739 million of the R186,220 million requested. The approved amount was earmarked to finance Lindela Detention Centre, Identity Document Campaign, Implementation of the new Immigration Act, Standing Committee for Refugee Affairs, backdated salary adjustments arising from setting aside of the Judge White initial findings and financing of the 2003 salary adjustments.

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Virement

During September 2003, the Department requested approval from National Treasury to utilise savings realised on information technology projects for other expenditure items that were reflecting a high expenditure trend that could have resulted in overspending or discontinuing of services, namely Lindela Detention Centre and the ID Campaign. During December 2003 National Treasury approved the virement request through which savings of R15 million would be utilised for the ID Campaign and R20 million for Lindela Detention Centre.

Furthermore, when the third quarter was reviewed during December 2003, further savings were realised on certain information technology projects that could not be initiated due to the refocusing of the Itingwe programme National Treasury was therefore requested to approve the utilisation of unspent funds on projects to address certain key priorities, which would contribute to the turnaround strategy "quick wins". During January 2004 National Treasury granted approval for the utilisation of savings of R79,249 million from the earmarked project allocations to address specific crucial interventions incorporated in the Turnaround Strategy of the Department.

Savings

The rollovers of R56,896 million as well as the adjustments estimate allocation of R104,739 million increased the original budget allocation from R1,971 billion to R2,132 billion. In the final analysis of the budget against expenditure, savings of R180,933 million were realised for the 2003/04 financial year. National Treasury will be requested to roll over the savings to the 2004/05 financial year. The rollover funds will mainly be utilised to fund the Back Record Conversion of fingerprint records within the Home Affairs National Identification System (HANIS) Project, Electronic Document Management System, committed expenditure regarding the "Turnaround Strategy" of the Department, and expenditure for the Repair and Maintenance Programme (RAMP) projects. The Department is confident that these funds will be rolled over to the 2004/05 budget due to the nature of its commitment to specific projects and purchases for which delivery is awaited.

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for the year ended 31 March 2004

1.2   STRATEGIC ISSUES

1.2.1   Strategic overview

The Department of Home Affairs is central to Government's strategic imperative to create a better life for all. Its key mandate is to confirm the status of people, for both citizens and visitors alike. This mandate enables our citizens to enjoy their rights under the Constitution and thus access numerous other government and private sector services. The mandate also regulates visitors to our country, thus ensuring our territorial integrity, helping in furthering our foreign and economic policy objectives and combating crime. The Department is the guardian of critical and substantive statistical information with regards to our population and trans-national migration patterns.

The Department has undergone significant transformation during the past number of years. It is however noticed that despite its good intentions, it continues to be hampered by a series of problems and constraints. The noted constraints are an impediment to proper implementation of the departmental strategic plan.

In particular, the under-resourcing of the Department has made it extremely difficult for the Department to achieve many of its strategic objectives and to implement measures it had planned to decisively meet its service delivery commitments. The effect thereof was all the more devastating, since the Department is not only central to Government's service delivery agenda, to national security and to combating of crime, but also in an important sense, a window for citizens and visitors alike to our government and South Africa as a whole. The critical intervention to turn the Department around was therefore absolutely essential.

The new Director-General of the Department undertook a comprehensive assessment of the Department from June to September last year to get first hand knowledge of the situation in Home Affairs and a holistic overview of the situation.

Following this period of in-depth introspection and assessment of the situation, a process of reshaping the Department started from September 2003, leading to various planning workshops and concretising in a number of projects with regard to people, infrastructure and technology. These critical intervention areas formed the essence of the Turnaround Strategy. Project teams were established for each of the projects of the Turnaround Strategy programme and project leaders were appointed for key projects.

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The implementation of the new immigration dispensation has been one of the major challenges during the past year. Another challenge was the finalisation of investigations regarding a new organisational structure and establishment for the Department, which culminated in the formal approval thereof by the Executive Authority during March 2004. This stands out as a major achievement of the Department to improve its human capital.

1.2.2   Co-operative Governance

Co-operative Governance as entrenched in Chapter 3 of the Constitution plays an important role in government machinery and service delivery at large.

The Department has relations with a number of countries and international organisations. This needed a single nodal point for the proper management of this function. To facilitate the smooth running and co-ordination with the Department of Foreign Affairs (DFA), the Department will seek to create a nodal point within DFA.

The Department of Home Affairs is part of the integrated system of governance, which forms a central tenet of the strategic governance philosophy of this Government, and we are a critical part, because our mandates stretch across and influence all areas of government in the country.

The Department is a member of five of the six FOSAD Clusters and its respective Inter-ministerial Committees.

In its endeavour to fulfil its role as the centre of service delivery, the Department has maintained its strong relations with other forums and institutions of government like the institution of the House of Traditional Leaders, co-ordination and planning of the rollout of the MPCC's, etc.

1.2.3   ITingwe

In addition to the critical areas of people and infrastructure, technology remains crucial to the success of the operations of the Department. The Department has undergone an extensive review of its information technology strategy to streamline service delivery during the second half of its financial year. The ITingwe programme was defined during a

DEPARTMENT OF HOME AFFAIRS
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week long strategic planning session held from 13 to17 October 2003. This planning session emanated from the Department's Turnaround Strategy initiated during September 2003. The main focus of ITingwe program is to render better services to the citizens through the enablement of technology. Automation stands out as the main challenge to speed up and create more efficient processes for Civic Services and Immigration Branches of the Department who are core to its mandate.

One of the most significant projects under the ITingwe vision is the HANIS reloaded project. This project has as its main objective, to provide an integrated biometric verification system and population register for all persons the Department deals with, and incorporates the original HANIS project plus the re-write of the Population Register, the Movement Control System, the Refugee System and the Illegal Foreigners database. The focus for 2003/04 was on the planning and preparatory phase and the project will be in its full swing during 2004/05.

2 SERVICES RENDERED BY THE DEPARTMENT

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:

Services to Citizens aims to identify members of the population and grant them specified rights and powers.

Immigration handles migration matters in foreign countries, controls visas and the admissions of travellers at ports of entry, deportation of illegal immigrants, and consideration and processing of refugee cases.

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2.1 TARIFF POLICY

2.1.1 Civic Affairs and miscellaneous

2.1.1.1 Tariffs charged by the Department in terms of Treasury Regulation 7.3.2 of the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended by Act 29 of 1999), are scientifically calculated according to direct costs involved in the manufacturing process of identity documents, passports, etc and administrative processes, to finalise the various types of applications received from the public. The tariffs are revised annually by the Departmental Tariff Committee and are eventually approved by National Treasury.

2.1.1.2 Tariffs for the re-issue of Identification Documents, identification photos as well as Temporary Identity Cards (TIC's) were waived for the period 1 April 2003 until 14 April 2004. The initiative of waiving of fees emanated from an increased demand of identity documents from communities that could not afford application fees as well as payment for photos required to process the application.

2.1.2 Immigration

Tariffs applicable on Immigration matters are also scientifically calculated and are in line with international trends, the USA inflation rate and fluctuations of the Rand/Dollar exchange rate.

2.1.3 Fees and tariffs that cannot be fixed and relate to revenue accruing to the State Revenue Fund

The Minister approved all tariffs in conjunction with National Treasury that cannot be fixed and relate to revenue accruing to the State Revenue Fund where after those tariffs that have to be promulgated in the Government Gazette, are published prior to the implementation date of 1 April each year.

3 CAPACITY CONSTRAINTS

The Department is not an exception to the usual outcry of most government departments when it comes to inadequate financial resources for service delivery. Limited budget

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allocations hamper the Department in achieving its objectives to deliver efficient and effective services. Limited budget allocations result, amongst others, in a situation that all vacant posts cannot be filled.

The organisational structure approved by the Minister, on 2 March 2004, provides for a significant increase in the number of posts. Key features of the new structure are:

The creation of a National Immigration Service to be headed by a Deputy Director-General, supported by Provincial, Regional and District Heads of Immigration.

The formation of a Chief Directorate: Counter-Corruption and Security and a Chief Directorate: Communications.

The significant strengthening of capacity at provincial level and the alignment of offices with provincial and district municipal boundaries.

It is worth mentioning though that, due to funding constraints, it will not be possible to fill all the newly created positions immediately. This will have to be phased in as funds become available. Reprioritisation of critical posts has been given first preference. In accordance with an earlier decision of Senior Management, a team has been established to develop proposals on the migration from the old to the new establishment. This includes the approach to be followed in absorbing serving members of staff in the new structure. The following activities are of key importance to accomplish the demanding migration task:

The auditing of the old establishment (confirmation of posts and their incumbents);

The loading of the new establishment on PERSAL; and

Matching and placement of posts from the old establishment to the new.

The initiative will assist in cleaning up of the establishment on the system and therefore provide reliable personnel data to users.

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4   TRADING ENTITIES/ PUBLIC ENTITIES

4.1   TRADING ENTITIES

4.1.1   Government Printing Works

a) To satisfy the needs of government departments in respect of printing and stationery and make government publications available for sale to the public.

b) The Government Printing Works is in the process of corporatisation, which implies that it will be converted into a public entity under the Department of Public Enterprises.

4.2   PUBLIC ENTITIES

The Department has been allocated one public entity that is falling in the category of schedule 3.

4.2.1   Film and Publication Board

a) They are responsible for the classification of films and publications by means of a Film and Publication Board and a Film and Publication Review Board (Act 65 of 1996).

b) Funding of their budget is effected through transfer payments from the budget of the Department.

c) Financial Statements of the Film and Publication Board are tabled in Parliament separately.

5   OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN EFFECTED

5.1   Independent Electoral Commission (IEC)

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a) This is a permanent body created by the Constitution to promote and safeguard democracy in South Africa. The vision of the IEC is to strengthen constitutional democracy through free and fair elections.

b) Financial Statements of the IEC are tabled in Parliament separately as a statutory requirement.

6   CORPORATE GOVERNANCE ARRANGEMENTS

Although the Department is a governmental organisation, it has found the ethos and the spirit of corporate governance suitable to its environment. It is worth mentioning though that the Department, like the rest of government, is striving towards compliance with the comprehensive requirements of corporate governance. The Department has established an Internal Audit Directorate, conducted risk assessment and has constituted a fully representative Audit Committee made up of external members.

7   PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

The Department is complying with the PFMA. Performance information is as follows:

As part of the Turnaround Strategy the Department is following a top-down and bottom-up approach in the process of allocation of financial resources.

Year-to-date reporting is maintained and month-to-month comparison of expenditure against the budget has been embarked upon. Reports are broken down to Business Unit level to ensure that expenditure is monitored down to the lowest levels. The culture of monthly reporting on provincial matters has already been experienced and is now a routine.

The three-year strategic plan of the Department is in place.

Risk assessment and risk plan has been developed and is being implemented.

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VOTE 4
MANAGEMENT REPORT
for the year ended 31 March 2004

Fraud prevention and counter-corruption plans are in place, although the Department had problems in fully implementing the plans.

Internal control measures have been put in place. The Internal Control section has been restructured to improve financial controls.

Basic Accounting System (BAS) has been implemented in 61 offices so far and further implementation will be rolled out to additional 88 offices over the next 12 months.

8   OTHERS

8.1   Lindela Detention Centre

The following interim procedures have been put in place since October 2003, to improve controls at the Centre:

The intake of illegal foreigners is recorded daily on an Excel programme.

On a daily basis the total of admissions, releases, deportations, deaths, and escapes according to the Departmental records is checked and verified by an Immigration Officer with those records of BOSASA (service provider).

On a monthly basis the Chief Immigration Officer at Lindela signs the account as received from BOSASA, after the Departmental records have been checked and reconciled with those of BOSASA. A printout of the records is attached to the monthly amount before approval is granted.

As stated earlier the new establishment of the Department was approved on 2 March 2004. The process of recruiting new staff at Lindela will commence soon and it is projected that the full staff complement will resume duty towards the end of August 2004. These appointments will assist in improving internal control measures in a sense that more staff will be involved in the administration of admittance and release of illegal immigrants, and thus the current breakdown in internal controls in terms of maintenance of records, control of body receipts and implementation of a new IT system will be addressed.

DEPARTMENT OF HOME AFFAIRS
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MANAGEMENT REPORT
for the year ended 31 March 2004

The Department's ITingwe programme will also address the IT needs at Lindela. Lindela has been earmarked to pilot the Integrated Client Service Console initiative of capturing fingerprints through electronic means. This initiative will further improve our recording of illegal foreigners.

8.2   Management of Marriages and Deaths

8.2.1   Marriages

During the past financial year the Department was faced with complaints regarding marriages and the analysis revealed that there are fraudulent marriages, which are taking place throughout the country. This being the case the Department acknowledges that fraudulent marriages are a risk.

Combating fraudulent marriages was identified as a critical intervention area in the Chief Directorate's 2003 Turnaround Workshop. A Task Team was also appointed to investigate stricter control measures. Progress is being monitored from Head Office.

8.2.2   Deaths

The issue of fraudulent deaths has also been identified as a critical intervention area and a Task Team has been appointed to investigate further control to curb this problem. Provincial Managers will be alerted again to exercise strict control over blank death notice stock and the capturing of deaths.

8.3   Improvement of Financial Management

To improve financial management in the Department, a significant number of new posts were created. Two new Directors' posts, one in Financial Administration and one in Provisioning Administration will soon be filled as part of the identified critical posts.

DEPARTMENT OF HOME AFFAIRS
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MANAGEMENT REPORT
for the year ended 31 March 2004

9   DISCONTINUED SERVICES

No services were discontinued.

APPROVAL

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

B P GILDER
DIRECTOR-GENERAL
DATE

**REPORT OF THE AUDITOR-GENERAL
ON THE FINANCIAL STATEMENTS OF**

VOTE 4 – HOME AFFAIRS

for the year ended 31 March 2003

1.   AUDIT ASSIGNMENT

The financial statements as set out on pages • to • , for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995).   These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements based on the audit.

2.   NATURE AND SCOPE

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

An audit includes:

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

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

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

3.   QUALIFICATION

3.1   Controls at Lindela detention centre

As reported in paragraph 3.1 of the previous report [RP220/2003], the financial management controls at Lindela Detention Centre were still inadequate for the period under review. Corrective measures implemented by the accounting officer, as indicated in paragraph 8.1 of the

**REPORT OF THE AUDITOR-GENERAL
ON THE FINANCIAL STATEMENTS OF**

VOTE 4 – HOME AFFAIRS

for the year ended 31 March 2003

management report, only came into force towards the end of the financial year. The Department's financial records did not permit the application of alternative audit procedures and I was therefore unable to evaluate the accuracy and validity of the holding expenditure amounting to R95.9 million.

3.2 Management of revenue

Regional offices of the Department are responsible for *amongst others* the collection and depositing as well as the capturing onto the Basic Accounting System (BAS) of receipts for revenue generated by the Department for various services rendered. Due to various logistical constraints BAS is not available to all regional offices and as a result the Department experienced significant backlogs in capturing the receipts onto BAS.

The BAS bank reconciliation exception report at 31 March 2004 identified unallocated deposits of approximately R32 million from various Home Affairs regional offices relating to revenue collected. With regard to the deposit account, unallocated deposits amounting to approximately R6.8 million was also revealed. At year-end the Department could not allocate these amounts to relevant revenue items due to *amongst others:*

- as identified by management carbon copies of deposit slips were often altered to agree to the deposits accounted for on BAS, which do not agree to actual deposits made by the regional offices.

Alternative audit procedures could not be performed and thus, I could not satisfy myself that all revenue generated by the Department was adequately accounted for.

4. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the Department of Home Affairs at 31 March 2004 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice.

REPORT OF THE AUDITOR-GENERAL
ON THE FINANCIAL STATEMENTS OF

VOTE 4 – HOME AFFAIRS

for the year ended 31 March 2003

5.   EMPHASIS OF MATTER

Without further qualifying the audit opinion expressed above, attention is drawn to the following shortcoming in the Departments' system of internal control, which were brought to the attention of the accounting officer:

5.1   Internal audit

No reliance could be placed on the work of internal audit as only 19 per cent of the unit's approved annual work plan was executed and the internal audit reports related thereto were only made available for review on 9 July 2004 of which only one report had been formally finalised.

6.   APPRECIATION

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

JE van Heerden
***for* Auditor-General**

Pretoria
30 July 2004

DEPARTMENT OF HOME AFFAIRS
VOTE 4

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2004

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

1   Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2   Revenue

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

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

3   Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

DEPARTMENT OF HOME AFFAIRS
VOTE 4

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2004

4   Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

the overspending of a vote or main division within a vote, or;

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

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

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

the Public Finance Management Act,

the State Tender Board Act, or any regulations made in terms of this Act, or;

any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement until such expenditure is either not condoned by National Treasury or the Tender Board, at which point is treated as a current asset until it is recovered.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.   Fruitless and wasteful expenditure must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined and treated as a current asset in the balance sheet.

DEPARTMENT OF HOME AFFAIRS
VOTE 4

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2004

5   Debts written off

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable debts.

6   Capital expenditure

Expenditure for physical items on hand on 31 March 2004 to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement. Physical assets (fixed assets and movable assets) acquired are expensed i.e. written off in the income statement when the payment is made.

7   Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

8   Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to either the National Revenue Fund or another party.

DEPARTMENT OF HOME AFFAIRS
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STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2004

9   Provisions

A provision is a liability of uncertain timing or amount.   Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

10   Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

11   Accruals

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year end, OR an invoice has been received but remains unpaid at year end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed.

12   Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement.

Termination benefits

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

DEPARTMENT OF HOME AFFAIRS
VOTE 4

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2004

Retirement benefits

The Department provides retirement benefits for 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 money is paid to the fund. 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.

Medical benefits

The Department provides medical benefits for (certain/all) its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Post retirement medical benefits for retired members are expensed when the payment is made to the fund.

13   Capitalisation reserve

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

14   Recoverable revenue

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

DEPARTMENT OF HOME AFFAIRS
VOTE 4

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2004

15   Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

DEPARTMENT OF HOME AFFAIRS
VOTE 4
APPROPRIATION STATEMENT
for the year ended 31 March 2004

Programme								
	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
1. Administration								
Current	236 298	17 897	**254 195**	252 711	1 484	99,42	196 407	196 673
Capital	9 133	12 213	**21 346**	14 008	7 338	65,62	11 091	10 117
2. Services to Citizens								
Current	616 273	(35 822)	**580 451**	603 657	(23 206)	104,00	444 206	419 310
Capital	208 050	20 663	**228 713**	52 196	176 517	22,82	292 643	273 093
3. Immigration								
Current	336 461	(15 951)	**320 510**	322 270	(1 760)	100,55	270 418	226 275
Capital	3 235	721	**3 956**	1 678	2 278	42,42	3 416	3 408
4. Auxiliary and Associated Services								
Current	673 085	–	**673 085**	673 807	(722)	100,11	217 756	217 475
Capital	50 153	279	**50 432**	29 907	20 525	59,30	50 815	20 186
Special Functions								
Current	–	–	**–**	1 521	(1 521)	–	–	498
Total	**2 132 688**	**–**	**2 132 688**	**1 951 755**	**180 933**	**91,52**	**1 486 752**	**1 367 035**
Reconciliation with Income Statement								
Less: Investments acquired and capitalised during the current financial year – expensed for appropriation purposes	–	–					–	–
Add: Local and foreign aid assistance (incl. RDP funds)	–	–					–	–
Add: Other receipts	–	–					–	–
Add: Unauthorised expenditure approved by Parliament	–	–					–	21 556
Less: Unauthorised, fruitless and wastefull expenditure	–	–					–	–
Actual amounts per Income Statement			**2 132 688**	**1 951 755**			**1 486 752**	**1 388 591**

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current								
Personnel	641 586	20 455	**662 041**	660 348	1 693	99,74	539 575	530 498
Transfer payments	671 161	–	**671 161**	671 160	1	100,00	214 757	214 756
Other	549 370	(54 049)	**495 321**	522 458	(27 137)	105,48	374 236	314 976
Capital								
Transfer payments	–	–	**–**	–	–	–	2	–
Acquisition of capital assets	270 571	33 594	**304 165**	97 789	206 376	32,15	358 182	306 805
Total	**2 132 688**	**–**	**2 132 688**	**1 951 755**	**180 933**	**91,52**	**1 486 752**	**1 367 035**

DEPARTMENT OF HOME AFFAIRS
VOTE 4
APPROPRIATION STATEMENT
for the year ended 31 March 2004

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	641 586	20 455	**662 041**	660 348	1 693	99,74	539 575	530 498
Administrative	113 064	3 785	**116 849**	117 037	(188)	100,16	87 991	90 291
Inventories	54 152	8 862	**63 014**	63 040	(26)	100,04	46 689	46 175
Equipment	225 924	38 234	**264 158**	92 784	171 374	35,12	322 465	301 893
Land and buildings	48 573	223	**48 796**	28 992	19 804	59,41	50 450	19 542
Professional and special services	378 228	(71 768)	**306 460**	316 664	(10 204)	103,33	224 793	163 335
Transfer payments	671 161	–	**671 161**	671 160	1	100,00	214 759	214 756
Miscellaneous	–	209	**209**	209	–	–	30	47
Special functions	–	–	**–**	1 521	(1 521)	–	–	498
Total	**2 132 688**	**–**	**2 132 688**	**1 951 755**	**180 933**	**91,52**	**1 486 752**	**1 367 035**

DEPARTMENT OF HOME AFFAIRS
VOTE 4

DETAIL PER PROGRAMME 1
for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
1.1 Minister								
Current	746	–	**746**	747	(1)	100,13	685	691
1.2 Deputy Minister								
Current	588	–	**588**	551	37	93,71	531	547
1.3 Management								
Current	7 714	(1 409)	**6 305**	4 538	1 767	71,97	3 864	3 940
Capital	445	1 979	**2 424**	2 423	1	99,96	120	63
1.4 Corporate Services								
Current	227 250	19 306	**246 556**	246 875	(319)	100,13	191 327	191 495
Capital	8 688	10 234	**18 922**	11 585	7 337	61,23	10 971	10 054
Total	**245 431**	**30 110**	**275 541**	**266 719**	**8 822**	**96,80**	**207 498**	**206 790**

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current								
Personnel	119 581	2 784	**122 365**	120 589	1 776	98,55	103 365	102 652
Other	116 717	15 113	**131 830**	132 122	(292)	100,22	93 042	94 021
Capital								
Acquisition of capital assets	9 133	12 213	**21 346**	14 008	7 338	65,62	11 091	10 117
Total	**245 431**	**30 110**	**275 541**	**266 719**	**8 822**	**96,80**	**207 498**	**206 790**

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	119 581	2 784	**122 365**	120 589	1 776	98,55	103 365	102 652
Administrative	43 462	2 733	**46 195**	46 418	(223)	100,48	36 920	37 726
Inventories	6 361	(-988)	**5 373**	5 380	(7)	100,13	5 413	5 501
Equipment	10 698	14 723	**25 421**	21 442	3 979	84,35	12 896	11 921
Professional and special services	65 329	10 763	**76 092**	72 795	3 297	95,67	48 898	48 985
Miscellaneous	–	95	**95**	95	–	–	6	5
Total	**245 431**	**30 110**	**275 541**	**266 719**	**8 822**	**96,80**	**207 498**	**206 790**

DEPARTMENT OF HOME AFFAIRS
VOTE 4

DETAIL PER PROGRAMME 2
for the year ended 31 March 2003

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
2.1 Travel & Passport Matters								
Current	26 040	6 011	**32 051**	32 318	(267)	100,83	24 640	24 160
Capital	2 912	–	**2 912**	2 469	443	84,79	–	–
2.2 Citizenship								
Current	1 682	159	**1 841**	1 841	–	100,00	1 391	1 390
Capital	38	–	**38**	–	38	–	17	18
2.3 Population Register								
Current	588 551	(41 992)	**546 559**	569 498	(22 939)	104,20	418 175	393 760
Capital	205 100	20 663	**225 763**	49 727	176 036	22,03	292 626	273 075
Total	**824 323**	**(15 159)**	**809 164**	**655 853**	**153 311**	**81,05**	**736 849**	**692 403**

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current								
Personnel	339 367	13 079	**352 446**	352 490	(44)	100,01	276 452	271 395
Other	276 906	(48 901)	**228 005**	251 167	(23 162)	110,16	167 535	147 915
Capital								
Acquisition of capital assets	208 050	20 663	**228 713**	52 196	176 517	22,82	292 862	273 093
Total	**824 323**	**(15 159)**	**809 164**	**655 853**	**153 311**	**81,05**	**736 849**	**692 403**

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	339 367	13 079	**352 446**	352 490	(44)	100,01	276 452	271 395
Administrative	49 076	(2 482)	**46 594**	46 564	30	99,94	33 502	35 286
Inventories	40 490	10 390	**50 880**	50 890	(10)	100,02	35 650	35 142
Equipment	208 218	20 663	**228 881**	62 045	166 836	27,11	302 304	282 715
Professional and special services	187 172	(56 824)	**130 348**	143 849	(13 501)	110,36	88 941	67 865
Miscellaneous	–	15	**15**	15	–	–	–	–
Total	**824 323**	**(15 159)**	**809 164**	**655 853**	**153 311**	**81,05**	**736 849**	**692 403**

DEPARTMENT OF HOME AFFAIRS
VOTE 4

DETAIL PER PROGRAMME 3
for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
3.1. Permanent and Temporary Residence								
Current	10 298	178	**10 476**	10 758	(282)	102,69	10 042	7 707
Capital	141	141	**282**	–	282	–	141	–
3.2 Immigration Advisory Board								
Current	4 461	(3 364)	**1 097**	1 097	–	100,00	377	101
Capital	562	(485)	**77**	77	–	100,00	–	–
3.3 Consultative Committee for Performing Artists								
Current	1	–	**1**	–	1	–	–	–
3.4 Control of Travellers								
Current	59 643	3 847	**63 490**	63 287	203	99,68	64 029	58 620
Capital	212	(142)	**70**	70	–	100,00	85	57
3.5 Aliens Control								
Current	218 928	(14 710)	**204 218**	205 900	(1 682)	100,82	166 516	132 845
Capital	1 549	1 739	**3 288**	1 292	1 996	39,29	2 798	3 326
3.6 Refugee Affairs								
Current	5 632	(252)	**5 380**	4 929	451	91,62	4 303	3 510
Capital	185	(31)	**154**	154	–	100,00	173	–
3.7 Standing Committee for Refugee Affairs								
Current	1 177	(1 096)	**81**	81	–	100,00	–	–
Capital	50	(50)	**–**	–	–	–	–	–
3.8 Refugee Appeal Board								
Current	831	765	**1 596**	2 047	(451)	128,26	1 441	1 973
Capital	106	(77)	**29**	29	–	100,00	99	–
3.9 Consular Affairs								
Current	35 490	(1 319)	**34 171**	34 171	–	100,00	23 710	21 518
Capital	430	(374)	**56**	56	–	100,00	120	25
Total	**339 696**	**(15 230)**	**324 466**	**323 948**	**518**	**99,84**	**273 834**	**229 683**

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current								
Personnel	182 638	4 592	**187 230**	187 269	(39)	100,02	159 758	156 451
Transfer payments	1	–	**1**	–	1	–	1	–
Other	153 822	(20 261)	**133 561**	135 001	(1 440)	101,08	110 659	69 823
Capital								
Acquisition of capital assets	3 235	439	**3 674**	1 678	1 996	45,67	3 416	3 409
Total	**339 696**	**(15 230)**	**324 466**	**323 948**	**518**	**99,84**	**273 834**	**229 683**

DEPARTMENT OF HOME AFFAIRS
VOTE 4

DETAIL PER PROGRAMME 3
for the year ended 31 March 2004

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	182 638	4 592	**187 230**	187 269	(39)	100,02	159 758	156 451
Administrative	20 526	3 534	**24 060**	24 055	5	99,98	17 569	17 279
Inventories	7 301	(540)	**6 761**	6 770	(9)	100,13	5 626	5 532
Equipment	3 503	2 792	**6 295**	5 735	560	91,10	3 902	3 894
Professional and special services	125 727	(25 707)	**100 020**	100 020	–	100,00	86 954	46 485
Transfer payments	1	–	**1**	–	1	–	1	–
Miscellaneous	–	99	**99**	99	–	–	24	42
Total	**339 696**	**(15 230)**	**324 466**	**323 948**	**518**	**99,84**	**273 834**	**229 683**

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DETAIL PER PROGRAMME 4
for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
4.1. Film and Publication Board								
Current	5 200	–	**5 200**	5 200	–	100,00	4 000	4 000
4.2 Government Printing Works								
Current	25 000	–	**25 000**	25 000	–	100,00	–	–
Capital	–	–	**–**	–	–	–	1	–
4.3 Government Motor Transport								
Capital	3 505	56	**3 561**	3 562	(1)	100,03	3 364	3 363
4.4 Independent Electoral Commission								
Current	640 960	–	**640 960**	640 960	–	100,00	210 756	210 756
4.5 Capital Works								
Current	1 925	–	**1 925**	2 647	(722)	137,51	3 000	2 719
Capital	46 648	223	**46 871**	26 345	20 526	56,21	47 450	16 823
Total	**723 238**	**279**	**723 517**	**703 714**	**19 803**	**97,26**	**268 571**	**237 661**

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current								
Transfer payments	671 160	–	**671 160**	671 160	–	100,00	214 756	214 756
Other	1 925	–	**1 925**	2 647	(722)	137,51	3 000	2 719
Capital								
Transfer payments	–	–	**–**	–	–	–	2	–
Acquisition of capital assets	50 153	279	**50 432**	29 907	20 525	59,30	50 813	20 186
Total	**723 238**	**279**	**723 517**	**703 714**	**19 803**	**97,26**	**268 571**	**237 661**

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Equipment	3 505	56	**3 561**	3 562	(1)	100,03	3 363	3 363
Land and buildings	48 573	223	**48 796**	28 992	19 804	59,41	50 450	19,542
Transfer payments	671 160	–	**671 160**	671 160	–	100,00	214 758	214 756
Total	**723 238**	**279**	**723 517**	**703 714**	**19 803**	**97,26**	**268 571**	**237 661**

DEPARTMENT OF HOME AFFAIRS
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2004

Detail of current and capital transfers as per Appropriation Act (after Virement):

1   Detail of these transactions can be viewed in note 9 (Transfer payments) 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 (Charge to National Revenue Fund) to the annual financial statements.

3   **Detail of special functions (theft and losses)**

Details of these transactions per programme can be viewed in note 11.4 (Details of special functions) to the annual financial statements.

4   **Explanations of material variances from Amount Voted (after virement):**

4.1   **Per programme:**

Programme 1: Administration – R8,822 million

Savings are mainly attributed to vacant posts as well as orders placed for equipment but not delivered by the suppliers in the 2003/04 financial year. Most orders were placed to achieve the Turnaround Strategy of the Department. Treasury's approval will be requested to roll over funds for backlog issues relating to outstanding parity cases as well as for Judge White refunds and committed Turnaround Strategy expenditure to the 2004/05 financial year.

Programme 2: Services to Citizens – R153,311 million

Savings can mainly be attributed to the Back Record Conversion that did not materialise during the 2003/04 financial year and is currently in the starting process. National Treasury approved to utilise a sole source tender approach to implement this project. Furthermore, due to problems experienced in the Department's IT infrastructure, it caused a delay in the implementation of the Electronic Document Management System and could not be implemented as anticipated as well as committed equipment expenditure regarding the Turnaround Strategy of the Department. Treasury's approval will be requested to roll

DEPARTMENT OF HOME AFFAIRS
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2004

over funds for the Back Record Conversion, Electronic Document Management System and Turnaround Strategy expenditure to the 2004/05 financial year.

Programme 3: Migration – R0,518 million

Savings can mainly be attributed to orders placed for equipment but not materialised in the 2003/04 financial year regarding the Turnaround Strategy of the Department. Treasury's approval will be requested to roll over funds for the Turnaround Strategy expenditure to the 2004/05 financial year.

Programme 4: Auxiliary and associated services – R19,804 million

Savings can mainly be attributed to the Repair and Maintenance Programme (RAMP) projects of the Department of Home Affairs, which were to be conducted during 2003/04. However, only the status quo reports per regions and buildings were finalised by the joint team between the Department and Department of Public Works. It is envisaged to go out on tender during 2004/05 for real implementation. The Department was not in a position to go out on tender during 2003/04, due to the delay in the finalising of the status quo reports. However, so far, all status quo reports received were reprioritised and the Department of Public Works indicated that the Department should secure the rollover amount in order to start implementation. Should rollover be withheld, the Department will not be able to upgrade the earmarked buildings that are not compliant to the Occupational Health and Safety Act.

Special functions – (R1,521) million

Over expenditure mainly includes thefts and losses, which were written off.

4.2 **Per standard item:**

Personnel expenditure – R1,693 million

Saving is mainly due to vacant posts in the 2003/04 financial year.

Administrative expenditure – (R0,188) million

The budget has been exceeded mainly due to travelling costs, which were unavoidable.

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VOTE 4

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2004

Inventories – (R0,26) million

The budget has been exceeded mainly due to stationary and printing matters regarding the ID Campaign, which were unavoidable.

Equipment – R171,374 million

Saving mainly due to the Back Record Conversion and Electronic Document Management System that did not materialise in the 2003/04 financial year, due to IT infrastructure problem.

Land and buildings – R19,804 million

Saving can mainly be attributed to the Repair and Maintenance Programme (RAMP) projects, which were to be conducted during 2003/04. However, only the status quo reports per regions and buildings were finalised by the joint team between the Department and Department of Public Works. It is envisaged to go out on tender during 2004/05 for real implementation. The Department was not in a position to go out on tender during 2003/04, due to the delay in the finalisation of the status quo reports. However, so far, all status quo reports received were reprioritised and the Department of Public Works indicated that the Department should secure the roll-over amount in order to start implementation. Should roll-over be withheld, the Department will not be able to upgrade the earmarked buildings that are not compliant to the Occupational Health and Safety Act.

Professional and special services – (R10,204) million

Mainly due to consultant / contractor services.

Transfer payments – R0,001 million

Minimal amounts kept in budget to activate budget.

Special functions – (R1,521) million

Includes mainly thefts and losses, which were written off.

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INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)
for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
REVENUE			
Voted funds		**2 132 688**	**1 508 308**
Charge to National Revenue Fund	1	2 132 688	1 486 752
Appropriation for unauthorised expenditure	12.1	–	21 556
Non voted funds		**316 623**	**222 809**
Revenue to be surrendered to the revenue fund	2	316 623	222 796
Other revenue to be surrendered to the revenue fund	3	–	13
TOTAL REVENUE		**2 449 311**	**1 731 117**
EXPENDITURE			
Current		**1 853 966**	**1 081 786**
Personnel	4	660 348	530 498
Administrative		117 037	90 291
Inventories	5	63 040	46 175
Equipment	6	21 340	11 911
Land and buildings	7	2 647	2 719
Professional and special services	8	316 664	163 335
Transfer payments	9	671 160	214 756
Miscellaneous	10	209	47
Special functions: authorised losses	11	1 521	498
Unauthorised expenditure approved	12.1	–	21 556
TOTAL CURRENT EXPENDITURE		**1 853 966**	**1 081 786**
Capital		**97 789**	**306 805**
Equipment	6	71 444	289 982
Land and buildings	7	26 345	16 823
TOTAL CAPITAL EXPENDITURE		**97 789**	**306 805**
TOTAL EXPENDITURE		**1 951 755**	**1 388 591**
NET SURPLUS	13	**497 556**	**342 526**
Add back unauthorised and fruitless and wasteful expenditure not considered by Parliament	**12**	15 281	15 281
NET SURPLUS FOR THE YEAR BEFORE SURRENDERS		**512 837**	**357 807**
Reconciliation of Net Surplus for the Year			
Voted funds to be surrendered to the Revenue Fund	16	180 933	119 717
Other Revenue to be surrendered to the Revenue Fund	17	316 623	222 809
NET SURPLUS FOR THE YEAR		**497 556**	**342 526**

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BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
ASSETS			
Current assets		**281 822**	**199 667**
Unauthorised and irregular expenditure	12	15 281	15 281
Cash and cash equivalents	14	216 433	138 340
Receivables	15	50 108	46 046
TOTAL ASSETS		**281 822**	**199 667**
LIABILITIES			
Current liabilities		**273 053**	**189 386**
Voted funds to be surrendered	16	180 933	119 717
Revenue funds to be surrendered	17	62 437	45 362
Payables	18	29 683	24 307
TOTAL LIABILITIES		**273 053**	**189 386**
NET ASSETS		**8 769**	**10 281**
EQUITY		**8 769**	**10 281**
Recoverable revenue		8 769	10 281
TOTAL EQUITY		**8 769**	**10 281**

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STATEMENT OF CHANGES IN NET ASSETS/EQUITY
for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
Recoverable revenue			
Opening balance		10 281	421
Transfer to Revenue Fund	17	(2 373)	9 512
Debts written off	11.3	861	348
Closing balance		**8 769**	**10 281**
TOTAL EQUITY		**8 769**	**10 281**

DEPARTMENT OF HOME AFFAIRS
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CASH FLOW STATEMENT
for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities	19	595 345	649 331
Cash generated (utilised) to (increase)/decrease working capital	20	(198)	(5 349)
Voted funds and revenue funds surrendered	21	(419 265)	(238 375)
Unauthorised expenditure approved	12.1	–	21 556
Net cash flow available from operating activities		**175 882**	**427 163**
CASH FLOWS FROM INVESTING ACTIVITIES		**(97 789)**	**(306 805)**
Additions to equipment	6	(71 444)	(289 982)
Additions to land and buildings	7	(26 345)	(16 823)
Net cash flows from operating and investing activities		**78 093**	**120 358**
Net increase/(decrease) in cash and cash equivalents		**78 093**	**120 358**
Cash and cash equivalents at beginning of period		**138 340**	**17 982**
Cash and cash equivalents at end of period		**216 433**	**138 340**

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

1. Annual Appropriation

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

Programmes	Total Appropriation 2003/04 R'000	Actual R'000	Variance (over)/under R'000	Total Appropriation 2002/03 R'000
1 Administration	275 541	266 719	8 822	207 498
2 Services to Citizens	809 164	655 853	153 311	736 849
3 Migration	324 466	323 948	518	273 834
4 Auxiliary and associated services	723 517	703 714	19 803	268 571
Special Functions	–	1 521	(1 521)	–
Total	**2 132 688**	**1 951 755**	**180 933**	**1 486 752**

1.2 The saving was requested for roll-over from National Treasury. The variance is mainly due to unspent funds for projects that did not materialise, as well as commitments on purchases that could not be delivered prior to financial year closure.

2.	**Non-voted funds**	**Note**	**2003/04 R'000**	**2002/03 R'000**
	Sales of goods and services	2.1	351 856	217 150
	Other receipts	2.2	9 237	5657
	Revenue accrual account		892	–
	Less:			
	Other revenue to be surrendered	3	–	13
	Revenue funds to be surrendered	17	45 362	–
	Total		**316 623**	**222 796**

2.1	**Sales of goods and services**			
	Passports		101 133	60 862
	Population Register		174 204	24 165
	Other Travel Documents		74 534	129 612
	Penalties: Conveyors		1 050	2 511
	Commissions on Assurance		935	–
	Total		**351 856**	**217 150**

There were backlogs on the capturing of receipts as well as the Foreign Affairs account in the previous financial year, and has now been cleared.

2.2	**Other receipts**			
	Interest received		(172)	773
	Recoveries of housing rent		193	202
	Debt recoveries (recoverable revenue)		–	193
	Unspecified income from Foreign Affairs		3 433	1 628
	Miscellaneous		5 783	2 863
	Total		**9 237**	**5 659**

3.	**Other revenue to be surrendered to the revenue fund**			
	Gifts, donations and sponsorship received	3.1	**–**	**13**

		Note	**2003/04**	**2002/03**

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

		R'000	R'000
3.1	**Gifts, donations and sponsorships received by the Department**		
	Epaulettes and 28 chairs were donated for Immigration Officers at the Johannesburg International Airport, by the Airports Company of South Africa (ACSA)	–	**13**
4.	**Personnel**		
4.1	**Current expenditure**		
	Appropriation to Executive and Legislature	1 297	1 238
	Basic salary costs	424 303	356 069
	Pension contributions	63 164	53 113
	Medical aid contributions	39 031	36 647
	Other salary related costs	132 553	83 431
	Total	**660 348**	**530 498**
	Other salary related costs include the payment of overtime on the ID Campaign		
	Average number of employees as at 31 March 2004	5 762	5 922
5.	**Inventories**		
5.1	**Current expenditure**		
	Books/magazines/publications	191	150
	Cleaning material	6 681	4 614
	Clothing: Uniforms & protective	1 428	1 295
	Departmental Printing	46 690	36 500
	Stationery	8 050	3 616
	Total	**63 040**	**46 175**
6.	**Equipment**		
	Current	21 340	11 911
	Capital 6.1	71 444	289 982
	Total current and capital expenditure	**92 784**	**301 893**
6.1	**Capital equipment analysed as follows:**		
	Computer equipment	62 460	284 278
	Furniture and office equipment	5 422	2 341
	Transport	3 562	3 363
	Total	**71 444**	**289 982**
7.	**Land and buildings**		
	Maintenance	2 647	2 622
	Rental	–	97
	Total current expenditure	2 647	2 719
	Capital expenditure 7.1	26 345	16 823
	Total current and capital expenditure	**28 992**	**19 542**
7.1	**Capital land and buildings expenditure analysed as follows:**		
	Other structures (infrastructure assets)	**26 345**	**16 823**

		Note	2003/04 R'000	2002/03 R'000
8.	**Professional and special services**			
8.1	**Current expenditure**			

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

	Auditors' remuneration		2 694	1 904
	Contractors		98 244	102 932
	Consultants and advisory services		32 628	2 316
	Commissions and committees		441	2
	Computer services		28 356	1 216
	Food (Lindela Detention Centre)		95 890	43 368
	Legal services		6 325	3 468
	Repair services		964	4 245
	Free photos		42 580	–
	Licensing fees		8 417	–
	Other		125	3 884
	Total		**316 664**	**163 335**

9.	**Transfer payments**			
	Transfers to public entities and institutions (Current)	Annex 1	**671 160**	**214 756**
10.	**Miscellaneous**			
10.1	**Current Expenditure**			
	Remissions, refunds and payments made as an act of grace	10.2	109	38
	Gifts, donations and sponsorships made	10.3	100	9
	Total		**209**	**47**
10.2	**Remissions, refunds and payments made as an act of grace**			
	Claims against the Government		94	–
	Ex gratia payment		15	20
	Injury on duty		–	18
	Total		**109**	**38**
10.3	**Gifts, donations and sponsorships paid in cash by the Department (items expensed during the current year)**			
	Chess Set – Minister of Australia visit		–	2
	Zebra post pads – 33rd IATA/Civil Aviations Working Group Conference		–	5
	Toiletries – Deputy Minister appreciation gifts to her support personnel		–	1
	Wrist watches – Award to employees who qualify for long service recognition		–	1
	Sponsorship to assist with the establishment of the Immigration Practitioners Association		100	–
	Purchase of gold cuff links, South African flag, scarves, and lapel pins for the Director-General of the Botswana Department of Immigration and Citizenship		1	–
	Total		**101**	**9**
11.	**Special functions: Authorised losses**			
	Debts written off	11.3	861	348
	Material losses through criminal conduct	11.1	447	139
	Other material losses written off	11.2	213	11
	Total	11.4	**1521**	**498**

		Note	2003/04 R'000	2002/03 R'000
11.1	**Material losses through criminal conduct**			
	Theft of equipment		384	119
	Damages repaired		12	18

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

	Theft of accessories	51	2
	Total	**447**	**139**
11.2	**Other material losses written off in income statement**		
	Damages of state vehicles	203	7
	Losses due to robberies, thefts and negligence as well as repairs to equipment	10	4
	Total	**213**	**11**
11.3	**Debts written off**		
	Salary overpayments	224	310
	Others	–	30
	Financial assistance	3	4
	Dishonoured cheques	15	3
	Interest	–	1
	Shortage and thefts of State money	382	–
	Penalties	237	–
	Total	**861**	**348**
11.4	**Details of special functions (theft and losses)**		
	No provision was made within a programme	**1 521**	**498**

		Note		
12.	**Unauthorised and irregular expenditure disallowed**			
	Unauthorised expenditure not considered by Parliament	12.1	15 281	15 281
12.1	**Reconciliation of unauthorised expenditurebalance**			
	Opening balance		**15 281**	**36 837**
	Less:			
	Approved by Parliament		**–**	**21 556**
	Closing balance	12.2	**15 281**	**15 281**

12.2 **Unauthorised expenditure**

Incident	Disciplinary steps taken/ criminal pro-ceedings		
2000/01 - Unauthorised: Transportation of deportees by air without obtaining prior approval from State Tender Board to deviate from existing State Tender No RT309 of 1998MD.		6 130	6 130
2000/01 - Unauthorised: Overspending on Programme 1: Administration.		4 468	4 468
2000/01 - Irregular: Transportation of deportees		4 294	4 294
2000/01 - Chubb Protective Services (Pty) Ltd		389	389
Total		**15 281**	**15281**

		Note	2003/04 R'000	2002/03 R'000
13.	**Analysis of Surplus**			
	Voted funds to be surrendered to the National Revenue Fund		**180 933**	**119 717**
	Non-voted funds		**316 623**	**222 809**
	Revenue to be surrendered to the National Revenue Fund		**316 623**	**222 796**

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

	Other revenue to be surrendered to the National Revenue Fund		–	13
	Total		**497 556**	**342 526**
14.	**Cash and cash e quivalents**			
	Paymaster General Account		216 433	138 340
15.	**Receivables – current**			
	Amounts owing by other departments		7 808	9 377
	Staff debtors	15.2	2 611	3 792
	Other debtors	15.3	38 006	30 747
	Advances	15.4	1 683	2 130
	Total	15.1	**50 108**	**46 046**
15.1	**Age analysis – receivables current**			
	Less than one year		20 497	30 842
	One to two years		(295)	(8 492)
	More than two years		29 906	23 696
	Total		**50 108**	**46 046**
15.2	**Staff debtors**			
	Persal disallowance		675	2 035
	Persal S & T abnormal living expenditure		1 934	1 733
	Other		2	24
	Total		**2 611**	**3 792**
15.3	**Other debtors**			
	Penalties charged		11 952	12 857
	Suspense Foreign Affair s		16 985	8 740
	Claims Recoverable: Salaries		0	655
	Shortages because of thefts		1 591	1 968
	Dishonoured cheques		128	107
	Debt Suspense Account		42	51
	Film and Publication Board		289	309
	Claim Recoverable National Dept Correctional Services		0	9
	Clearance Foreign Affairs		0	283
	Recoverable Rent Debt Abroad		360	327
	Lost / damage of equipment		957	221
	Petty cash / Postage Suspense Account		21	376
	Conversion FMS Warrant Vouchers		337	337
	Damage GG Vehicles		2 906	2 523
	Debt Account		1 983	1 977
	Debt Receipt Control		346	–
	Disallowance: Boat/plan stowaways		106	–
	Other		3	7
	Total		**38 006**	**30 747**

		Note	2003/04 R'000	2002/03 R'000
15.4	**Advances**			
	Subsistence Transport: Persal		1 231	1 984
	Advance Petty Cash		132	125
	Standing advances		320	21
	Total		**1 683**	**2 130**

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

		Note		
16.	**Voted funds to be surrendered**			
	Opening balance		**119 717**	**41 125**
	Transfer from income statement		**2 132 688**	**1 486 752**
	Paid during the year		**(2 071 472)**	**(1 408 160)**
	Closing balance		**180 933**	**119 717**
17.	**Other Revenue to be surrendered to the Revenue Funds**			
	Opening balance		**45 362**	**19 804**
	Other Revenue to be surrendered to the Revenue Fund		**316 623**	**222 808**
	Transfer from income statement for revenue to be surrendered		**318 996**	**213 296**
	Recoverable revenue		**(2 373)**	**9 512**
	Paid during the year		(299 548)	(197 250)
	Closing balance		**62 437**	**45 362**
18.	**Payables - Current**			
	Amounts owing to other departments		**6 926**	**8 439**
	Other payables	18.1	22 757	15 868
	Total		**29 683**	**24 307**
18.1	**Other payables**			
	Receivable Interest		4 016	3 351
	Private telephone		281	–
	Telkom Control Account		–	10
	Salary Reversal Control		951	136
	Pension Deduction		276	226
	Boat/Plane Hide Away		–	997
	Tax RSA		2 631	830
	Repatriation: Foreign Affairs		13 375	8 592
	Conversions Deposit Account		1 019	1 359
	EBT Rejections Account		1	–
	Others		207	367
	Total		**22 757**	**15 868**
19.	**Net cash flow ge nerated by operating activities**			
	Net surplus as per Income Statement		497 556	342 526
	Adjusted for items separately disclosed		97 789	306 805
	Additions to equipment		**71 444**	**289 982**
	Additions to land and buildings		**26 345**	**16 823**
	Net cash flow generated by operating activities		**595 345**	**649 331**

| | | Note | 2003/04
R'000 | 2002/03
R'000 |
|---|---|---|---|---|
| **20.** | **Cash generated / (utilised) to (increase) / decrease working capital** | | | |
| | (Increase) in receivables – current | | **(4 062)** | **(8 988)** |
| | Increase in payables | | **5 376** | **(6 220)** |
| | (Decrease) in recoverable revenue | | (1 512) | 9 859 |
| | **Total** | | **(198)** | **(5 349)** |
| | | | | |
| **21.** | **Voted funds and Revenue funds surrendered** | | | |

DEPARTMENT OF HOME AFFAIRS
VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

Voted funds surrendered	**(119 717)**	**(41 125)**
Revenue funds surrendered	(299 548)	(197 250)
Total	**(419 265)**	**(238 375)**

DEPARTMENT OF HOME AFFAIRS
VOTE 4

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

These amounts are not recognised in the financial statements, and are disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

		Note	2003/04 R'000	2002/03 R'000
22.	**Contingent liabilities**			
	Liable to **Nature**			
	Motor vehicle guarantees Employees	Annex 2	**840**	**840**
	Housing loan guarantees Employees	Annex 2	**12 343**	**14 735**
	Total		**13 183**	**15 575**
23.	**Accruals**			
	Department of Foreign Affairs		–	94 000
24.	**Employee benefits**			
	Leave entitlement		**4 390**	**2 807**
	Thirteenth cheque		**34 992**	**27 921**
	Performance bonus		3 074	3 006
	Total		**42 456**	**33 734**

25.   Key management personnel
25.1   Remuneration
The aggregate remuneration of the key management of the department and the number of individuals determined on a full time equivalent basis receiving remuneration within this category, showing separately major classes of key management personnel and including a description of each class.

	2003/04 R'000
Minister	747
Deputy Minister	551
Director-General	646
Deputy Director-General	642
Chief Financial Officer	461
Chief Director: Human Resources	516
Chief Director: Legal Services	472
Chief Director: Civic Services	487
Acting Chief Director: Immigration	481
Acting Chief Director: Immigration	381
Acting Chief Director: Information Technology	424

DEPARTMENT OF HOME AFFAIRS
VOTE 4

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

ANNEXURE 1

STATEMENT OF TRANSFERS TO PUBLIC ENTITIES AND INSTITUTIONS BY NATIONAL/PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2004

Transfer to Public Entity/ Institution	ALLOCATION				EXPENDITURE				
	Appropriations Act	Adjustments Estimate	Roll Overs	Total (i) Available	Actual Transfer	Amount not Transferred	% of Available Transferred	Capital	Current
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Film and Publication Board	5 200	–	–	5 200	5 200	–		–	5 200
Independent Electoral Commission	640 960	–	–	640 960	640 960	–		–	640 960
Government Printing Works	25 000	–	–	25 000	25 000	–		–	25 000
Total	**671 160**	**–**	**–**	**671 160**	**671 160**	**–**		**–**	**671 160**

DEPARTMENT OF HOME AFFAIRS
VOTE 4

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

ANNEXURE 2

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2004

DOMESTIC / FOREIGN

Guaranteed Institution	Guarantee in respect of	Original Guaranteed capital amount	Opening Balance as at 1 April 2003	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest outstanding as at 31 March 2004	Closing Balance 31 March 2003	Released losses i.r.o claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
STANNIC	Motor vehicle guarantees	840	840	–	–	–	840	–
ABSA	Housing loans guarantees	3 387	4 532	402	1 547	–	3 387	–
African Bank	"	84	84	–	–	–	84	–
BOE Bank	"	1 108	1 438	–	330	–	1 108	–
First National Bank	"	824	998	202	376	–	824	–
Free State Development	"	18	18	–	–	–	18	–
Green Start Home Loans	"	31	31	–	–	–	31	–
Hlano Financial Service	"	18	18	–	–	–	18	–
Ithala Bank	"	15	11	15	11	–	15	–
Meeg Bank	"	19	39	79	99	–	19	–
NP Development Corp	"	73	35	38	–	–	73	–
Nedcor	"	2 785	2 661	660	536	–	2 785	–
Old Mutal Bank	"	338	356	93	111	–	338	–
Peoples Bank	"	540	645	43	148	–	540	–
Saambou Bank	"	1 314	1 788	17	491	–	1 314	–
Standard Bank	"	1 613	1 916	92	395	–	1 613	–
TNBS Mutual Bank	"	33	47	–	14	–	33	–
Uni Bank	"	16	16	–	–	–	16	–
VSB Mutual Bank	"	127	102	25	–	–	127	–
Total		**12 343**	**14 735**	**1 666**	**4 058**	**–**	**12 343**	**–**

DEPARTMENT OF HOME AFFAIRS
VOTE 4

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

ANNEXURE 3

PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/04	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
LAND AND BUILDINGS	**–**	**–**	**–**	**–**	**–**	**–**
Other structures (Infrastructure Assets)	–	–	–	–	–	–
EQUIPMENT	**340 177**	**67 078**	**–**	**–**	**–**	**407 255**
Computer, Furniture and office equipment	340 177	67 078	–	–	–	407 255
	340 177	**67 078**	**–**	**–**	**–**	**407 255**

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/04	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
LAND AND BUILDINGS	**–**	**–**	**–**	**–**	**–**	**–**
Other structures (Infrastructure Assets)	–	–	–	-	–	–
EQUIPMENT	**196 829**	**143 348**	**–**	**–**	**–**	**340 177**
Computer, Furniture and office equipment	196 829	143 348	–	–	–	340 177
	196 829	**143 348**	**–**	**–**	**–**	**340 177**

An additional amount of R23,4 million has been spent on assets (2003/04) per manual orders, which were not included in the amount or R407,255 million as disclosed under equipment above.

ANNUAL FINANCIAL STATEMENTS
Government Printing Works

Acting Government Printer
Mr SD Quist
(from December 2003)

Acting Government Printer
Mr JP Engelbrecht
(till December 2003)

Annual Financial Statements - Government Printing Works

ANNUAL FINANCIAL STATEMENTS

GOVERNMENT PRINTING WORKS
for the year ended 31 March 2004

GOVERNMENT PRINTING WORKS
MANAGEMENT REPORT
for the year ended 31 March 2004

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

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITY

The Accounting Officer is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with generally accepted accounting practice and in the manner required by Section 40 (1)(b) of the PFMA.

The Accounting Officer is also responsible for Government Printing Works' system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss.

The financial statements have been prepared on the going concern basis, since the Accounting Officer has every reason to believe that Government Printing Works has adequate resources in place to continue in operation for the foreseeable future. Unless otherwise indicated, the financial statements are prepared on the basis used in previous year and it is the intention of the Government Printing Works to move closer towards conforming to the generally accepted accounting practice. Refer to notes to the financial statements for details on the nature and the extent of departure to the statements of generally accepted accounting practice.

BACKGROUND

1. SERVICES RENDERED BY THE GOVERNMENT PRINTING WORKS

The Government Printing Works is tasked with the rendering of printing and related services to Government Departments, Provincial Institutions and Local Authorities.

GOVERNMENT PRINTING WORKS
MANAGEMENT REPORT
for the year ended 31 March 2004

This entails the following:

1.1   Services

- Compiling, editing, printing and distribution of Government Gazettes and Provincial Gazettes.

- The procurement and stocking of departmental forms and face value documents.

- The provision of a printing service pertaining to high security documents and also printed matter of general nature.

- The procurement and distribution of standard stationary items.

- 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 to institutions abroad.

1.2   Tariff policy

1.2.1   Printing

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

1.2.2   Stationery and government publications

Calculation is based on actual cost, i.e. cost of purchases plus operating cost.

2. CAPACITY CONSTRAINTS

Retaining of skilled personnel continues to be a challenge for Government Printing Works, mainly because of unfavourable remuneration compared to the private printing industry.

2.1 Critical management positions

Allow me to report as follows, on the status of "critical" management positions, during the financial year ended 31 March 2004:

GOVERNMENT PRINTING WORKS
MANAGEMENT REPORT
for the year ended 31 March 2004

- Government Printer

  The post of Government Printer, which is equivalent to Chief Director, the incumbent, the Accounting Officer, who assumes the overall responsibility for the management of the institution, has been vacant since 1 March 1999.

  In view of the imminent corporitisation of the Government Printing Works, the Department has taken the administrative decision not to fill the post but to appoint an interim Chief Executive Officer on contract for one year pending the finalisation of the exercise. Advertisement of the post closed on the 13th of April 2004 and the Department of Home Affairs is managing the selection process.

- Assistant Government Printer, Factory Manager and Assistant Factory Manager

  The above posts have been filled during the financial year under review.

- Assistant Director: Finance, Assistant Director: Stationery and Cost Accountant

  These posts were advertised several times but no suitable candidates could be identified for eligibility for interview. However, the process of appointing the Assistant Director: Financial Management and the Assistant Director: Stationery, is currently underway and the successful candidates should commence working from 1 July 2004. Management has agreed to appoint a Cost Accountant on a contract basis until such time Government Printing Works can offer market related salaries in line with the printing industry.

3. ESTABLISHMENT OF GOVERNMENT PRINTING WORKS AS A PUBLIC ENTERPRISE

The process is close to finalisation. A task team comprising officials of the Department of Public Enterprises, National Treasury, Home Affairs and Government Printing Works have finalised the "Bill" and the Business Case. It is anticipated that the Bill and the Business Case could go for approval by the Joint Evaluation Committee during July 2004.

GOVERNMENT PRINTING WORKS
MANAGEMENT REPORT
for the year ended 31 March 2004

4. FINANCIAL MANAGEMENT

Continuous progress is being made in respect to improvement on financial management and reporting of the Government Printing Works. In this regard the following have been achieved:

- Financial and non-financial information is presented to the Task Team, on a monthly basis.

- Significant controls and procedures have been implemented on debtors' management to reduce Government Printing Works' debtors book and to have better controls on creditors management.

- Compared to the previous financial year, at 31 March 2004 Government Printing Works had a favourable bank balance of R52 828 million as opposed to the R25 309 million overdraft during the 2003 financial year.

4.1 Management of debtors

4.1.1   Unallocated receipts

Whenever the Government Printing Works issues accounts to all client departments on a monthly basis, it does so with the explicit request that they provide remittance details pertaining to the electronic payment of each invoice. However, most departments do not heed this, resulting in the GPW still experiencing difficulties in maintaining accurate accounts records as a result of electronic payments being received without corresponding remittance advices. The institution is then compelled to engage in protracted communication with such departments for the relevant details, as departments take their time to provide such information or they do not provide it at all. Consequently, payments that we receive during month end are carried forward because of insufficient details to allocate them.

In the past, the general capacity constraints of the GPW also contributed to the lack of optimal operation of the Debtors' Section. However, three officials have since been appointed in the interim to augment the component in order to speed up the allocation of long outstanding receipts by following up with the relevant departments, urging them to provide adequate information so that receipts can be allocated timeously. Furthermore, the GPW is in the process to appoint 10 accounting clerks to deal with the reconciliation of debtors' individual accounts as well as the allocation of receipts from the three regional offices. This process will be concluded by the end of

GOVERNMENT PRINTING WORKS
MANAGEMENT REPORT
for the year ended 31 March 2004

October 2004, and it will definitely facilitate bringing the situation under acceptable control, taking cognisance of the present *number* of officials compared to the over **3000** individual accounts that have to be dealt with each month.

4.1.2   Interest on overdue debts

During the 2003/2004 financial year, the Government Printing Works was busy putting in place a process to ensure that it's debtors' system accommodates charging interest and that interest charged to a department is correct. From April 2004, interest will be charged on all accounts that are outstanding for more than 30 days.

4.1.3 Debt collection

The Government Printing Works has increased capacity in its debt collection section by appointing the head of the section to give direction and transfer skills. The Government Printing Works will increase the current staff complements by end of October 2004 to approximately eight in order to deal with the slow payments. Meanwhile, on the other hand, communication with departments is ongoing, trying to address their challenges resulting in non-payment of their accounts.

4.1.4   Information Technology

The Department of Home Affairs' IT department has assisted GPW in sourcing suitable candidates for the IT section which hitherto was technically non-existing. Two qualified IT specialists have since been employed on a contract basis and they are adequately attending to all IT related matters. By the end of October 2004, all GPW's regional offices will be brought on line to be able to access the national office's IT infrastructure via SITA, to enable the institution to run a single financial system throughout, which it is hoped would reduce manual work that sometimes created a lot of problems in terms of financial management.

To implement adequate and sound controls is a process, and it is therefore regrettable that by 31 March 2004 some of the control procedures were still not in place, but the change control policy has been drafted, reviewed and will be implemented from the 1st of August 2004.

4.2 Corporate governance

The Government Printing Works, as a Trading Account within the Department of Home Affairs, subscribes to corporate governance principles..

GOVERNMENT PRINTING WORKS
MANAGEMENT REPORT
for the year ended 31 March 2004

4.3 Audit Committee

As a Chief Directorate of the Department of Home Affairs, Government Printing Works is part of the audit committee that reviews and evaluates the appropriateness and adequacy of the systems of internal financial and operational control and accounting policies of the Department. The Acting Government Printer, Deputy Government Printer (Operations) and Assistant Government Printer attend the audit committee meetings.

4.4 Executive Committee

This Committee consists of officials on Assistant Directors level upwards, who are managers at all the operational areas in the Government Printing Works. The Executive Committee makes recommendations to the Acting Government Printer on the overall operational and strategic direction of Government Printing Works.

4.5 Task Team

The Director-General has appointed a Task Team to assist in the strategic management of Government Printing Works. The Task Team meets on a monthly basis to discuss and evaluate progress made on financial and operational matters and reports back to the Director-General.

4.6 Internal Audit

The establishment of an internal audit component within Government Printing Works has been approved and the process of appointing officers to fill the establishment is in progress. The internal audit unit will function under the Directorate: Internal Audit of Home Affairs until such time Government Printing Works management is of the view that the internal audit unit can function independently of the Department of Home Affairs.

4.7 Strategic and Risk Assessment Plan

A three-year strategic plan has been completed and implemented in incremental stages. The process of selecting and awarding contract to a service provider to assist in the assessment and drawing up of risk and fraud prevention plan has been finalised and the successful tenderer has started with the assignment.

GOVERNMENT PRINTING WORKS
MANAGEMENT REPORT
for the year ended 31 March 2004

4.8 Others

To further improve financial and operational management in the Government Printing Works, a significant number of posts have been filled and other crucial vacant posts are in the process of being filled as well.

APPROVAL

The Accounting Officer has approved the annual financial statements set out in page … to …

.......………………………………………..
S.D. QUIST
ACTING GOVERNMENT PRINTER
DATE: 31 MAY 2004

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON THE FINANCIAL STATEMENTS OF THE**

GOVERNMENT PRINTING WORKS TRADING ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004

1.   AUDIT ASSIGNMENT

The financial statements as set out on pages • to • , for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2.   NATURE AND SCOPE

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

An audit includes:

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

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

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

3. QUALIFICATION

3.1   Programme change control

The accounting officer, in his comments on the findings included in the follow-up information systems audit of the general controls within the information technology environment at the Government Printing Works, indicated that proper change control procedures would be

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON THE FINANCIAL STATEMENTS OF THE**

GOVERNMENT PRINTING WORKS TRADING ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004

implemented. No reference was, however, made to a due date for the implementation thereof. At 31 March 2004 procedures and controls had not been implemented to ensure that new programs being developed and changes to existing programs would be formally authorised, tested, approved by officials at the appropriate management level, properly implemented and documented.

Control measures also did not exist to ensure that the transfer of the approved programs into the production environment would be performed by an official who functioned independently of the software development group. I was therefore unable to satisfy myself that management took adequate measures to prevent unauthorised programs and changes that could have an adverse effect on business from being introduced into the production environment and ensured that data integrity was not compromised.

3.2 Management of debtors

Lack of effective and efficient steps to collect all money due to the Government Printing Works (GPW) timeously, compounded by a lack of skilled and competent staff as well as insufficient management reviews, resulted in the poor management of debtors. The following matters are given as example:

- During the year under review, debtors balance amounted to approximately R137 million and management did not charge interest on debts owed to the GPW as they could not reliably determine the aging of debtors, I therefore could not estimate the magnitude of the revenue understated.
- Payments from debtors amounting to R44,5 million had not been allocated to the relevant debtors accounts; and
- Reconciliation of debtors accounts were not prepared.

3.3 Stock valuation

The GPW uses a moving weighted average cost to value stock. When new stock items are procured, the weighted average cost is adjusted. Due to the large number of ongoing manual computations involved, the risk of error is high. The variance between the last and the revised weighted average cost of stock are accounted for only if it exceeds 15 percent or R20 000. Details of unadjusted variances during the year were neither kept nor considered when compiling the annual financial statements. Because of the weaknesses reported in paragraphs 3.1 and 3.2, the

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON THE FINANCIAL STATEMENTS OF THE**

GOVERNMENT PRINTING WORKS TRADING ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004

accuracy, completeness and validity of the balance of R109 934 000 as disclosed in note 6 could not be verified.

4.   DISCLAIMER OF AUDIT OPINION

Because of the significance of the matters referred to in paragraph 3 above, I do not express an opinion on the financial statements.

5.   EMPHASIS OF MATTER

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

5.1   Internal control matters

5.1.1   Management of creditors

Inadequate internal control policies and procedures for the processing and approval of creditors payments and poor financial management resulted in approximately R1.2 million of contract printing invoices remaining in other payables for a long period.

5.2   Compliance matters

The following significant instances were identified where the GPW had not fully complied with certain provisions of the PFMA and related Treasury regulations:

5.2.1   Internal audit

A decision was taken by management during the year under review to utilise the services of Home Affairs internal audit, however due to capacity problems the internal audit did not execute all the internal audit projects as planned. Consequently, no reliance could be placed on the work of

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE

GOVERNMENT PRINTING WORKS TRADING ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004

internal audit. Several management positions were advertised subsequent to year-end in order to re-establish the GPW internal audit unit.

5.2.2 Risk management

A risk management strategy and a fraud prevention plan had not been formally developed and implemented in terms of section 51(1)(a)(i) of the PFMA and Treasury regulation 27.2.1. A tender in this regard was issued but it had not been adjudicated at year-end.

5.2.3 Supply chain management framework

In terms of section 76(4)(c) of the PFMA "the National Treasury may make regulations or issue instructions applicable to all institutions to which the PFMA applies concerning –
(c) the determination of a framework for an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective."

On 5 December 2003 the National Treasury issued regulations regarding a Framework for Supply Chain Management in the Government Gazette (Gazette no. 25767).

The regulations require all national and provincial departments and trading entities, to develop and implement an effective and efficient supply chain management system for:
(a) the acquisition of goods and services, and
(b) the disposal and letting of state assets.

At year-end the GPW had not implemented the regulations regarding the framework for supply chain management.

6. APPRECIATION

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

JE VAN HEERDEN

for **Auditor-General**

Pretoria
31 July 2004

GOVERNMENT PRINTING WORKS

BALANCE SHEET
for the year ended 31 March 2004

BALANCE SHEET
at 31 March 2004

	NOTES	2004 R'000	2003 R'000
ASSETS			
Non-current assets		**48 739**	**27 656**
Property, plant and equipment	5	48 739	27 656
Current assets		**288 157**	**221 733**
Inventories	6	109 934	107 147
Receivables and prepayments	7	125 395	114 586
Cash and cash equivalents	8	52 828	
Total assets		**336 896**	**249 389**
EQUITY AND LIABILITIES			
Funds		**247 031**	**161 743**
Capital fund	9	189 879	134 074
Machinery and Equipment fund	10	57 152	27 669
Current liabilities		**89 865**	**87 646**
Trade and other payables	11	82 235	55 806
Cash and cash equivalents	8	-	25 309
Provisions	12	7 630	6 531
Total equity and liabilities		**336 896**	**249 389**

Government Printing Works

……………………………

Pretoria, 20/07/2004

Acting Government Printer

GOVERNMENT PRINTING WORKS
INCOME STATEMENT
for the year ended 31 March 2004

	NOTES	2004 R'000	2003 R'000
Revenue	15	498 108	498 507
Regular sales		338 276	345 507
Contract printing		159 832	153 000
Cost of sales		304 780	328 553
Gross surplus		193 328	169 954
Other income		7 191	7 260
Operating surplus		200 519	177 214
Expenditure	16	142 639	147 027
Net surplus/(deficit) for the year		57 880	30 187

GOVERNMENT PRINTING WORKS
CASH FLOW STATEMENT
for the year ended 31 March 2004

CASH FLOW STATEMENT

	NOTES	2004 R'000	2003 R'000
Cash flow from operating activities			
Cash generated from operations	13	66 935	71 972
Cash generated from working capital movements	14	12 833	46 311
Net cash generated by operating activities		**79 768**	**118 283**
Cash flow from investing activities			
- Acquisition of machinery and equipment		(26 692)	(3 296)
- Proceeds from disposal of property, plant and equipment		61	513
Net cash used in investing activities		**(26 631)**	**(2 783)**
Cash flow from financing activities			
Transfer from Home Affairs		25 000	-
Net cash received to finance activities		**25 000**	**-**
Net increase / (decrease) in cash and cash equivalents		78 137	115 500
Cash and cash equivalents at beginning of year		(25 309)	(140 809)
Cash and cash equivalents at end of year		52 828	(25 309)

GOVERNMENT PRINTING WORKS
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2004

STATEMENT OF CHANGES IN EQUITY

	Capital fund	Machinery & Equipment fund	Retained Income	Total
Balance at beginning of year 1 April 2003	134 074	27 669	-	161 743
Net surplus for the year			57 880	57 880
Transfer from Home Affairs		25 000		25 000
Direct transfers	21 083	(18 669)	-	2 414
Transfers from income statement	34 722	23 152	(57 874)	-
Transfers to National Revenue Fund			(6)	(6)
Balance at end of year 31 March 2004	**189 879**	**57 152**		**247 031**

	Capital fund	Machinery & Equipment fund	Retained Income	Total
Balance at beginning of year 1 April 2002	99 772	31 785		131 557
Net surplus for the year			30 187	30 187
Direct transfers	(2 710)	2 710		
Transfers from income statement	37 012	(6 826)	(30 186)	
Transfers between fund accounts				
Transfer to National Revenue Fund			(1)	(1)
Balance at end of year 31 March 2003	**134 074**	**27 669**		**161 743**

GOVERNMENT PRINTING WORKS
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2004

ACCOUNTING POLICIES

The following accounting policies, which have been adopted by Government Printing Works, are consistent with previous year. The financial statements have been prepared in accordance with the general accepted accounting practice, except as indicated below.

The Government Printing Works has departed from the following two statements of general accepted accounting practice:

Accounting for Property, Plant and Equipment, AC 123

Plant and equipment as prepared and disclosed in the financial statements does not conform to the statement of general accepted accounting practice, because depreciation is recorded by charge to income computed on a straight-line basis over eight years without due consideration of the true useful life of the plant and equipment. In addition, depreciation charged per annum is not posted to the Accumulated Depreciation account but is transferred to the Machinery and equipment fund, which in turn is used for capital replacement. At year-end, plant and equipment on the assets register without a book value but still in use are revalued according to their historical cost by realising their annual depreciation against income and increasing their replacement value through the machinery and equipment fund. The departure from the accounting statement is consistent with previous year and has no material financial impact on Government Printing Works' financial results, positions and cash flows for the year ended March 31, 2004.

Accounting for Inventory, AC 108

Inventory presented in the financial statements does not conform to the statements of general accepted accounting practice, which statement requires inventories to be measured at lower of cost and net realisable value. Inventories held by Government Printing Works at year-end are measured at weighted average cost. The treatment is consistent with previous year. Whereas the departure from generally accepted accounting may have material financial implications, it is not practicable to estimate the value of such departure reliably.

GOVERNMENT PRINTING WORKS
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2004

1 Basis of preparation

The annual financial statements are prepared on the historical cost basis. The following are the principal accounting policies used by the management, which are consistent with those of the previous year.

Property, plant and equipment

Land and buildings, which are shown as an asset in the balance sheet, are registered in the name of the State. Land and buildings are shown at cost and are not depreciated.

Plant and equipment are shown at historical cost less accumulated depreciation. Included in the cost are expenditures incurred to put the plant and equipment into operation. Depreciation is calculated on the straight-line method to write off the cost of each asset over its estimated useful life as follows:

	Depreciable portion	*Estimated useful life*
Plant and equipment	100%	8 years

When the carrying value of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. In determining the recoverable amount of assets, expected cash flows are discounted to their present values. Gains and losses on disposal of fixed assets are determined by reference to their carrying amount and are taken into account in determining operating surplus. All new property, plant and equipment are included at cost. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use and costs of direct labour and materials.

Depreciation is recorded by a charge to income computed on a straight-line basis so as to write off the cost of the assets over their expected useful lives. Land is not depreciated as it is deemed to have an infinitive life. The expected useful lives are as follows:

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the average cost method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Obsolete and slow moving stock is written off from time to time. Cost is determined on the following basis:

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- Work in progress, comprising incomplete projects, is shown at cost of printing.

- Raw material stock is shown at average cost.

- Stock of finished goods on hand is shown at average cost.

- Stock of Government Gazettes is shown at average cost.

- Consumable stock is shown at average cost.

Existing stock levels on material and finished goods are being revaluated with the difference between the existing cost price and the new cost price on receipt of new stock.

Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. These amounts are not recognised as debtors. Bad debts are written off during the year in which they are identified.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise of cash in hand and deposits held at call with banks.

Provisions

Provisions are recognised when the Government Printing Works has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

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Employee entitlements to annual leave and long service leave is recognised when they accrue to employees. A provision is made for the estimated liability for annual leave, service bonuses and capped leave as a result of services rendered by employees up to the balance sheet date.

Revenue recognition

Sales are recognised on an accrual basis, net of Value Added Tax.

Retirement benefit cost

Pension fund

Government Printing Works contributions to the government pension fund scheme in respect of services in a particular period are recognised as an expense in that period. These benefits are funded by both the employer and employee contributions. No provision is made for retirement benefits in the financial statements of Government Printing Works.

Medical benefits

The Government Printing Works provides medical benefits for its employees through defined benefit plans. 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 made for medical benefits in the financial statements of the Government Printing Works.

Retirement medical benefits for retired members are expensed when the payment is made to the fund.

Termination benefits

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

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	2004 R'000	2003 R'000
2 Net surplus for the year		
The following items have been charged / credited in arriving at net surplus:		
Depreciation on plant and equipment	**5 546**	**5 872**
Auditors' remuneration Audit fees - current year	**1 031**	**917**
Fees relating to non-employees Consultant fees	**32 264**	**27 206**
3 Staff cost		
Salaries and wages	**41 108**	**37 520**
Housing subsidies	**1 521**	**951**
	42 629	**38 471**
4 Other income		
Profit/(loss) from sale of assets	**(2)**	**379**
	(2)	**379**

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	2004 **R'000**	**2003** **R'000**

5   Property, plant and equipment

	Book value beginning of the year	*Additions*	*Disposals*	*Depreciation*	*Book value end of the year*
Year ended 31 March 2004					
Land and building	781	-	-	-	**781**
Plant and equipment	26 875	26 692	(63)	(5 546)	**47 958**
Total	**27 656**	**26 692**	**(63)**	**(5 546)**	**48 739**
Year ended 31 March 2003					
Land and building	781	-	-	-	781
Plant and equipment	29 585	3 296	(134)	(5 872)	26 875
Total	**30 366**	**3 296**	**(134)**	**(5 872)**	**27 656**

	Cost	*Accumulated depreciation*	*Book value end of year*
As at 31 March 2004			
Land and building	781	-	781
Plant and equipment	93 648	(45 690)	47 958
Total	**94 429**	**(45 690)**	**48 739**
As at 31 March 2003			
Land and building	781	-	781
Plant and equipment	68 095	(41 220)	26 875
Total	**68 876**	**(41 220)**	**27 656**

6   Inventories

Raw material	23 527	26 449
Finished goods at average cost	62 019	58 143
Work in progress at cost	20 770	19 488
Government Gazettes at average cost	1 364	1 992
Security materials	2 254	1 075
	109 934	**107 147**

Inventories are valued consistent to previous years as stated by note **1.2**.

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	2004 R'000	2003 R'000
7 Trade and other receivables		
Comparative figures have been adjusted to correct the treatment of provision for doubtful debts to be in line with the statements of general accepted accounting practice.		
Trade receivables	136 887	128 238
Provision for doubtful debts	32 314	29 762
	104 573	**98 476**
Other receivables	20 822	16 110
	125 395	**114 586**
8 Cash and cash equivalents		
Overdraft at Paymaster General	(9 985)	(25 442
Petty cash	6	6
Bank balance at ABSA Bank (Deposit account)	62 807	127
	52 828	**(25 309**
9 Capital fund		
The accounting treatment of the capital fund does not conform to the statements of general accepted accounting practice. Whereas the departure from generally accepted accounting may have material financial implications, it is not practicable to estimate the value of such departure reliably.		
Balance 1 April 2003	134 074	99 772
Transfer from income statement	34 722	37 012
Transfers from (to) machinery and equipment fund	21 083	(2 710
Balance 31 March 2004	**189 879**	**134 074**

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	2004 **R'000**	**2003** **R'000**
10 Machinery and Equipment fund		

The accounting treatment of the machinery and equipment fund does not conform to the statements of general accepted accounting practice. Whereas the departure from generally accepted accounting may have material financial implications, it is not practicable to estimate the value of such departure reliably.

	2004 R'000	2003 R'000
Balance 1 April 2003	27 669	31 785
Transfer from (to) income statement	23 152	(6 826
Transfer to capital fund	(18 669)	2 710
Transfer from Home Affairs	25 000	-
	57 152	**27 669**

11 Trade and other payables

	2004 R'000	2003 R'000
Trade payables	59 751	47 708
Other payables	22 484	8 098
	82 235	**55 806**

12 Provisions

Comparitve figures have been adjusted to correct the treatment of provision for doubtful debts to be in line with the statements of general accepted accounting practice.

	2004 R'000	2003 R'000
Provision for service bonuses	6 057	1 438
Provision for leave pay	1 573	5 093
	7 630	**6 531**

GOVERNMENT PRINTING WORKS
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2004

	2004 R'000	2003 R'000
13 Cash flows from operating activities		
Operating surplus	57 880	-
Adjusted for:		
Transfer to machinery and equipment fund	2 408	(6 826)
Transfer to capital fund	-	37 012
Depreciation	5 546	5 872
(Profit)/loss on sale of assets	2	(379)
Provisions	1 099	36 293
	66 935	**71 972**
14 Net changes in working capital		
(Increase) in inventory	(2 787)	(21 024)
(Increase)/decrease in trade and other receivables	(10 809)	53 389
Increase in trade and other payable	26 429	13 946
	12 833	**46 311**
15 Revenue		
Revenue represent net invoiced sales to customers, but excludes Value- Added Taxation.		
Regular sales	338 276	345 507
Contract printing	159 832	153 000
	498 108	**498 507**
16 Operating expenditure		
Audit	1 031	91
Depreciation	5 546	5 872
Personnel expenditure	42 629	38 471
Professional and special services	32 264	27 206
Provisions	1 099	36 293
Other operating expenditure	60 070	38 268
	142 639	**147 027**

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	2004 R'000	2003 R'000
17 Contingent liabilities		
Gaurantees to various financial institutions for housing loans to personnel	1 253	1 507
Liabilities in respect of disputed claim by the Department of Foreign Affairs	-	10
	1 253	**1 608**
18 Commitments		
Capital expenditure contracted	-	3 549
	-	**3 549**

19 Related party transactions

The Government Printing Works does not have related party transactions.

20 Risk management

CREDIT RISK MANAGEMENT
Government printing works only sells to government departments, state organs and the general public. It does not apply the credit management policies applied in a normal trading environment.

FAIR VALUES
The carrying values of the financial assets and financial liability as reported in the balance sheet are approximately their fair values.

HUMAN RESOURCE MANAGEMENT
Department of Home Affairs

Human Resource Management Director, Ms T Sefanyetso,
with members of the Directorate

HUMAN RESOURCE MANAGEMENT:
DEPARTMENT OF HOME AFFAIRS

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.	Due to the departmental re-engineering process in terms of the turnaround strategy that commenced during the reporting year, standards are in process of review and were therefore not measured

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	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	Floorwalkers improved the flow of public in offices Public suggestion boxes were utilised to improve service delivery
Internet: DHA Website			• Worldwide access ensured. Approximately 21 000 site visits occurred during the reporting period
Client Service Centre			• Project to establish Client Service Centre is in progress
Campaigns & surveys: Client is always right campaign			• Planning in progress

Table 1.3 – Service Delivery Access Strategy

Access Strategy	Actual Achievements
Deployment of service points and mobile units in rural areas	Improved availability of Home Affairs services in rural and

	remote areas
New departmental structure makes provision for additional offices	New structure approved. Acquisition of fully equipped mobile units for utilisation in remote rural areas approved

Table 1.4 – Service Information Tool

Type of Information Tool	Actual Achievements
Proper information at counters, enquiry counters and floor walkers	Improved flow of public through departmental offices

Table 1.5 – Complaints Mechanism

Complaints Mechanism	Actual Achievements
Toll-free line, suggestion box es, and internet website	Fair

HUMAN RESOURCES – Home Affairs

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.

The new Staff Establishment has been approved but will only come into effect in the new financial year.

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	266 719	120 589	4 860	72 795	45	119 869
Services to citizens	655 853	352 490	0	143 849	54	109 502
Migration	323 948	187 269	0	100 020	58	118 674
Auxiliary and associated services	703 714	0	0	0	0	0
Thefts and losses	1521	0	0	0	0	0
Total	**1 951 755**	**660 348**	**4 860**	**316 664**	**34**	**111.132**

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)	34 349	5.2	38 422
Skilled (Levels 3-5)	212 805	32.2	103 003
Highly skilled production (Levels 6-8)	354 520	53.6	128 916
Highly skilled supervision (Levels 9-12)	40 594	6.1	210 332
Senior management (Levels 13-16)	18 080	2.7	463 590
Total	**660 348**	**100**	**111 132**

HUMAN RESOURCES – Home Affairs

Table 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount	Salaries as a % of Personnel Cost	Amount	Overtime as a % of Personnel Cost	Amount	HOA as a % of Personnel Cost	Amount	Medical Assistance as a % of Personnel Cost
	R'000		R'000		R'000		R'000	
Administration	81549	67.6	3 604	2.9	1 840	1.5	6 844	5.7
Services to citizens	230 492	65.4	24 436	6.9	7 236	2.1	21 502	6.1
Migration	112 952	60.3	3 758	2.0	2 918	1.6	10 690	5.7
Auxiliary and associated services	0	0	0	0	0	0	0	0
Thefts and losses	0	0	0	0	0	0	0	0
Total	**424 993**	**64.4**	**31 798**	**4.8**	**11 994**	**1.8**	**39 036**	**5.9**

Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary Band	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount	Salaries as a % of Personnel Cost	Amount	Overtime as a % of Personnel Cost	Amount	HOA as a % of Personnel Cost	Amount	Medical Assistance as a % of Personnel Cost
	R'000		R'000		R'000		R'000	
Lower skilled (Levels 1-2)	23 467	68.3	1 082	3.2	520	1.5	2 433	7.1
Skilled (Levels 3-5)	113 793	53.5	13 307	6.3	3 120	1.5	13 960	6.6
Highly skilled production (Levels 6-8)	248 482	70.1	16 545	4.7	8 047	2.3	20 356	5.7
Highly skilled supervision (Levels 9-12)	28 991	71.4	852	2.1	728	1.8	1 649	4.1
Senior Management (Levels 13-16)	10 260	56.7	12	0.1	235	1.3	638	3.5
Other	0	0	0	0	0	0	0	0
Total	**424 993**	**64.4**	**31 798**	**4.8**	**11 994**	**1.8**	**39 036**	**5.9**

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 2004

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration	1 320	1 006	23.8	45
Services to citizens	4 026	3 219	20	13
Migration	2 153	1 578	26.7	65
Auxiliary and associated services	42	42	0	0
Total	**7 499**	**5 845**	**22.1**	**123**

Table: 3.2 – Employment and Vacancies by Salary Bands, 31 March 2004

Salary band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	881	603	31.6	0
Skilled (Levels 3-5)	3 232	2 344	27.5	72
Highly skilled production (Levels 6-8)	3 094	2 695	12.9	45
Highly skilled supervision (Levels 9-12)	250	164	34.4	6
Senior Management (Levels 13-16)	42	39	7.1	0
TOTAL	**7 499**	**5 845**	**22.1**	**123**

Table: 3.3 – Employment and Vacancies by Critical Occupation, 31 March 2004

Critical Occupation	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Computer programmers, Permanent	9	7	22.2	0
Computer system designers and analysts, Permanent	2	1	50	0
Information technology related, Permanent	11	5	54.5	0
Regulatory inspectors, Permanent	1 372	932	32.1	55
TOTAL	**1 394**	**945**	**32.2**	**55**

The information in each case reflects the situation as at 31 March 2004. 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		Posts Downgraded	
				Number	% of Posts Evaluated	Number	% of Posts Evaluated
Lower skilled (Levels1-2)	881	72	8.2	0	0	0	0
Skilled (Levels 3-5)	3 232	356	11.0	0	0	0	0
Highly skilled production (Levels 6-8)	3 094	273	8.8	0	0	0	0
Highly skilled supervision (Levels 9-12)	250	3	1.2	0	0	0	0
Senior Management Service Band A	30	0	0	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	**7 499**	**704**	**9.4**	**0**	**0**	**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
Total of employees whose salary positions were upgraded due to their posts being upgraded					None

Table 4.3 – Employees whose Salary Level Exceeded the Grade Determined by Job Evaluation, 1 April 2003 to 31 March 2004 (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 2003/04				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 2003 to 31 March 2004

Salary Band	Employment at Beginning of Period	Appointment and Transfers into the Department	Termination and Transfers out of the Department	Turnover Rate
Lower skilled (Levels1-2)	629	21	47	7.5
Skilled (Levels 3-5)	2 360	94	110	4.7
Highly skilled production (Levels 6-8)	2 738	2	45	1.6
Highly skilled supervision (Levels 9-12)	170	2	8	4.7
Senior Management Service Band A	26	1	1	3.8
Senior Management Service Band B	11	2	1	9.1
Senior Management Service Band C	1	0	0	0
Senior Management Service Band D	0	1	0	100.0
Total	**5942**	**123**	**214**	**3.6**

Table 5.2 – Annual Turnover Rates by Critical Occupation for the period 1 April 2003 to 31 March 2004

Occupation	Employment at Beginning of Period	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Computer programmers, Permanent	9	0	2	22.2
Computer system designers and analysts, Permanent	5	0	0	0
Information technology related, Permanent	28	0	1	3.6
Regulatory inspectors, Permanent	958	15	27	1.2
Total	**1000**	**15**	**30**	**3**

Table 5.3 identifies the major reasons why staff left the Department.

Table 5.3 – Reasons why Staff are Leaving the Department.

Termination Type	Number	Percentage of Total Employment
Death. Permanent	57	0.96
Resignation. Permanent	67	0.13
Resignation. Temporary	1	0.02

Dismissal-operational changes. Permanent	17	0.29
Discharged due to ill health. Permanent	26	0.44
Retirement. Permanent	18	0.30
Total	**186**	**3.1**

Total number of employees who left as a % of the total employment	**3.1**

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 programmers, Permanent	9	0	0	7	77.8
Computer system designers and analysts, Permanent	5	0	0	0	0
Information technology related, Permanent	28	0	0	4	14.3
Regulatory inspectors, Permanent	958	9	0.9	817	85.3
Total	**1000**	**9**	**0.9**	**828**	**82.8**

Table 5.5 – Promotions by Salary Band

Salary Band	Employees as at 1 April 2003	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)	629	0	0	541	86
Skilled (Levels 3-5)	2 360	2	0.1	2054	87
Highly skilled production (Levels 6-8)	2 738	30	1.1	2399	87.6
Highly skilled supervision (Levels 9-12)	170	16	9.4	147	86.5
Senior Management (Levels 13-16)	37	2	5.4	1	2.7
Total	**5 942**	**50**	**0.8**	**5142**	**86.5**

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 2004

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	16	1	0	8	7	0	0	1	33
Professionals	740	76	18	205	516	42	11	135	1743
Technicians and associate professionals	0	0	0	0	0	0	0	1	1

Clerks	977	77	19	103	1322	180	25	725	3428
Service and sales workers	150	11	0	4	26	3	0	0	194
Craft and related trades workers	3	0	0	0	9	0	0	0	12
Plant and machine operators and assemblers	26	2	0	0	3	0	0	0	31
Elementary occupations	120	14	0	1	246	11	0	6	398
Other	1	0	0	0	4	0	0	0	5
Total	**2033**	**181**	**37**	**321**	**2133**	**236**	**36**	**868**	**5845**
Employees with disabilities	**14**	**0**	**0**	**8**	**6**	**2**	**0**	**7**	**37**

Table 6.2 – Total Number of Employees (including Employees with disabilities) per Occupational Bands as on 31 March 2004

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	2	0	0	0	0	3
Senior Management	13	1	1	8	8	0	0	3	34
Professionally qualified and experienced specialists and mid-management	70	2	3	48	35	1	2	20	181
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	802	41	26	187	781	73	15	626	2551
Semi-skilled and discretionary decision making	842	93	7	68	971	126	19	208	2 334
Unskilled and defined decision making	305	44	0	8	338	36	0	11	742
Total	**2 033**	**181**	**37**	**321**	**2 133**	**236**	**36**	**868**	**5845**

Table 6.3 – Recruitment for the Period 1 April 2003 to 31 March 2004

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	1	0	0	0	0	1
Senior Management	1	0	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	0	0	0	0	2	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	1	0	0	0	2
Semi-skilled and discretionary decision making	21	5	0	0	32	8	0	4	70
Unskilled and defined decision making	8	3	0	0	12	1	1	3	28
Total	**31**	**8**	**0**	**2**	**47**	**9**	**1**	**7**	**105**

HUMAN RESOURCES – Home Affairs

Table 6.4 – Promotions for the Period 1 April 2003 to 31 March 2004

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	2	0	0	0	3
Professionally qualified and experienced specialists and mid-management	61	2	3	54	29	1	3	23	176
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	773	33	25	168	737	65	15	612	2 428
Semi-skilled and discretionary decision making	747	81	6	52	841	118	18	198	2 061
Unskilled and defined decision making	297	26	0	4	281	25	0	8	641
Total	**1 879**	**142**	**34**	**278**	**1 890**	**209**	**36**	**841**	**5 309**

Table 6.5 – Terminations for the Period 1 April 2003 to 31 March 2004

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	1	0	0	0	0	1
Professionally qualified and experienced specialists and mid- management	2	1	0	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	11	0	0	7	2	0	0	9	29
Semi-skilled and discretionary decision making	38	8	0	6	18	4	0	31	105
Unskilled and defined decision making	30	0	0	1	14	0	0	2	47
Total	**81**	**9**	**0**	**15**	**35**	**4**	**0**	**42**	**186**

Table 6.6 – Disciplinary Action for the Period 1 April 2003 to 31 March 2004

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	31	4	2	4	23	3	1	3	71

Table 6.7 – Skills Development for the Period 1 April 2003 to 31 March 2004

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior officials and managers	34	3	0	21	24	1	2	12	97
Professionals	2	1	1	1	2	1	1	0	9
Technicians and associate professionals	9	2	0	4	4	1	0	2	22
Clerks	837	70	43	166	808	55	63	303	2 345
Elementary occupations	130	17	0	14	197	13	1	22	394
Total	**1 012**	**93**	**44**	**206**	**1 035**	**71**	**67**	**339**	**2 867**

Employees with disabilities	0	0	0	0	2	0	0	0	2

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 2003 to 31 March 2004

	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	76	2 060	3.7	736	9 684
Female	50	2 160	2.3	815	16 300
Indian					
Male	3	37	8.1	38	12 667
Female	4	37	11.1	70	17 500
Coloured					
Male	11	181	6.1	81	7 364
Female	8	252	3.2	96	12 000
White					
Male	57	332	1.7	637	11 175
Female	26	884	2.9	468	18 000
Total	**235**	**5 942**	**4**	**2 941**	**12 509**

Table 7.2 – Performance Rewards by Salary Bands for Personnel below Senior Management Service, 1 April 2003 to 31 March 2004

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of Employees	% of total within Salary Level	Total Cost R'000	Average Cost per Employee	Total Cost as a % of the Total Personnel Expenditure
Lower skilled (Levels 1-2)	8	629	1.27	39	4 875	0
Skilled (Levels 3-5)	89	2 360	3.8	617	6 933	0.1
Highly skilled production (Levels 6-8)	88	2 738	3.2	1 053	11 966	0.2
Highly skilled supervision (Levels 9-12)	20	170	11.8	548	27 400	0.1
Total	**205**	**5 904**	**3.5**	**2257**	**11 010**	**0.3**

Table 7.3 – Performance Rewards by Critical Occupations, 1 April 2003 to 31 March 2004

Critical Occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	**Total Employment**	**Percentage of Total Employment**	**Cost** **R'000**	**Average Cost per Beneficiary**
Regulatory inspectors	**14**	**958**	**1.5**	**168**	**12 000**

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	24	26	92.3	572	23 833
Band B	6	11	54.5	87	14 500
Total	**30**	**37**	**81.08**	**659**	**21 967**

8. FOREIGN WORKERS

No foreign workers were employed in the Department during the period 1 April 2003 to 31 March 2004.

9. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2003 TO 31 DECEMBER 2003

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 2003 to 31 December 2003

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)	2 607	82.6	363	9.2	7	336
Skilled (Levels 3-5)	13 869	71.4	1 687	42.9	8	2 370
Highly skilled production (Levels 6-8)	13 232	76.1	1 747	44.5	8	3 883
Highly skilled supervision (Levels 9-12)	780	75	118	3	7	448
Senior Management (Levels 13-16)	97	76.3	15	0.4	6	142
Total	**30 585**	**74.5**	**3 930**	**100.0**	**8**	**7 179**

Table 9.2 – Disability Leave (Temporary and Permanent), 1 January 2003 to 31 December 2003

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)	2 137	99.8	96	8.5	22	279
Skilled (Levels 3-5)	8 315	99.8	524	44.9	16	1 487
Highly skilled production (Levels 6-8)	10 025	100	533	45.7	19	2 890
Highly skilled supervision (Levels 9-12)	209	100	13	1.1	16	120
Senior Management (Levels 13-16)	2	100	1	0.1	2	3
Total	**20 688**	**99.9**	**1 167**	**100.0**	**18**	**20 665**

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 2003 to 31 December 2003

Salary band	**Total Days Taken**	**Average per Employee**
Lower skilled (Levels 1-2)	12 680	21
Skilled (Levels 3-5)	49 241	21
Highly skilled production (Levels 6-8)	61 310	23
Highly skilled supervision (Levels 9-12)	4 035	21
Senior Management (Levels 13-16)	652	18
Other	0	0
TOTAL	**127 918**	**22**

Table 9.4 – Capped Leave, 1 January 2003 to 31 December 2003

Salary Band	**Total Days of capped Leave Taken**	**Average Number of Days Taken per Employee**	**Average Capped Leave per Employee as at 31 December 2002**
Lower skilled (Levels 1-2)	331	0	56
Skilled (Levels 3-5)	1740	0.2	30
Highly skilled production (Levels 6-8)	3129	0.5	88
Highly skilled supervision (Levels 9-12)	214	0	98
Senior Management (Levels 13-16)	10	0	162
Total	**5 424**	**0.92**	**64**

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 2003 to 31 March 2004*

Reason	**Total Amount R'000**	**Number of Employees**	**Average Payment per Employee**
Leave payout for 2002/03 due to non-utilisation of leave for the previous cycle	**401**	**51**	**7 863**

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
Officials at Ports of Entry	Training has been provided. Condoms are being distributed, and gloves have been provided

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 T M Sefanyetso, Director: Human Resource Management
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.			EAP and HIV/AIDS Steering Committee,
Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.			To provide training, counselling and assistance to the employees
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.			
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.			Draft policy on HIV/AIDS
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.			HIV/AIDS policy as well as Employment Equity Act
Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.			
Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.			

List of HIV/AIDS Committee Members

Name	Section	Telephone
Galane Sonny-Boy	Births	314 8395
Kau Tiny	DG's Office	314 8290
Kekana Enid	Passports	314 8675
Leshabane Judith	Refugee Affairs	314 8608
Mabunda Agnes	Human Resource Development	392 1076
Mabusela Godfrey	Human Resources	314 8308
Macrery Funiwe	Employee Assistance Programme	314 8430

HUMAN RESOURCES – Home Affairs

Name	Section	Telephone
Mahapa Evans	Business Process Management	392 1070
Makama Ephraem	Provisioning Administration	316 7004
Malematsa Itu	Amendments	314 8194
Manaka Agnes	Employee Assistance Programme	314 8272
Manganye Peter	Records	314 8313
Masenya Monicca	Human Resources	314 8641
Mash Urwich	Marriage	314 8642
Mngomezulu Peter	Citizenship and Travel Documents	314 8158
Moatshe Angie	Certificates	314 8380
Moloi Tumi	Communications	314 8477
Morare Bridgette	Security and Ethical Conduct	314 8508
Nkaletse Violet	Human Resources	314 8080
Nkhumishe Lee	Human Resource Provisioning	314 8286
Sefanyetso Tampane	Human Resources	314 8435
Singo Lebo	Certificates	314 8421

11.   LABOUR RELATIONS

The following collective agreements were entered into with trade unions within the Department.

Table 11.1 – Collective Agreements, 1 April 2003 to 31 March 2004

Subject matter	Date
Leave Matters	10 Sept. 2003
Incapacity due to poor performance	10 Sept. 2003
Subsistence and travel	10 Sept. 2003
Affirmative action	10 Sept. 2003
Smoking policy	10 Sept. 2003

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 2003 to 31 March 2004

Outcomes of Disciplinary Hearings	Number	Percentage of Total
Final written warning	30	41.6
Suspension without pay	13	18
Demotion	4	5.5
Dismissal	23	32
Not guilty	1	1
Cases withdrawn	1	1
Total	**72**	**100.0**

Table 11.3 – Types of Misconduct addressed at Disciplinary Hearings

Type of Misconduct	Number	Percentage of Total
Assault	3	4.8
Disrespect and abusive behaviour	2	2.6
Aiding and abetting, and corruption	19	25
Theft	11	14
Fraud/False statement	20	26
Unauthorised absence/abscondment	3	4
Discrimination against fellow employees	4	5
Damage to/loss of state property	7	9
Unauthorised use of government vehicles	3	4
Dereliction of duty	4	5
Total	**76**	**100.0**

Table 11.4 – Grievances Lodged for the Period 1 April 2003 to 31 March 2004

Number of Grievances Addressed	Number	Percentage of Total
Conciliations		
Unresolved	6	14.3
Resolved	10	23.8
Decided in Department's favour	10	23.8
Decided in Applicant's favour	0	0
Arbitrations		
Unresolved	2	4.8
Resolved	7	16.7
Decided in Department's favour	5	12
Decided in Applicant's favour	2	4.8
Total	**42**	**100.0**

Table 11.5 – Disputes lodged with Councils for the Period 1 April 2003 to 31 March 2004

Number of Disputes Addressed	Number	Percentage of Total
Total	**67**	**100**

Table 11.6 – Strike Actions for the period 1 April 2003 to 31 March 2004

Amount (R'000) recovered as a result of No Work No Pay	None

Table 11.7 – Precautionary Suspensions for the Period 1 April 2003 to 31 March 2004

Cost (R'000) of Suspensions	None

12.   SKILLS DEVELOPMENT

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

Table 12.1 – Training Needs Identified, 1 April 2003 to 31 March 2004

Occupational Categories	Gender	Number of Employees as at 1 April 2003	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	69	–	1129	–	1129
	Male	149	–	827	–	827
Clerks	Female	3264	–	1137	–	1137
	Male	2461	–	1854	–	1854
Total		**5942**	**–**	**4947**	**–**	**4947**

Table 12.2 – Training Provided, 1 April 2003 to 31 March 2004

Occupational Categories	Gender	Number of Employees as at 1 April 2003	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	69	0	50	0	50
	Male	149	0	78	0	78
Clerks	Female	3264	0	1229	233	1462
	Male	2461	0	1116	161	1277
Total		**5942**	**0**	**2473**	**394**	**2867**

13.   INJURY ON DUTY

The following table provides basic information on injury on duty.

Table 13.1 – Injury on Duty, 1 April 2003 to 31 March 2004

Nature of Injury on Duty	Number	% of Total
Required basic medical attention only	52	98.11
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	1	1.98
Total	**53**	**100.0**

14.   UTILISATION 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 V alue in Rand
Infrastructure designers, Business analysts, Network supporters, Lan administrators, Web development	21	244	2 960 073

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
1	21	244	2 960 073

HUMAN RESOURCE MANAGEMENT
Government Printing Works

Deputy Government Printer, Mr SD Quist
with administrative staff.

HUMAN RESOURCES – Government Printing Works

HUMAN RESOURCE MANAGEMENT: GOVERNMENT PRINTING WORKS

1.   SERVICE DELIVERY

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

The information as required (Tables 1.1 to 1.5) is reflected in the Department of Home Affairs information.

2.   EXPENDITURE

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary level (Table 2.2). h 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 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 Percentage of the Total Expenditure (R'000)	Average Personnel Cost per Employee (R'000)
Government Printing Works	253 312	56458	388	10 430	22.3%	96.7
Total	**253 312**	**56458**	**388**	**10 430**	**22.3%**	**96.7**

Most of the training is provided by the Department of Home Affairs and funded by the Department. Information only reflects expenditure paid by the Government Printing Works.

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)	9 628	17.1	61 325
Skilled (Levels 3-5)	22 450	39.8	81 047
Highly skilled production (Levels 6-8)	21 146	37.5	141 919
Highly skilled supervision (Level 9-12)	2 414	4.3	219 455
Senior management (Levels 13-16)	820	1.5	410 000
TOTAL	**56 458**	**100 .0**	**94 728**

The following tables provide a summary by Programme (Table 2.3) and Salary Band (Table 2.4) of expenditure incurred as a result of overtime, allowances and benefits.

Table 2.3 – Salaries, Overtime, Home Owners Allowances, and Medical Aid by Programme

Programme	Salaries R'000	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA R'000	HOA as % of Personnel Cost	Medical Ass R'000	Medical Ass as % of Personnel Cost
Government Printing Works	33 850	60	7 751	13.7	1 482	2.6	4122	7.3
Total	**33 850**	**60**	**7 751**	**13.7**	**1 482**	**2.6**	**4122**	**7.3**

Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Programme	Salaries R'000	Salaries as % of Personnel Cost	Overtime R'000	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass R'000	Medical Ass as % of Personnel Cost
Lower skilled (Levels 1-2)	5 350	55.6	1 611	16.7	200	2.1	638	6.6
Skilled (Levels 3-5)	13 263	59.10	3 146	14	712	3.2	2 005	8.9
Highly skilled production(Levels 6-8)	13 182	62.3	2 674	12.6	529	2.5	1 326	6.3
Highly skilled supervision (Level 9-12)	1 569	65	320	13.3	41	1.7	106	4.4
Senior management (Levels 13-16)	486	59.3	0	0	0	0	47	5.7
Other	–	–	–	–	–	–	–	–
Total	**33 850**	**60**	**7 751**	**13.7**	**1 482**	**2.6**	**4 122**	**7.3**

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 2004 and provides an estimate of the size of the establishment over the MTEF period.

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 by Programme, 31 March 2004

Programme	Number of Posts	Number of Posts filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Government Printing Works	973	596	38.7	0
Total	**973**	**596**	**38.7**	**0**

Table 3.2 – Employment and Vacancies by Salary Band, 31 March 2004

Salary band	Number of Posts	Number of Posts filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Level 1 – 2)	485	301	37.9	0
Skilled (Salary level 3 – 5)	263	146	44.5	0
Highly skilled production (Salary level 6 – 8)	200	135	32.5	0
Highly skilled supervision (Salary level 9 – 12)	22	12	45.5	0
Senior management (Salary level 13 – 14)	3	2	33.3	0
Professionals	0	0	0	0
Total	**973**	**596**	**38.7**	**0**

Table 3.3 – Employment and Vacancies by Critical Occupation, 31 March 2004

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	4	2	50	0
Binding and related workers, Permanent	25	13	48	0
Bookbinding and related machine operators, Permanent	16	10	37.5	0
Cashiers, tellers and related clerks, Permanent	1	1	0	0
Cleaners in offices, workshops, hospitals etc., Permanent	83	68	18.1	0
Client inform clerks(switchboard reception inform clerks), Permanent	4	4	0	0
Compositors, typesetters & related printing workers, Permanent	64	32	50	0
Finance and economics related, Permanent	3	2	33.3	0
Financial and related professionals, Permanent	4	2	50	0
Financial clerks and credit controllers, Permanent	32	25	21.9	0
Human resources & organisational development & related professionals, Permanent	2	2	0	0
Human resources clerks, Permanent	5	5	0	0
Human resources related, Permanent	1	1	0	0
Information technology related, Permanent	1	1	0	0
Library, mail and related clerks, Permanent	9	8	11.1	0
Light vehicle drivers, Permanent	5	3	40	0
Logistical support personnel, Permanent	13	9	30.8	0
Material-recording and transport clerks, Permanent	90	69	23.3	0
Messengers, porters and deliverers, Permanent	7	5	28.6	0
Other administration & related clerks and organisers, Permanent	21	16	23.8	0
Other administrative policy and related officers, Permanent	3	2	33.3	0
Other printing trade workers, Permanent	14	7	50	0
Photographic, lithographic and related workers, Permanent	75	25	66.7	0
Printing and related machine operators, Permanent	389	231	40.6	0
Printing management and supervisory personnel, Permanent	58	29	50	0
Printing planners and production controllers, Permanent	15	10	33.3	0
Secretaries & other keyboard operating clerks, Permanent	6	2	66.7	0
Security guards, Permanent	8	0	100	0
Security officers, Permanent	12	10	16.7	0
Senior managers, Permanent	3	2	33.3	0
Total	**973**	**596**	**38.7**	**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 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	Number of Posts Upgra-ded	% of Up-grated Posts Evaluated	Number of Posts Down-graded	% of Down-graded Posts Evaluated
Lower skilled (Level 1 – 2)	485	0	0	0	0	0	0
Skilled (Salary level 3 – 5)	263	0	0	0	0	0	0
Highly skilled production (Salary level 6 – 8)	200	0	0	0	0	0	0
Highly skilled supervision (Salary level 9 – 12)	22	0	0	0	0	0	0
Senior management (Salary level 13 – 14)	3	0	0	0	0	0	0
Professionals	0	0	0	0	0	0	0
Total	**973**	**0**	**0**	**0**	**0**	**0**	**0**

Table 4.2 – Profile of Employees whose Positions were Upgraded due to their Posts being Upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Total number of employees whose salary positions were upgraded due to their posts being upgraded					**None**

Table 4.3 – Employees whose Salary Level Exceeded the Grade Determined by Job Evaluation (i.t.o. PSR 1.V.C.3)

Total number of Employees whose salaries exceeded the grades determined by job evaluation in 2002/2003	**None**

Table 4.4 – Profile of Employees whose Salary Level Exceeded the Grade Determined by Job Evaluation (i.t.o. PSR 1 V.C.3)

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

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 profile of the Department.

Table 5.1 – Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Lower skilled (Level 1 – 2)	152	12	6	3.9
Skilled (Salary level 3 – 5)	295	7	20	6.8
Highly skilled production (Salary level 6 – 8)	152	6	13	8.6
Highly skilled supervision (Salary level 9 – 12)	8	1	0	0
Senior management (Salary level 13 – 14)	2	0	0	0
Professionals	0	0	0	0
Total	**609**	**26**	**39**	**6.4**

Table 5.2 – Annual Turnover Rates by Critical Occupation

Occupation	Employees at Beginning of Period	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	2	0	0	0
Binding and related workers, Permanent	22	0	4	18.2
Bookbinding and related machine operators, Permanent	5	0	0	0
Cleaners in offices, workshops, hospitals etc., Permanent	58	4	3	5.2
Client inform clerks (switchboard reception information clerks), Permanent	4	0	0	0
Compositors, typesetters & related printing workers, Permanent	36	2	3	8.3
Finance and economics related, Permanent	1	1	0	0
Financial and related professionals, Permanent	3	0	1	33.3
Financial clerks and credit controllers, Permanent	27	1	3	11.1
Human resources & organisational development & related professionals, Permanent	2	0	0	0
Human resources clerks, Permanent	5	0	0	0
Human resources related, Permanent	1	0	0	0
Library, mail and related clerks, Permanent	7	0	0	0
Logistical support personnel, Permanent	5	0	0	0
Material-recording and transport clerks, Permanent	66	9	5	7.6
Messengers, porters and deliverers, Permanent	4	0	0	0
Motor vehicle drivers, Permanent	5	0	1	20
Other administration & related clerks and organisers, Permanent	15	1	0	
Other administrative policy and related officers, Permanent	4	0	0	0

Occupation	Employees at Beginning of Period	Appointments	Terminations	Turnover Rate
Other printing trade workers, Permanent	8	0	1	12. 5
Photographic, lithographic and related workers, Permanent	22	0	2	9.1
Printing and related machine operators, Permanent	250	3	14	5.6
Printing management and supervisory personnel, Permanent	34	0	2	5.9
Printing planners and production controllers, Permanent	10	0	0	0
Secretaries & other keyboard operating clerks, Permanent	2	0	0	0
Security officers, Permanent	9	5	0	0
Senior managers, Permanent	2	0	0	0
Total	**609**	**26**	**39**	**6.4**

Table 5.3 - Reasons Why Staff are leaving the Department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment
Death, Permanent	4	10.2	.6
Resignation, Permanent	17	43.6	2.8
Dismissal-operational changes, Permanent	0	0	0
Discharged due to ill health – Permanent	8	20.5	1.3
Retirement – Permanent	9	23.1	1.5
Transfer to other Departments	1	2.6	.2
Total	**39**	**100**	**6.4**

Resignations as % of Employment
6.4%

Table 5.4 – Promotions by Critical Occupation

Occupation	Employees at Beginning of Period	Promotion to Another Salary Level	Salary Level Promotions as a % of Employment	Progressions to Another Notch within Salary Level	Notch Progressions as a % of Employment
Administrative related, Permanent	2	0	0	2	100
Binding and related workers, Permanent	22	0	0	3	13.6
Bookbinding and related machine operators, Permanent	5	0	0	0	0
Cleaners in offices, workshops, hospitals, etc., Permanent	58	0	0	37	63.8
Client inform clerks (switchboard reception information clerks), Permanent	4	0	0	1	25
Compositors, typesetters & related printing workers	36	0	0	10	27.8
Finance and economics related	1	0	0	1	100
Financial and related professionals	3	0	0	3	100
Financial clerks and credit controllers	27	0	0	20	74.1
Human resources & organisational development & relate professionals,	2	0	0	2	100
Human resources clerks	5	0	0	4	80
Human resources related	1	0	0	1	100
Library, mail and related clerks	7	0	0	4	57.1
Logistical support personnel	5	0	0	2	40
Material-recording and transport clerks	66	4	6.1	46	69.7
Messengers, porters and deliverers	4	0	0	0	0
Motor vehicle driver	5	0	0	2	40
Other administrative & related clerks	15	0	0	9	60

Occupation	Employees at Beginning of Period	Promotion to Another Salary Level	Salary Level Promotions as a % of Employment	Progressions to Another Notch within Salary Level	Notch Progressions as a % of Employment
and organizers					
Other administrative policy and related officers	4	0	0	3	75
Other printing trade workers	8	0	0	2	25
Photographic, lithographic and related workers	22	0	0	6	27.3
Printing and related machine operators	250	0	0	58	23.2
Printing management and supervisory personnel	34	4	11.8	21	61.8
Printing planners and production controllers	10	1	10	6	60
Secretaries & other keyboard operating clerks	2	0	0	2	100
Security officers	9	0	0	2	22.2
Senior managers	2	0	0	2	100
Total	**609**	**9**	**1.5**	**249**	**40.9**

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 (Level 1 – 2)	152	0	0	83	54.6
Skilled (Salary level 3 – 5)	295	0	0	79	26.8
Highly skilled production (Salary level 6 – 8)	152	5	3.3	78	51.3
Highly skilled supervision (Salary level 9 – 12)	8	4	50	7	87.5
Senior management (Salary level 13 – 14)	2	0	0	2	100
Total	**609**	**9**	**1.5**	**249**	**40.9**

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, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Legislators, senior officials and managers	1	–	–	1	–	–	–	–	2
Professions	7	–	–	6	1	–	–	4	18
Clerks	31	2	1	12	43	5	3	36	133
Service and sales workers	7	1	–	2	2	–	–	1	13
Craft and related trades workers	28	0	–	64	12	–	–	18	122
Plant and machine operators and	48	4	–	68	25	12	1	86	244

	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
assemblers									
Elementary occupations	30	2	1	14	14	2	–	1	64
Total	**152**	**9**	**2**	**167**	**97**	**19**	**4**	**146**	**596**

	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Employees with disabilities	3	0	0	5	1	0	0	3	12

Table 6.2 – Total Number of Employees (including Employees with Disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Senior Management	1	–	–	1	–	–	–	–	2
Professionally qualified and experienced specialists	4	–	–	6	–	–	–	1	11
Skilled technical and academically qualified worker	33	–	–	60	21	–	1	34	149
Semi-skilled and discretionary decision making	36	2	1	94	37	5	2	100	277
Unskilled and defined decision making	78	7	1	6	39	14	1	11	157
Total	**152**	**9**	**2**	**167**	**97**	**19**	**4**	**146**	**596**

Table 6.3 – Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Professionally qualified and experienced specialists	1	0	0	0		0	0	0	1
Skilled technical and academically qualified worker	7	–	–		4				11
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making	4	0	0	0	7	1	0	0	12
Total	**13**	**0**	**0**	**0**	**12**	**1**	**0**	**0**	**26**

Note: Table reflects also the information of 14 officials transferred from the North West Provincial Administration.

Table 6.4 – Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Professionally qualified and experienced specialists	3	0	0	1	0	0	0	0	4

Skilled technical and academically qualified workers	3	0	0	0	1	0	1	0	5
TOTAL	**6**	**0**	**0**	**1**	**1**	**0**	**1**	**0**	**9**

Table 6.5 – Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Skilled technical and academically qualified worker	2	0	0	6	0	0	1	3	12
Semi-skilled and discretionary decision making	1	2	0	7	0	1	0	9	20
Unskilled and defined decision making	1	0	0	1	2	0	0	3	7
Total	**4**	**2**	**0**	**14**	**2**	**1**	**1**	**15**	**39**

Table 6.6 – Disciplinary Action

	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Total	46	10	0	27	3	2	0	9	97

Table 6.7 – Skills Development

This information is included in the Department of Home Affairs' report.

7. PERFORMANCE REWARDS

To encourage good performance, the Department has granted the following performance rewards during the year review. The information is presented in terms of race, gender and disability (Table 7.1), salary bands (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, 1 April 2003 to 31 March 2004

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Employee
African, Female	4	97	4.1	21	5 216
African, Male	9	152	5.9	63	6 943
Asian, Female	1	4	25	3	3 340
Asian, Male	0	2	0	0	0
Coloured, Female	1	19	5,3	3	3 340
Coloured, Male	0	9	0	0	0
White, Female	16	146	11	133	8 324
White, Male	7	167	4.2	87	12 375
Total	**38**	**596**	**6.4**	**310**	**8 154**

Table 7.2 – Performance Rewards by Salary Bands 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)	Total Cost as a % of the total Personnel Expenditure
Lower skilled (Level 1 – 2)	4	157	2.5	18	4 500	0.03
Skilled (Salary level 3 – 5)	14	277	5.1	96	6 857	0.17
Highly skilled production (Salary level 6 – 8)	19	149	12.8	187	9 842	.033
Highly skilled supervision (Salary level 9 – 12)	1	11	9.1	9	9 000	0.30
Total	38	594	6.4	310	8158	0.55

Tables 7.3 – Performance Rewards by Critical Occupations, 1 April 2003 till 31 March 2004

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Cleaners	3	59	5.1	9	3 000
Compositors, typesetters & related printing workers	1	35	2.9	6	6 000
Financial and related professionals	1	2	50	10	10 000
Financial clerks and credit controllers	8	26	30.8	60	7 500
Human resources clerks	1	5	20	8	4 000
Library mail and related clerks	1	8	12.5	7	7 000
Logistical support personnel	1	5	20	18	18 000
Material-recording and transport clerks	11	73	15.1	16	8 182
Other administrative & related clerk and organisers	3	15	20	19	6 333
Printing and related machine operators	3	235	1.3	18	6 000
Printing management and supervisory personnel	4	32	12.5	58	14 500
Printing planners and production controllers	1	11	9.1	7	7 000
Total	38	506	7.5	310	8 154

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)
Total	0	0	0	0	0	0	0

8.   FOREIGN WORKERS

The tables below summarises the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The table also summarises 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

Salary Band	Employ-ment-Beginning Period	Percen-tage of Total	Employ-ment at End of Period	Percent-age of Total	Change in Employ-ment	Percen-tage of Total	Total Employ-ment at Beginning of Period	Total Employ-ment at End of Period	Total Change in Employ-ment
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

TABLE 8.2 – Foreign Workers by Major Occupation

Major Occupation	Employ-ment at Beginning Period	Percen-tage of Total	Employ-ment at End of Period	Percent-age of Total	Change in Employ-ment	Percen-tage of Total	Total Employ-ment at Beginning of Period	Total Employ-ment at End of Period	Total Change in Employ-ment
	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

9. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2003 TO 31 DECEMBER 2003

The Public Service Commission identified the need for careful monitoring of sick leave within the public. 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 2003 to 31 December 2003

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)	920	90.4	108	26	9	117
Skilled (Levels 3-5)	1588	88	195	47	8	276
Highly skilled production (Levels 6-8)	849	85.9	103	24.8	8	271
Highly skilled supervision (Levels 9-12)	67	82.1	8	1.9	8	37
Senior Management (Levels 13-16)	4	0	1	0.3	4	6
Total	**3428**	**87.9**	**415**	**100**	**8**	**707**

TABLE 9.2 – Incapacity Leave (Temporary and Permanent)

Salary Band	Total Days	% Days with Medical Certification	Number of Employees Using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	961	99.7	49	22.2	20	221
Skilled (Levels 3-5)	2 746	98.3	119	53.8	23	471
Highly skilled production (Levels 6-8)	978	99.5	50	22.6	20	310

Highly skilled supervision (Levels 9-12)	39	100	3	1.4	13	19
Total	**4 724**	**98.8**	**221**	**100**	**21**	**927**

Table 9.3 – Annual Leave

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	3 448	22	157
Skilled (Level 3-5)	7 238	25	294
Highly skilled production (Levels 6-8)	3 785	24	156
Highly skilled supervision (Levels 9-12)	308	24	13
Senior Management (Levels 13-16)	65	33	2
Total	**14 844**	**24**	622

Table 9.4 – Leave Pay-outs

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2003/04 due to non-utilisation of leave for the previous cycle	23	3	7 667
Capped leave payouts on termination of service	204	14	14 571
Current leave payout on termination of service	8	7	1 143
Total	**235**	**24**	**9 792**

10. HIV/AIDS & HEALTH PROMOTION PROGRAMS

Table 10.1 – Steps Taken to Reduce the Risk of Occupational Exposure

Units/Categories of Employees Identified to be at High Risk of Contracting HIV & related Diseases (if any)	Key Steps Taken to Reduce the Risk
None	

Table 10.2 – Details of Health Promotion and HIV/AIDS Programmes:

As a Chief Directorate of the Department of Home Affairs this responsibility is vested at the Department.

11. LABOUR RELATIONS

Table 11.1 – Labour Relations

As a Chief Directorate of the Department of Home Affairs this responsibility is vested in the Department.

Table 11.2 – Misconduct and Disciplinary Hearings Finalised

Outcomes of Disciplinary Hearings	Number	Percentage of Total
Corrective counselling	0	0
Final written warning	0	0

Suspended without pay	3	75
Dismissal	1	25
Total	**4**	**100**

Table 11.3 – Types of Misconduct Addressed and Disciplinary Hearings

Type of Misconduct	Number	% of Total
Unauthorised absenteeism	2	40
Assault & Disrespective conduct	3	60
Total	**5**	**100**

Table 11.4 - Grievances Lodged

Number of Grievances Addressed	Number	% of Total
Resolved	5	71.4
Not resolved	2	28.6
Total	**7**	**100**

Table 11.5 – Disputes Lodged

Number of Disputes Addressed	Number	% of Total
Upheld	0	0
Dismissed	0	0
Total	**0**	**0**

Table 11.6 – Strike Actions

Strike Actions	
Total number of person working days lost	0
Total cost (R'–00) of working days lost	0
Amount (R'00) recovered as a result of no work no pay	0

Table 11.7 – Precautionary Suspensions

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

12.   SKILLS DEVELOPMENT

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

Table 12.1 – Training Needs Identified

This information is included in the Department of Home Affairs' report.

Table 12.2 - Training Provided

This information is included in the Department of Home Affairs' report.

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 medial attention only	67	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**67**	**100**

14.   UTILISATION OF CONSULTANTS

Government Printing Works had no special projects. Tables 14.1 – 14.4 are therefore not applicable to this Department.